

Revisiting Fayol: Anticipating Contemporary Management

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This study argues that in classifying Fayol as a founding father of the Classical Management School, we have to some extent misrepresented this still important management theorist. The received Fayol portrayed in contemporary texts invariably emerges as a caricature of a much more insightful, complex, visionary and rounded management thinker. This study re-examines Fayol's personal and career history, as well as the arguments presented in his original work, *General and Industrial Management*. It finds that he was a much more complex and multidimensional figure than his conventional stereotype today, and that his management theories embraced a wider spectrum of approaches and concepts than traditionally identified with the classical management school of thought. In marked contrast to his traditional portrayal, this study uncovers traces of ideas and concepts that anticipated aspects of the human relations movement, systems-based contingency theory, the movement towards greater employee involvement in decision-making and elements of knowledge management.

Henri Fayol, the French industrialist and management thinker of the early twentieth century, has long been acknowledged as a founding father of the classical management school of thought. Throughout the twentieth century to the present day, his ideas have been acknowledged and critiqued by management text authors and teachers to several generations of managers in business and government. Most contemporary management writers refer to Fayol's fourteen general principles of management, treating them as his major contribution and as the basis for their classifying him as a fellow traveller of the scientific management school, and founder of the classical management movement.

This paper proposes an alternative view of Fayol, suggesting that to some extent his ideas have been misrepresented. Accordingly, it sets out to revisit the way in which contemporary writers have classified his work, and then re-examines Fayol both through his biographical particulars and through a re-examination of his

original text, *General and Industrial Management*. By comparing the representations of Fayol in contemporary management texts with his personal background, career and the ideas advanced in his text, the paper aims to present a more balanced portrayal of a multidisciplinary management pioneer.

Accordingly, the paper first examines the way in which contemporary writers have classified Fayol, their approach to his portrayal and their interpretation of his ideas. It then moves on to explore his personal and career background, with particular focus on his roles as a field researcher, chief executive officer and strategist, change manager, human resources manager and management educator. It then returns to investigate his major work, *General and Industrial Management*, revisiting his ideas on management theory and management education, the relationship of his thinking to the later-arriving human relations school, the relationship of his concepts to subsequent systems and contingency theories,

and specifically the proximity of his theories on planning to contingency-based planning. Lastly, a comparison is drawn between the contemporary portrayal of his contribution to the management discipline and the historical evidence emerging from this study.

The received Henri Fayol

For many, the name Henri Fayol evokes a time when modern management theory was in its infancy. Many associate his name with those of other early twentieth-century luminaries of management and organizational theory such as Taylor, Follet, Urwick, the Gilbreths, Gullick and Weber (Appleby and Burstiner, 1981; Bailey *et al.*, 1986; Bedeian, 1979; Burns and Stalker, 1961; Clutterbuck and Crainer, 1990; Hodgkinson, 1978; Thomas, 1993). Consequently, Fayol is portrayed as a pioneering figure who helped to lay the foundations of contemporary management theory (Appleby, 1981; Appleby and Burstiner, 1981; Clutterbuck and Crainer, 1990). To understand Fayol's legacy, we must first come to grips with Fayol as he is presented to contemporary students of management theory. No matter how inaccurate the portrayal, this perceived Henri Fayol dictates his ongoing

contribution to and influence over contemporary management thought.

Fayol's theoretical contribution

Without doubt, Fayol is best remembered for a three-fold contribution to management thought. First, Fayol is credited with the belief that organizational and business life was an amalgam of six activities. These activities are: technical; commercial; financial; security; accounting; and management (see Appendix 1). Second, Fayol is said to have identified five key functions or elements that comprised managerial activity. These functions of managerial activity are (see Appendix 1): forecasting and planning; organizing; coordination; command; and control.

Lastly, Fayol is said to have advocated fourteen principles designed to guide the successful manager (see Appendix 1). Table 1 is typical of the treatment given to these principles in many contemporary management texts.

To some, Fayol's conception of management represented the 'first complete and comprehensive theory of management which could be applied to all endeavors' (George, 1972, p. 114). For example, Fayol's managerial functions are frequently cited as the inspiration for the contemporary practice of dividing managerial activity (and management textbooks) into the

Table 1. Fayol's fourteen principles of management

Principle	Explanation
1. Division of work	Reduces the span of attention or effort for any one person or group. Develops practice and familiarity.
2. Authority	The right to give orders. Should not be considered without reference to responsibility.
3. Discipline	Outward marks of respect in accordance with formal or informal agreements between a firm and its employees.
4. Unity of command	One man [sic] one superior!
5. Unity of direction	One head and one plan for a group of activities with the same objective
6. Subordination of individual interests to the general interest	The interests of one individual or one group should not prevail over the general good. This is a difficult area of management
7. Remuneration	Pay should be fair to both the employee and the firm.
8. Centralization	Is always present to a greater or lesser extent, depending on the size of the company and the quality of its managers.
9. Scalar chain	The line of authority from top to bottom of the organization.
10. Order	A place for everything and everything in its place; the right man [sic] in the right place.
11. Equity	A combination of kindness and justice towards employees.
12. Stability of tenure of personnel	Employees need to be given time to settle into their jobs, even though this may be a lengthy period in the case of some managers.
13. Initiative	Within the limits of authority and discipline, all levels of staff should be encouraged to show initiative.
14. Esprit de corps	Harmony is a great strength to an organization; teamwork should be encouraged.

Source: Cole, 1984, pp. 13–14.

elements of planning, leading, organizing and controlling (Davidson and Griffin, 2000; Lewis, Goodmand and Fandt, 1995). Nevertheless, Fayol's fourteen principles of management are his most frequently cited contribution to the management literature. Although some authors concede that Fayol never advocated an inflexible approach to his principles of management (Cole, 1982; Dessler, 1977); many others present these principles as if he intended an all-encompassing set of rules to be followed regardless of circumstance (Crainer, 1996; Davidson and Griffin, 2000; George, 1972; Holt, 1993).

Classifying Fayol: fellow travellers and schools

As mentioned above, Fayol is ascribed a pioneering role in the development of management theory alongside such luminaries as Taylor, Follet, Urwick, the Gilbreths, Gullick and Weber. However Fayol is also credited with a role that extends beyond his status as a pioneer of early management theory. In particular, Fayol is frequently described as having founded the 'administrative' school of management theory (Davidson and Griffin, 2000; Hodgkinson, 1978; Holt, 1993, Huczynski, 1993; Lewis, Goodman and Fandt, 1995; Sheldrake, 1996; Robbins *et al.*, 2000). As such, Fayol is credited with having initiated an approach to management thought that 'focuses on managing the total organization' (Davidson and Griffin, 2000, p. 48). Consequently, Fayol is said to have initiated a stream of management thought that encompasses the work of Lyndall Urwick and Chester Barnard (see Appendix 1).

Fayol's ascribed associates spread beyond his identified associates in the development of the administrative school of management. In particular, Fayol is credited with having participated in a broader, turn-of-the-century approach to management theory that incorporates Taylor's 'scientific management' (see for example: Appendix 1) and Weber's theory of 'ideal bureaucracy' (see for example: Appendix 1). As such, Fayol is described as having advocated 'romantic rationalism' (Merkle, 1980), an 'operational' school of management (Starr, 1971), a 'grass roots' approach to management (Bailey *et al.*, 1986), functionalism (Norton and Smith, 1998), and an 'authoritarian' model of management (Nioche and Pesqueux, 1997). However, Fayol is most com-

monly credited, alongside Taylor and, albeit less frequently, Weber, with having participated in what some have called the 'classical' school of management theory (see, for example, Appendix 1)

Without doubt, the most popular textbook treatment of Fayol presents his work alongside Taylor's 'scientific management'. Usually, the spirit of the ensuing discussion evokes Sheldrake's (1996) assertion that Fayolism both complements and competes with Taylorism. In so doing, Fayol is presented as a functionalist (Norton and Smith, 1998) who advocated an authoritarian model of management (Nioche and Pesqueux, 1997). Many authors suggest that little more than a difference of emphasis separates Fayol from Taylor. Indeed, many textbook authors subscribe to the notion that Taylorism and Fayolism differ only in that Taylor sought to perfect management 'from the shop [floor] up, and Fayol from the board of directors down' (George, 1972, p. 111). Consequently, Fayol is often, like Taylor, credited with having advocated an authoritarian model of management (Huczynski, 1993).

A partially constructed perspective

Many contemporary textbooks of management devote some space to Henri Fayol's career. In so doing, very few textbook authors choose to make mention of Fayol's pre-Commentry-Fourchambault experiences as a student of mine engineering. Indeed, given the pervasive tendency to classify Fayol's theoretical work alongside Taylor's, it is surprising to note that very few authors choose to draw attention to this obvious similarity in Fayol and Taylor's intellectual backgrounds (Wren, 1972).

Whilst Fayol's technical background receives very little attention, his managerial success at Commentry-Fourchambault is regularly alluded to in contemporary textbooks (see Appendix 1). In addition, this success is consistently attributed to Fayol's managerial and administrative skills rather than his technical expertise or good fortune (Bedeian, 1979; Clutterbuck and Crainer, 1990; George, 1972; Sheldrake, 1996; Stoner *et al.*, 1994).

For most writers, Fayol's later theoretical writings are the product of the experiences and insights he gained whilst he worked as a practising manager at Commentry-Fourcham-

bault. Indeed, Huczynski (1993, p. 51) suggests that in drawing upon his own experiences, Fayol initiated a 'hero-manager' or 'quasi-autobiographical' approach to management theorizing that remains an element of the management literature to this day. Whereas Taylor sought to legitimize his approach by recourse to the scientific method (Bartol *et al.*, 2001; Robbins *et al.*, 2003) and other early theorists, such as Follet, looked to the social sciences to lend credibility to their work (Bartol *et al.*, 2001; Parker, 1984), Fayol relied upon his own opinion, judgement and experience to ground his ideas.

As was mentioned above, many textbook authors ignore or pass over Fayol's pre-management experiences as a mine engineer. However, this omission does not represent the only gap in the standard biographical treatment of Fayol. Very few authors engage in any analysis of Fayol's post-management career as a management theorist. One author that does consider this period of Fayol's life, reports that as a theorist, Fayol worked in a country whose First-World War experiences had caused it to envy the United States' perceived capacity for superior efficiency (George, 1972). At the time, many in France attributed this efficiency to the application of Taylorism (George, 1972).

Those authors who choose to focus on Fayol the theorist, present a contradictory picture of his relationship to Taylorism. For example, Thomas (1993) suggests Fayol's writings were a response to President Wilson's call for the scientific study of management and that Fayol called Taylor 'the great American engineer' (p. 176). However, Merkle (1980) claims that Fayol pursued a uniquely French approach to management theory and that consequently he regarded Taylorism with some suspicion. Other authors concede that, even in France, Taylor's scientific management overshadowed Fayol's writings (Crainer, 1996; Holt, 1993).

Today's silhouette

The preceding discussion paints a picture of Fayol as he is commonly understood by contemporary writers on, and students of, management theory. The received Fayol is portrayed as an inflexible and authoritarian generalist who is said to have advocated a set of principles that could guide all managers in all circumstances throughout time. As such, Fayol is commonly

presented as a fellow traveller of the scientific management movement, whose approach only differed from Taylor's because his experiences as a senior manager led him to adopt a perspective that focused on managing the total organization. As such, the human relations movement is often cited as a natural reaction to the authoritarianism advocated by theorists such as Fayol. Moreover, the advent of contingency theory is also commonly cited as a reaction to Fayol's and Taylor's inflexibility.

Whilst some authors concede that this revived perception of Fayol may misrepresent his approach, those authors are in the minority. The contemporary management student is introduced to a Fayol who has little relevance for the management of contemporary organizations. The question asked in this paper is whether this portrayal is accurate.

An alternative portrait

Born into a middle-class French family in 1841, Henri Fayol was educated at the Lycée at Lyons and then at the national School of Mines at Saint-Etienne. He trained as a mining engineer (being the youngest student at the school) and graduated at the age of 19 as one of its outstanding students. In 1861 he joined the Commentry-Fourchambault Company, a coal-mining and iron foundry combine, and remained with that company until his retirement in 1918. Fayol rose rapidly through managerial positions in his company – from engineer to manager of the Commentry pits at the age of 25, to manager of a group of coal mines at the age of 31, to managing director of Commentry-Fourchambault in 1888 at the age of 47. He remained as its chief executive until his retirement in 1918 (Brodie, 1967; Pollard, 1974; Sasaki, 1995; Urwick, 1956).

Post retirement from Commentry-Fourchambault, Fayol moved on to two further significant ventures. In 1917, following hard on the heels of the publication of his book, Fayol set up a Centre For Administrative Studies (CAS). This was part of his overall effort between 1916 and 1923 devoted to developing and popularizing his theories of management. The centre facilitated regular meetings attended by leaders from professional fields including writers, philosophers, engineers, public-sector officials, the mili-

tary and industrialists. It served as a base from which he and key disciples could present lectures, as well as write and publish pamphlets and articles. A further phase from 1921 to 1925 was marked by his promulgating his principles in the French public sector, undertaking consultancies and investigations on behalf of government. These involved the Post Office and Telecommunications Department and a study of the French government's tobacco and match monopoly. So arguably Fayol had four careers: one as a mining engineer, also as a geologist and geological researcher, then as an industrial leader, and lastly as a management philosopher, writer and teacher (Breeze, 1995; Cuthbert, 1970; Urwick, 1949).

During his life he was awarded numerous honours and distinctions in recognition of his work and writings. These included The Delesse Prize of the Academy of Sciences, the gold medal of the Société d'Encouragement pour l'Industrie Nationale, the gold medal and medal of honour of the Société de l'Industrie Minérale, Chevalier of the Legion of Honour (1888), Officer of the Legion of Honour (1913) and Commander of the Order of the Crown of Romania (1925) (Urwick, 1956). These awards and honours were accorded in recognition both of Fayol's technical contributions to geology and metallurgy and of his contributions to the field of management (Wren, 1972).

Fayol's life and work contains a number of aspects that provide some insight into his underlying philosophies that arguably informed his management theories. Cuthbert (1970) has referred to Fayol as a 'technocrat-scholar' who practised, experimented, observed and theorized about the management field in which he practised. This practice-based theorization reflected his earlier scientific/technical background and involvement. Fayol was absorbed by technical practice and research in his early years at Commentry, publishing six papers between 1874 and 1885. These were concerned with mineshaft design and safety, including alternative materials for pit props, mine after-filling, spontaneous combustion, fire fighting and mine hazards. He also studied rock formations and movements in relation to mine production, mine-shaft reclamation and the geological structure of the Commentry region. Indeed the Delesse prize was awarded in recognition of these areas of research

and publishing (Breeze, 1985; Brodie, 1967; Wren, 1995).

A multidimensional profile

Researchers who have examined Fayol more closely than contemporary textbook writers have unearthed a professional engineer, manager, writer and educator of profoundly greater complexity than the uni-dimensional profile usually attributed to him. A number of his key characteristics and roles can be conceived and understood in terms of his research in the field, his relationships with the board and strategizing as a chief executive officer, his change management orientation, his approach to labour management and his role as a management educator. These will be briefly analysed.

Field researcher

Fayol's technical and geological publications were the product of experiments meticulously carried out, observed, recorded and analysed—for example, experiments with a variety of combustible materials subjected to a wide range of different temperatures and, parallel experiments with conditions for spontaneous combustion the results of which were tested in a subsequent series of experiments. They also resulted from his study of the history of origins and consequences of mine fires. He also designed and conducted a series of experiments on the problems of subsidence. These found their way into mining textbooks for many subsequent decades. When Commentry collieries appeared close to exhaustion, he conducted detailed studies of coal-deposit extent and formation. This resulted in a large monograph on the Commentry coal basin published by the Society of Mineral Studies. In carrying out his technical studies, Fayol also enlisted assistance from collaborators from many other disciplines. All of this technological research was conducted through experimentation, disciplined observation, recording and reasoning. This was a hallmark of his approach to developing his management theories and his early work in founding the Centre for Administrative Studies. Fayol kept diaries and made extensive notes of his observations as a manager on a daily basis. The analytical approach he had developed in his technical and scientific research was again ap-

plied in his inductive development of his management principles from his field-based practice observations (Breeze, 1995; Brodie, 1967; Parker and Lewis, 1995; Wren, 1995). Indeed Wren (1995) has argued that parallels can be drawn between Fayol's approach to field observation and theory development, and Glaser and Strauss's (1967) original approach to generating grounded theory from field research; data collection and theory development being ongoing interdependent activities refined by repeated comparative analysis.

Chief Executive Officer and strategist

Several features of Fayol as a strategic manager and chief executive officer are relatively unknown to contemporary managers and researchers. As a strategic manager, Fayol employed strategies that included closing unprofitable manufacturing plants in more than one location, acquiring other manufacturing facilities of value to his organization, locating new sources of supply (coal and iron ore) and employing his technical expertise to improve productivity. His company's success was therefore attributable to a combination of conditions in the French mining and steel industry, Fayol's technology-based strategies and his strategic financial management (Breeze, 1985; Parker and Lewis, 1995).

Hitherto, Fayol has been largely unrecognized by contemporary writers on strategic planning and strategic management. When organizational structure as a support to strategy has been discussed, Fayol has very occasionally rated a mention. This has taken contradictory forms, such as:

- critiques of organizations' inability to respond to changing business needs because of their alleged application of Fayol's principles of management (e.g. the assumption of unchangeable functional specialisms, authority structures and multilayered hierarchies produced by the unity of command concept) (Viljoen, 1994);
- recognition of the veracity of some of Fayol's principles, such as unity of command, when matrix structures have proved to be too complex to be effective and have stifled or delayed decisions (Thompson, 1993).

One exception amongst strategic planning writers is Henry Mintzberg (1994), who traces

the history of, and critiques, strategic planning. He argues that Fayol understood the breadth of planning in his argument that managing means looking ahead and that if planning is not the whole of management it is certainly an essential part of it. Mintzberg classifies Fayol as one of planning's earliest proponents.

A number of management historians have also paid due attention to Fayol's approach to planning. Pollard (1974) identified the two key dimensions of the French term '*prévoir*' used by Fayol as embracing both foresight and planning. The former involving the attempt to forecast the future and the latter, as Brodie (1967) observed, involving a plan of action or schema for the future, based on the available resources. Fayol (1949, p. 43) himself defined plan of action as 'the result envisaged, the line of action to be followed, the stages to go through, and methods to use'. George (1972) too, recognized that the two elements of '*prévoir*' were considered by Fayol to be a central business activity. Urwick (1949) identified six characteristics as being embodied in Fayol's '*prévoyance*': based on a clearly-defined objective; simple; provides for standards of classification and analysis; flexible; balanced; uses available resources to the maximum possible extent before creating new resources.

Pollard (1974) considered that Fayol's view of planning embodied four key characteristics—unity, continuity, flexibility and precision. The longer-term nature of Fayol's concept of planning was recognized by George (1972) and Pollard (1974), who both remarked on Fayol's advocacy of ten-year forecasts. Wren (1972, p. 222) went so far as to state that 'Fayol's stress on long range planning was a unique contribution to management thought'.

As CEO, Fayol purchased no personal shares in Commentry-Fourchambault, such was his adherence to his principle of CEO independence from the board as a representative of stockholder interests, subordinating his individual interests to the common good (Breeze, 1985; Reid, 1995a). He also had a particular experience as CEO interfacing with the Commentry-Fourchambault board which on his appointment as CEO he found to be divided, critical, paralysed by the company's declining fortunes and generally lacking appropriate expertise. Fayol therefore developed the view that boards were unduly tied to market and crude profitability comparisons with

other firms and that their responsibilities should be limited in favour of professional evaluation and planning of the organization's capacities, with the professional CEO being accorded greater independence and strategic initiative, supported by the board (Reid, 1995a). Thus a major part of Fayol's management theory was conditioned by his (successful) struggle at Commentry-Fourchambault to redefine the role of the corporate board and to establish the CEO's strategic leadership role. Reid (1995b) argues that this is evident from Fayol's personal notes even though it is not directly referred to in his published writings, probably because as a bourgeois himself, he had no wish to anger his social superiors by publicly revealing his critique of and struggles with his corporate board.

Change manager

Fayol's work and writings were conceived under the influence of some specific environmental conditions pertaining in the course of his lifetime. France underwent a period of major change: the separation of church and state in the sphere of education, labour unions of growing strength and activism, the growth of large-scale business enterprise, the rise of professional (non-owner) managers and a growing interest in scientific method (Wren, 1995). Fayol's industry environment was characterized by restricted French economic growth, a stagnating home market, cost pressures, trends to vertical integration (buying coal mines to supply the mills) and organizational growth in both size and geographic dispersion. These characteristics both prompted and reflected mining and manufacturing technological innovation, labour-efficiency improvements and cost control (Parker and Lewis, 1995). All of these trends can be found in Fayol's management and strategies at Commentry-Fourchambault. So Fayol was in fact a change agent working in a volatile and fast-changing environment, politically, socially and industrially. His theories of management were not forged in some static vacuum, but emerged as products of change management in response to a complex, multi-faceted and changing environment.

Human Resource Manager

During his career at Commentry-Fourchambault, Fayol witnessed a period of bitter social struggle,

attempts to set up communes in towns (e.g. Lyon, Marseille and Toulouse), the underscoring of republicanism and parliamentary power and the development of trade unionism (Brodie, 1967). In the nineteenth century however, many large mining and metallurgy firms had created worker communities dependent on them for a variety of social services but exerting considerable political and economic control over the local community. Recognizing the trends towards worker's growing allegiance to the Third Republic, Fayol argued against this authoritarian industrial paternalism, employing instead a hands-off strategy, avoiding such actions as monitoring employee church attendance and setting-up company stores. He focused upon the needs of the firm, granting a degree of autonomy to the labour force both within and outside the workplace. Thus Fayol recognized the value of forms of worker representation and privately he accepted strong unions that responsibly focused upon issues of working hours and wages. This approach he saw as an efficient corporate response to the advent of the republican state and the growth of trade unions (Reid, 1995a). Fayol was therefore not exclusively authoritarian in his approach to labour management, preferring to adapt to his firm's environment, balancing worker autonomy with corporate efficiency.

Management educator

Fayol laid a foundation for his industrial leadership though his own education. He was born into the French *petite bourgeoisie*. He was said to have been profoundly influenced by his early education in a missionary school in La Voulte, later studying in a polytechnic school in Valence, graduating from the Lycée Impérial and subsequently studying at the School of Mines in Saint-Etienne. His outstanding scholastic results saw him appointed to the Commentry mine that was to become part of Commentry-Fourchambault. From this foundation he rose to become one of the French *élite* (those who had attended the *grandes écoles*, and top administrators in business, government, and the military). Fayol deliberately hired graduates from his old Saint-Etienne School of Mines into senior positions in his firm, seeking a continuity in the influence of the training he himself had received (Cuthbert, 1970; Sasaki, 1995). Education formed the

foundation of Fayol's career and it became a renewed preoccupation towards the end of his working life. Through his lectures and writings, and his Centre for Administrative Studies, he promoted the notion of management education being delivered from schools through to businesses. For him a key to industrial success lay in recognizing management as an academic and professional discipline, and teaching it at all levels of the educational process (Breeze, 1995; Brodie, 1967).

Fayol in his own words

This paper has already argued that Fayol's name is usually associated with that of Frederick Taylor and that like Taylor, Fayol is often portrayed as a participant in the 'classical approach' to management (Robbins *et al.*, 2003; Schemerhorn *et al.*, 2004). As such, one might expect Fayol's major work, *General and Industrial Management*, to prescribe a rigidly formulaic approach to management that emphasizes the primacy of controlling workers with a view to achieving greater productivity over all other managerial considerations. However, as one reads *General and Industrial Management*, one discovers that Fayol advocated a holistic and flexible approach to management. Indeed, in the pages of *General and Industrial Management* we find evidence that Fayol anticipated many themes that were to emerge as central issues in the development of management thought throughout the twentieth and into the twenty-first centuries.

Management theory and management education

Whereas Taylor and his successors in the scientific management movement prescribed a complete set of well defined, all encompassing principles for all management circumstances (Schemerhorn *et al.*, 2004), Fayol set a very different agenda for himself. In *General and Industrial Management*, Fayol goes to some lengths to explain that his intention is not to present a complete theory of management. Rather, Fayol hoped to stimulate a debate from which a generally accepted theory of management might emerge at some time in the future (Fayol, 1949, p. 15). To illustrate, Fayol wrote:

'there is no need . . . to proffer a masterly treatise in order to make a useful contribution to the building up of [a] theory [of management]. The slightest comment appropriately made is of value, and since there is no limit to the possible number of commentators it is to be hoped that once the stream is started to flow it will not be stemmed. *It is a case of setting it going, starting a general discussion-that is what I am trying to do by publishing this survey, and I hope that a theory will emanate from it.*' (1949, p. 16, emphasis added)

Fayol's call for an accepted theory of management stemmed from his desire to facilitate the process of management education and training. In the absence of a generally accepted theory of management, 'good and bad [managerial practices] are to be found side by side at the same time in the home, the workshop, and the state' (1949, p. 15). Thus, in *General and Industrial Management* he outlined an ambitious agenda whereby, under the guidance of an accepted theory of management, every citizen is exposed to some form of management education and afforded the opportunity to exercise management abilities 'first at school, later in the workshop' (Fayol, 1949, p. 14). Fayol expanded on this theme in the following way:

'Everyone needs some concepts of management; in the home, in affairs of state, the need for managerial ability is in keeping with the importance of the undertaking, and for individual people the need is everywhere greater in accordance with the position occupied. Hence there should be some generalized teaching of management; elementary in primary schools, somewhat wider in post primary schools, and quite advanced in higher education establishments.' (1949, p. 14)

Fayol's commitment to the introduction of a 'generalized teaching' of management stemmed, in part, from his belief that management activity is undertaken by numerous individuals spread throughout the organization. Unlike Taylor, who emphasized that management activity was the exclusive domain of an organization's management class, (Robbins *et al.*, 2003; Schemerhorn *et al.*, 2004), Fayol believed that:

'Management . . . is neither an exclusive privilege nor particular responsibility of the head or senior members of the business; it is an activity spread, like all other activities, between head and members of the body corporate.' (1949, p. 6)

A human relations founder

Typically, the emergence of the human relations movement in management theory is presented to students of management as an almost inevitable response to the authoritarian nature of the classical approach to management to which Fayol is said to have contributed (see, for example, Bartol *et al.*, 2001). According to the standard textbook treatment, beginning with Elton Mayo's Hawthorne studies, management theory reacted to classical approach's tendency to view workers as nothing more than productive mechanisms and began to treat the individual worker in a more holistic manner. Ultimately, management students are told, this broader concern for the employee matured and found its fullest expression in ideas such as Abraham Maslow's hierarchy of needs and Douglas McGregor's Theory X and Theory Y (see for example: Bartol *et al.*, 2001; Robbins *et al.*, 2003; Schemerhorn *et al.*, 2004).

In presenting the human relations movement as a reaction to the ideas promulgated by Taylor and Fayol, writers inevitably depict Fayol as an authoritarian figure who discounted the capacity of employees to demonstrate enterprise and initiative, and had little regard for the social, esteem, and self actualization needs of those same employees (see for example: Parker and Lewis, 1995). However, a reading of *General and Industrial Management* reveals insights into Fayol's beliefs that show him in a very different light.

As has already been noted, Fayol believed that management activity occurs throughout an organization's hierarchy and that all workers should be exposed to some form of management training to better equip them to undertake this task. However, unlike Taylor (see Bartol *et al.*, 2001; Robbins *et al.*, 2003; Schemerhorn *et al.*, 2004), Fayol also recognized that the employee's motivation to participate in the workplace stems from more than the mere need to earn financial remuneration. For this reason, Fayol downplayed the significance of the financially based motivation schemes so beloved by Taylor (Robbins *et al.*, 2003). Using language that to some extent anticipated Maslow's hierarchy of needs and Herzberg's two factor theory of motivation (Bartol *et al.*, 2001) Fayol wrote:

'Whether wages are made up of money only or whether they include various additions such as heating, light, housing, [or] food, is of little

consequence provided the employee be satisfied ... [T]here is no doubt that a business will be better served if its employees are more energetic, better educated, more conscientious and more permanent. The employer should have regard ... for the health, strength, education, moral and stability of his [sic] personnel.' (1949, p. 32, emphasis added)

Fayol continued:

'These elements ... are not acquired in the workshop alone. They are formed and developed ... outside it, in the home, in civil and religious life. Therefore the employer comes to be concerned with his employees outside the works and here the question of proportion comes up ... [The employers' role in the employee's outside life must be] sought after rather than imposed, be in keeping with the general level of education and taste of those concerned and it must have absolute respect for their liberty. It must be benevolent collaboration not tyrannical stewardship.' (1949, p. 32)

Nothing illustrates Fayol's capacity to anticipate the themes that were to emerge as key themes for the human relations movement better than Fayol's beliefs about the value of *Esprit de Corps*. To explain the importance of *Esprit de Corps*, Fayol wrote:

'Harmony, union among the personnel of a concern, is great strength in that concern. Effort, then should be made to establish it ... There is no merit in sowing dissension among subordinates, any beginner can do it. On the contrary, real talent is needed to co-ordinate effort, encourage keenness, use each man's [sic] abilities, and reward each one's merit without arousing possible jealousies and disturbing harmonious relations.' (1949, p. 40)

He went on to display his understanding of the importance of interpersonal relations in maintaining harmony by suggesting that wherever possible communications should be made verbally rather than in writing. Fayol explained the importance of verbal communication as follows:

'in some firms ... employees in neighboring departments with numerous points of contact, or even employees within a department, who could quite easily meet, communicate with each other in writing ... [In these firms] there is to be observed a certain amount of animosity prevailing between different departments or different employees with a department. The system of written communication usually brings this result. There is a way of putting an

end to this deplorable system and that is to forbid all communication in writing which could easily and advantageously be replaced by verbal ones.' (1949, pp. 40–41, emphasis added)

Fayol's concern for the quality of interpersonal interaction between employees and his broad-based interest in the general, holistically defined, welfare of the workforce are significant points of departure from the Taylorist scientific management agenda with which Fayol's name is usually associated. Indeed, one might argue that Fayol's interest in these issues suggests that, like Mary Parker Follett (see: Bartol *et al.*, 2001, p. 43; Robbins *et al.*, 2003, p. 45), Fayol might also be counted as one of those early theorists who laid the foundations upon which the human relations movement built.

A precursor to systems and contingency theories

Robbins *et al.* (2003) claim that the 1960s were marked by the emergence of two new perspectives in management theory. First, the 1960s witnessed the emergence of a systems approach that drew upon biological metaphors to emphasize the importance of interdependency of internal activities both within the organization and between the organization and its environment. Second, contingency theorists argued that a more flexible approach that took account of situational variables should replace the simplistic principles introduced by management's earliest theorists (including Fayol). According to the typical textbook treatment, both perspectives, systems theory and contingency theory, are said to have emerged as management theorists sought to integrate previous approaches to management by reconciling the underlying tensions between the classical approach and the human relations approach to management (Bartol *et al.*, 2001; Robbins *et al.*, 2003).

That said, there are many instances in *General and Industrial Management* of Fayol expressing his beliefs in language that evoke the systems theorist's perspective of organizational functioning. Indeed, *General and Industrial Management* is testament to Fayol's fondness for biological metaphors to explain his ideas. For example, Fayol introduced his belief in the need for the division of labour in the following manner:

'Specialization belongs to the natural order; it is observable in the animal world where the more highly developed the creature the more highly differentiated its organs; it is observable in human societies where the more important the body corporate the closer the relationship between structure and function. As society grows, so new organs develop destined to replace the single one performing all functions in the primitive state.' (1949, p. 20)

Elsewhere, Fayol explored the nature of effective organizations:

'If it were possible to ignore the human factor it would be easy enough to build up a social organic unit. Any novice could do it, provided he [sic] had some idea of current practices and could count on the necessary funds. But to create a useful organization it is not enough to group people and distribute duties; there must be knowledge of how to adapt the organic whole to requirements, how to find essential personnel and where to put each where he [sic] can be of most service; there are in sum numerous important qualities needed.' (1949, p. 57)

His predilection for biological metaphors not only mirrored the language that systems theorists would subsequently employ to explain their ideas, but also expressed Fayol's concern for the very interdependencies that would emerge as a key element of the systems theory approach. The following passage illustrates this point:

'Man [sic] in the body corporate plays a role like that of a cell in the animal, single cell in the case of a one-man business, thousandth or millionth part of the body in the case of a large-scale enterprise. As the development of the organism is effected the grouping together of elemental units (men or cells) the organs appear, they are differentiated and perfected in proportion as the number of combined elements increase. In the social organism, as in the animal, a small number of functional elements account for an infinite variety of activities.' (Fayol, 1949, pp. 58–59)

General and Industrial Management not only introduced language and themes that would come to dominate the systems approach to management, but also displayed a healthy regard for the importance of contingency and situational variables in the sound management of an organization. Indeed, a respect for the importance of contingency appears to underpin Fayol's whole

approach to the practice of management. Whilst discussing the nature and role of management theory, Fayol wrote:

‘there is nothing rigid or absolute in management affairs, it is all a question of proportion. Seldom do we have to apply the same principle twice in identical conditions; allowance must be made for different changing circumstances ... Therefore principles ... [must be] ... flexible and capable of adaptation to every need; it is a matter of knowing how to make use of them which is a difficult art requiring intelligence, experience, decision, and proportion.’ (1949, p. 19)

This interpretation of Fayol’s systems and contingency-oriented thinking is also supported by Lamond (1998) who refers to Fayol’s discussion of planning for contingencies and cites Fayol, (1949, p. 24) warning that a malady (i.e. the uneasiness experienced by a person or department being subject to the direction of two superiors) can take on the appearance ‘of an animal organism’ and that such a form of ‘social organism’ is unlikely to adapt to such dual command. Lamond sees this concept of the social organism repeated in Fayol’s discussion of centralization (Fayol, 1949, p. 33) and referred to in his discussion of organizing—where he referred to the ‘body corporate’ often being compared with a ‘machine or plant or animal, instead proposing that an ‘administrative machine’ suggests an organism (Fayol, 1949, p. 57). Thus even his reference to ‘machine’, which has been taken by subsequent critics to be a dehumanizing feature of Fayol’s theory, subsumed a biological metaphor in the mind of Fayol.

Contrary to popular wisdom, Fayol’s conception of the organization is therefore very different to Taylor’s. Unlike Taylor, Fayol’s engineering background did not lead him to adopt an almost exclusively mechanistic world-view (Bartol *et al.*, 2001). Like a systems theorist, Fayol frequently employed biological metaphors to express his ideas and did so in a way that suggests he had some comprehension of the importance that the complex interplay of organizational and environmental elements has for organizational success. A further distinction is apparent in that Fayol did not advocate a set of rigid principles to be applied to all circumstances. At a time when Taylor was advocating his four principles of scientific man-

agement as a universal panacea for all management problems, Fayol called for a management style displaying intelligence, experience, decision and proportion.

Contingency-based planning

Fayol’s organic systems and contingency perspective of organization particularly influenced his approach to planning. One particular insight comes from an interview, published by the editors of *Chronique Social de France* in January 1925, in which Fayol stated that he saw planning as a sort of picture of the future in which ‘immediate events are shown clearly, and prospects for the future with less certainty’ (Fayol, 1949, p. xi). In outlining what he saw to be the reasons for and advantages of a long-term plan, Fayol referred to the need for planning directives to be based upon ‘external circumstances’ and argued that:

‘If decisions are made in the light of certain facts, and some of these turn out to be ill-founded, it is possible to modify the Plan accordingly.

The act of forecasting is of great benefit to all who take part in the process, and is the best means of ensuring adaptability to changing circumstances.’ (Fayol, 1949, p.xi)

This approach reflects Fayol’s concern for basing plans upon an evaluation of the external environment, modification of plans when previously estimated variables change and his advocacy of ensuring adaptability to changing circumstances. The building-in of flexibility for coping with environmental uncertainty is clearly articulated in Fayol’s statement that:

‘The plan of action rests ... on future trends which depend partly on technical, commercial, financial and other conditions, all subject to change, whose importance and occurrence cannot be predetermined.’ (1949, p. 43)

Fayol went on to clearly enunciate a particularly contingent and strategic approach to organizational planning as follows:

‘The plan should be flexible enough to bend before such adjustments, as it is considered well to introduce, whether from the pressure of circumstances or from any other reason.’ (Fayol, 1949, p. 45)

'The best plans cannot anticipate all unexpected occurrences which may arise, but does include a place for these events and prepare the weapons which may be needed at the moment of being surprised.' (Fayol, 1949, p. 49)

Mintzberg (1994, p. 186) has argued that the untenability of planning's view of change is exemplified by Fayol's view of planning's role in maintaining organizational stability, allegedly admitting only adaptation to 'minor perturbations rather than major discontinuities'. The evidence from Fayol's writings and interview suggest that he had in mind a rather more adaptive view of planning that did indeed take an environmentally responsive and contingent approach, and that admitted significant strategic change where changing conditions required. For instance, Fayol discussed the dangers inherent in an absence of planning and included amongst them, 'false steps' and 'untimely changes in direction' (Fayol, 1949, p. 44). Even in the detail of the interlocking strategic and annual corporate plans, Fayol preserved the flexibility for adapting to changing environmental conditions. He did, however, anticipate that as the timing of particular planned activities drew nearer, environmental uncertainties would be increasingly resolved or subject to more accurate prediction and quantification.

Recognizing the similar environmental conditions faced by similar types of business, Fayol also argued for the evaluation of plans already proven effective by comparable businesses to the one in which a manager's organization is engaged. For this purpose he contended that there was no lack of good plans available, as suggested by the external evidence of success of some businesses. Thus for Fayol, the identification and estimation of significance of environmental variables and the monitoring of plans and performance of competitors in the industry were vital components of his contingency-based planning approach. It was also strategic, in the sense that he advocated a multi-period long-term planning horizon including 'yearly forecasts, ten-yearly forecasts, special forecasts, and all merge into a single programme which operates as a guide for the whole concern' (Fayol, 1949, p. 46). In explaining his approach to yearly forecasts, he provided clear statements of his contingent, long-term orientation:

'Finally, thought must be given to constant modifications operating on the technical, commercial, financial and social condition of the industrial world in general and of the business in particular, to avoid being overtaken by circumstances. These various considerations come outside the framework of yearly forecasts and lead on to longer-term ones.' (Fayol, 1949, p. 46)

'Knowing what are its capabilities and intentions, the concern goes boldly on, confidently tackles current problems and is prepared to align all its forces against accidents and surprises of all kinds which may occur.' (Fayol, 1949, pp. 48–49)

This clearly suggests an approach to planning that expects environmental disturbances (external and internal to the organization), and incorporates anticipatory and flexible strategies for coping with environmental uncertainty.

Mintzberg's (1994) critique of the inflexibility of Fayol's approach to planning was based upon Fayol's analogy of a business without a plan being like a boat, unable to resist 'profound but transitory' disturbances and being unprotected against 'undesirable changes of course which may be produced by grave events' (Fayol, 1949, p. 49). An alternative interpretation carries considerable justification. Based upon the extensive evidence of a contingent strategic approach to planning identified above, it is arguable that Fayol's expressed desire to protect the organization 'against deviations, imperceptible at first, which end by deflecting it from its objective' was a statement concerning overarching strategy. That is, it argued for the anticipation and monitoring of key environmental variables, the regular amendment of plans in response to environmental changes and the adaptation to environmental disturbances by incorporating responsive actions within the plan of action. These were to be actions designed to keep the 'ship' strategically on track for the ultimate fulfillment of its longer-term objectives. It did not represent an inflexible view of planning that would not permit strategic adaptation. Rather, it permitted strategic modifications in order to keep the organization progressing towards its longer-term objectives.

Employee involvement

Fayol's concern for 'unity of direction', or the belief that there should be 'one plan for a group

of activities having the same objective' (Fayol, 1949, p. 25), stemmed from his conviction that such a state of affairs is 'the condition necessary to unity of action, co-ordination of strength and focussing of effort' (Fayol, 1949, p. 25). Fayol also believed that 'unity of command', or the notion that an employee should receive orders from one superior alone, was a necessary prerequisite to the attainment of unity of direction (see: Fayol, 1949, pp. 24–26). However, Fayol's commitment to unity of command as a means to achieving unity of direction does not mean he wished to deny the value of employee participation in the decision-making, goal-setting and planning processes. Indeed, Fayol's thoughts on the value of 'initiative' illustrate that he had a great deal of respect for practical and motivational benefits of employee participation and involvement.

'Thinking out a plan and ensuring its success is one of the keenest satisfactions for an intelligent man [sic] to experience. It is also one of the most powerful stimulants of human endeavour . . . At all levels of the organizational ladder, zeal and energy on the part of employees are augmented by initiative. The initiative of all . . . represents a great source of strength for business . . . Much tact and some integrity are required to inspire and maintain everyone's initiative, within the limits, imposed by respect for authority and discipline . . . [Nevertheless] a manager who is able to permit the exercise of initiative on the part of subordinates is infinitely superior to one who cannot do so.' (Fayol, 1949, pp. 39–40, emphasis added)

If one reads Fayol's thoughts on the importance of unity of direction and command in the light of his clearly expressed regard for the value of initiative, then what emerges is a prescription that is very different to authoritarianism usually associated with Fayol's name. For Fayol, the ideal manager appears to be one who guarantees the operational integrity of decision-making, goal-setting and planning processes by asserting his or her authority whenever needed, whilst retaining the capacity to motivate his or her subordinates by trusting their capacity for initiative. This balance, between asserting the needs and goals of the broader organization on one hand, whilst simultaneously creating space for employee involvement on the other, is an inherent feature of many contemporary practices.

For example, 'management by objectives' not only encourages employee participation in the goal-setting and planning process; but also imposes a structured decision-making model that ensures employee participation yields a logically consistent goals and plans (Bartol *et al.*, 2001; Davidson and Griffin, 2000; Robbins *et al.*, 2000, 2003). Similarly, Total Quality Management exhibits a commitment to employee involvement whilst promoting decision-making outcomes that remain consistent with the broader interests of the organization (Davidson and Griffin, 2000, pp. 738–775).

Managing managerial knowledge

Fayol's own explanation of his motives for writing *General and Industrial Management* draws upon a theme that would later emerge as a core issue in the knowledge management literature. A key distinction for those who write on knowledge management is the distinction between tacit and explicit knowledge (Alavi and Leidner, 2001; Tiwana, 2002). Tacit knowledge accumulates through trial and error (Tiwana, 2002, p. 45) and derives from the knower's actions, experience and personal involvement in a specific context (Alavi and Leidner, 2001, pp. 110–113). Explicit knowledge accumulates through the explication of tacit knowledge and so exists in the form of articulated, codified and generalizable knowledge (Alavi and Leidner, 2001, pp. 110–113; Tiwana, 2002, p. 45). In addition, many writers in the field of knowledge management suggest that explicit knowledge is more valuable than tacit knowledge (Alavi and Leidner, 2001, pp. 110–113). In essence, these writers argue that explicit knowledge's superiority stems from its accessibility, its amenability to storage, retrieval and transmission, and its greater potential to yield consistent action (Awad and Ghazari, 2004, pp. 120–155; see also Alavi and Leidner, 2001, pp. 110–113 for further discussion on the relative merits of explicit and tacit knowledge).

Adopting such a knowledge management perspective on *General and Industrial Management* yields several insights into Fayol's motives for writing this work. First, Fayol appears to have valued explicit knowledge more highly than tacit knowledge, believing that his contemporaries in management relied far too heavily on tacit knowledge. For example, Fayol (1949, p. 15)

lamented that managerial practice was characterized by a plethora of competing personal theories, the inconsistent application of principle and the indulgence of undesirable practices. Similarly, Fayol complained what had hitherto passed as established managerial principles lacked genuine utility because:

‘the light of [these] principles, like that of light-houses, guides only those who already know the way into port, and a principle bereft of the means of putting it into practice is of no avail.’ (Fayol, 1949, p. 15)

Second, Fayol denied that the practice of management represented a special case, one where greater reliance on explicit knowledge would damage the quality of managerial action. Indeed, Fayol looked forward to the day when managerial skills would be acquired in much the same way as any other skill found in business life. For example, Fayol answered the question ‘[can] managerial ability ... be only acquired in business practice?’ (1949, p. 14) in the negative by asserting ‘managerial ability can and should be acquired in the same way as technical ability, first at school and then in the workshop’ (1949, p. 14). Lastly, Fayol sought to develop the requisite body of explicit knowledge needed to reduce managers’ reliance on tacit knowledge by articulating insights drawn from his tacit understanding of the practice of management (Brodie, 1967; Breeze, 1995; Parker and Lewis, 1995; Wren, 1995).

Taking a knowledge management perspective on *General and Industrial Management* also offers insights into why this work takes the form it does. If we view the book as an exercise in the capture and articulation of understandings that had hitherto belonged to the realm of tacit knowledge, then it becomes clear why Fayol felt the need to develop the many detailed knowledge, aptitude and skill inventories found in *General and Industrial Management*. There are obvious examples of Fayol’s penchant for knowledge, aptitude and skill inventories. The first is his claim that business life is characterized by the exercise of technical activities, commercial activities, financial activities, security activities, accounting activities and managerial activities (Fayol, 1949, pp. 3–6). A second example lies in his belief that forecasting and planning, organiz-

ing, commanding, coordinating and controlling lay at the core of managerial activity (Fayol, 1949, pp. 5–6). The third is Fayol’s identification of the fourteen principles of management designed to guide managerial action. However, several other less well-known examples of Fayol’s commitment to detailed inventories of the requisite skills and knowledge needed to manage an organization also exist. For example, he argued that, as with every other activity undertaken in organizations, managerial activity calls for the exercise of six qualities and forms of knowledge; physical qualities, mental qualities, moral qualities, general education, special knowledge and experience (Fayol, 1949, p. 7). Elsewhere, Fayol made the claim that as one moves up the scalar chain, the relative importance of technical ability declines, whilst the relative importance of managerial ability increases (Fayol, 1949, p. 9). Lastly, Fayol (1949) explained that the compilation of a good plan calls for six core qualities; the art of handling men, energy, moral courage, continuity of tenure, competence in the specialized requirements of the business and general business experience (p. 50); whilst the organizing function imposes sixteen identifiable duties on the manager (see p. 53).

We do not make the claim that Fayol invented knowledge management, or even that he anticipated the subsequent emergence of the knowledge management phenomenon. However, we do suggest that Fayol’s general approach to improving managerial practice did invoke several themes that would later emerge in the knowledge management literature. Fayol believed that the key to improving managerial practice lay in reducing managers’ reliance on what knowledge management practitioners have come to call tacit knowledge. He chose to do so by articulating insights drawn from his tacit understanding of managerial practice gained from years of personal experience and involvement in organizational life. The resulting explicit knowledge, the body of codified knowledge found in *General and Industrial Management*, evidences a commitment to developing detailed inventories of the requisite knowledge, aptitudes and skills needed for managerial success. For these reasons, we might think of *General and Industrial Management* as a systematic exercise in a form of tacit knowledge capture that is very familiar to contemporary knowledge management practitioners.

Towards portrait restoration

In cleaning away accumulated contemporary interpretations and going behind the secondary references to reveal Fayol's original work, we are presented with a clearer and more intricate image of what Fayol represented and what he propounded. While his six main organizational and business activities and his fourteen principles of management have deservedly received considerable attention, they represent but part of the scaffolding of his theory, and have been misinterpreted as immutable 'laws': a status that their creator never intended. Fayol's was a situational, contextualized and flexible approach to management, which reflected his own industrial environment and management strategies. This approach provides the texture and the light and shade to his ideas that have been largely overlooked by today's scholarly community.

Just as Mary Parker Follett was misclassified as a member of the scientific and classical management schools (Parker, 1984), so to a lesser extent has Fayol been viewed solely as a classical management founder. Just as, on re-examination, Follett's work has proved to anticipate elements of the human relations and systems theory schools of thought, so, albeit to a lesser extent, has Fayol, who also anticipated certain dimensions of employee involvement now characterized in MBO and TQM, and the capturing of tacit knowledge that is now a major focus of knowledge management. In addition, he has always been referred to alongside Frederick Taylor, ostensibly sharing Taylor's authority-based approach to management, while differing in the primary level of organizational focus. Such classification significantly underplays the uniqueness of Fayol's theories. His was a social science orientation rather than the Taylorist scientific method. His management theories embraced what today would be recognized as an interdisciplinary social science perspective, in comparison to Taylor's uni-disciplinary engineering orientation.

Precisely why Fayol is continually classified as an ally of Taylor's scientific management agenda is difficult to establish. The fact that Fayol and Taylor were contemporaries is probably one contributing factor. Perhaps Fayol himself also contributed to this misconception in expressing some favourable opinions about Taylor's work.

For example, in *General and Industrial Management*, Fayol complimented Taylor by admitting his admiration for:

'the inventor of high speed steel, the pioneer of minute and precise methods in conditions of work, the energetic and adept industrialist who, having made discoveries, shrank from no effort nor spared any pains to make them of practical application, and the tireless propagandist who meant the world to profit from his trials and experiments.' (1949, p. 70)

However, as we read Fayol's remarks about Taylor we must remember that Fayol was writing in the aftermath of World War I, for a predominantly French audience. That audience felt indebted to the United States, was impressed by America's recent emergence as the world's largest industrial power and admired the 'New World's' apparent enthusiasm for the twin values of practicality and hard work (George, 1972; Merkle, 1980; Thomas, 1993). In addition to this widespread fascination with all things American, no doubt Fayol's desire to see a theory of management emerge from a wide-ranging debate also influenced his attitude towards Taylor. Given this desire, Fayol is likely to have both welcomed and even valued any meaningful contribution from such a well-known figure as Taylor, a man whom Fayol calls 'the great American engineer' (Fayol, 1949, p. 70). However, Fayol's admiration for Taylor does not mean that we should regard him as an uncritical proponent of all of Taylor's ideas. Indeed, in *General and Industrial Management* Fayol devotes some space to a critique of the 'Taylor System' and its apparent advocacy of the belief that 'unity of command is unimportant and can be violated with impunity' (see: Fayol, 1949, p. 66–70).

Fayol's personal portrait reveals a management leader who drew on his early experience as a mining engineer in meticulously conducting and recording field observations as a basis for developing theory and practice. This he carried into his management work. In today's management research traditions, Fayol could therefore be considered equivalent to a complete member-participant-observer-field-researcher who induced his theories from detailed processual observation and analysis. Both his arguments concerning planning and his strategies adopted in

response to his economic, institutional and industry environments (Parker and Lewis, 1995) clearly mark his planning orientation as more strategic and flexible than hitherto recognized by contemporary commentators. Indeed as CEO of Commentry-Fourchambault, he advocated longer-term productive capacity-based firm performance evaluation (suited to his capital intensive industry) rather than the short-term, market-based profitability/price comparison with competitors that his board favoured. This resonates with contemporary corporate performance evaluation approaches, many of which arguably have returned to the short-term market price/cost orientation. Also from his experience as a CEO, he pre-dated contemporary concerns with boardroom and director responsibilities and performance evaluation, in calling for directors to possess appropriate skills and to be held accountable for their performance.

As both a change manager and human resource manager, Fayol worked in a political, social and industrial environment that was particularly dynamic and unpredictable, with highly competitive international markets and a world war being two major environmental impacts on his organization (Parker and Lewis, 1995). Major societal changes in education, labour unions and scale of business were all features of his landscape. His approach to labour was far more indicative of *rapprochement* than Taylor, arguing against French industrial paternalism, recognizing the value of worker representation, and accepting the need for some degree of worker autonomy. Lastly, Fayol was a consummate educator, and his philosophy could today be seen as bearing strong similarities to the contemporary concept of lifelong learning. He argued for management education from cradle to grave, and actually reflected that in his own life as engineer, manager and educator.

The re-examination of Fayol's original management text also yields features of his portrait largely unrecognized in today's literature renditions. He did not seek to set out a complete theory of management, but rather aimed to generate debate and facilitate further management education spanning staff right across the organizational spectrum. He recognized the wide variety of employee motivations and downplayed the role and importance of financial incentive schemes. Interpersonal relations were a primary

focus of his approach to human resource management, and elements of his writings bear strong hints of concepts to be articulated subsequently by the human relations school.

Fayol's theories also anticipated aspects of the systems and contingency theory writers who followed several decades behind him. He was particularly fond of calling upon the biological metaphor in his analysis and discussion of organizations and their management. The importance of situational variables and interdependencies within organizations were all familiar to, and recognized by him, just as systems and contingency theorists came to emphasize later. This philosophy that resembled the later articulated systems and contingency theories, particularly influenced Fayol's approach to planning. This bore all the hallmarks of a strategic longer-term orientation to external environmental changes, advocating the examination of potential future influences and changes, longer time-horizon estimates and adaptation to unanticipated change. As already alluded to, elements of his thinking and advocacy reflected aspects of other contemporary approaches to management, including the involvement of employees in decision-making and evaluation characteristic of MBO and TQM, and the codifying of tacit knowledge in more explicit forms now addressed within the framework of knowledge management.

The persistent stereotype

The question arises as to why a management writer and thinker like Fayol has become stereotyped by textbook and other management writers, in the manner revealed in this paper? It has been argued that the field of management appears susceptible to fads and rhetoric on management theories and practice, some of which have only short tenure, while others survive quite long periods. Longevity is argued to be variously a function of:

- the degree to which particular theories or practices resonate with the experiences of practising managers;
- their interpretation and representation of managers' perceptions of 'reality';
- their reconstruction of managers' self-understanding and world-views;
- their perceived ease of implementation;

- their degree of promotion by the originating management ‘gurus’;
- their openness to amendment and adaptation over time (Carson *et al.*, 1999; Collins, 2001).

Arguably, the persistence of Fayol’s theories, albeit misrepresented in some respects, owes much to the above factors. His was an inductively derived set of theories, strongly oriented towards management practitioners, written in their management language, open to interpretation and adaptation, focused on ease of implementation, and actively proselytized by Fayol himself, through his speeches, writing, lectures and management education centre.

Stereotyping can be useful to managers in that it offers a useful categorization approach to dealing with information overload and efficiently processing one’s environment, thereby saving investigation and effort (Ivancevich and Matteson, 1993; McShane and Travaglione, 2003; Wood *et al.*, 2001). As such, stereotypes can become forms of shared knowledge of considerable influence (Castelli *et al.*, 2001) but carrying associated dysfunctional risks whereby managers may develop simplistic, inaccurate and rigid interpretations about a particular management thinker or school of thought (Friedman and Lyne, 2001; George and Jones, 2002). Therefore, managers may interpret the writings and arguments of a figure like Fayol in a manner consistent with the predetermined stereotype of him that they hold from their exposure to textbook reinterpretations. This perpetuates contemporary managers’ perceived reality that is quite divorced from the objective reality offered by Fayol in his original lectures and writings (Biernat, 2003; George and Jones, 2002).

In becoming divorced from reality, stereotypes can produce inaccurate, distorted and dysfunctional versions of a person’s characteristics or the values and beliefs they stand for. Alternatively they can mix some accurate interpretations with inaccurate ones, thereby making it extremely difficult for the two sets of information to be disentangled. Both these scenarios can produce damaging consequences for the target of stereotyping, the perceiver and the perceiver’s organization (Carson *et al.*, 1999; George and Jones, 2002; Ivancevich and Matteson, 1993; McShane and Travaglione, 2003). Thus for example, managers’ persistent and mistaken view that

Fayol prescribed immutable laws – when in fact he advocated a situational and flexible approach to management – has miscast him as a scientific management guru whose concepts do not translate into industries experiencing high levels of turbulence and uncertainty, while on the other hand can mislead managers into adopting inflexible, autocratic practices that do not respond to the changing demands of many environments within which they operate.

Thus textbook renditions of Fayol’s arguments have, as textbooks inevitably must do, resorted to distillation, classification and simplification of him and of his ideas in order to render them accessible to student readers, who include both existing and intending managers. The crude classifications of Fayol and his ideas, and their simplistic representations, have only served to aggravate the inaccurate and rigid perceptions of Fayol held in contemporary management literature and practice: their classification and compartmentalization by text writers only further insulating them from any change in the face of disconfirming original evidence (Friedman and Lyne, 2001; McShane and Travaglione, 2003; Wood *et al.*, 2001). All of this may be unconsciously done by both text writers and managers, but the effect is nonetheless potent and extremely resistant to change or revision (Chen and Bargh, 1997; Castelli *et al.*, 2001).

The persistence and distortion of Fayol and his ideas in contemporary management has also been aided and abetted by several other factors exhibiting similar characteristics and propensities to the textbook. Professional management associations’ journals and conferences invariably tend towards presenting their members and other fee-paying constituents with concise, neatly classified, professionally packaged and easily read versions of management concepts and practices. They aim at the busy, time-starved manager, and thereby tend towards simplistic, stereotypical prescriptions that offer ease of comprehension and promise ease of implementation. Such an approach is also attractive to management consultants and their clients seeking focused, easily digestible and fast short-term solutions to practical contemporary problems. Fayol’s ‘principles are highly amenable to misinterpretation and misapplication in such environments. This reductionist tendency is only aggravated by the virtual disappearance of historical studies from many countries’ secondary and tertiary curricula,

and their virtual disappearance from management education. Together the aforementioned factors have combined to produce a significant stereotyping and distortion of Fayol and his ideas over a very long period.

A management contemporary

The portrait of Henri Fayol that emerges from this study suggests that he merits rehabilitation to the status of a contemporary management thinker and philosopher. His advocacy of planning and control, the responsibilities of senior

management and boards, the importance of personnel and their involvement across the organizational spectrum, the management of managerial knowledge and the need for ongoing professional management education and development, place him among the leading management theory and practice advocates today. In addition, his approach to organizational research, change management and strategy place him as a situational strategic manager with a deep appreciation of corporate, business and functional level strategy in dynamic and complex environments. From Fayol, contemporary managers still have much to learn.

Appendix 1

The received Henri Fayol: common treatments of Fayol's work and career

Assertion	Examples
Organizational and business life is an amalgam of six activities: technical; commercial; financial; security; accounting; and management.	Bakewell, 1993; Cole, 1982; George, 1972; Hardy and MacWhorter, 1986; Norton and Smith, 1998; Pugh <i>et al.</i> , 1981; Robbins <i>et al.</i> , 2000; Stoner <i>et al.</i> , 1994; Sheldrake, 1996; Wren, 1972.
Forecasting and planning; organizing, coordination, and command are Fayol's five functions of management.	Appleby and Burstiner, 1981; Armstrong, 1990; Bakewell, 1993; Breeze, 1985; Bailey <i>et al.</i> , 1986; Cole, 1982; Crainer, 1995; Davidson and Griffin, 1999; Dessler, 1977; Fells, 2000; George, 1972; Hardy and MacWhorter, 1988; Hodgkinson, 1978; Huczynski, 1993; Norton and Smith, 1998; Pugh <i>et al.</i> , 1981; Robbins <i>et al.</i> , 2000; Rue and Byars, 1983; Stoner <i>et al.</i> , 1994; Sheldrake, 1996; Wren, 1972.
Fayol advocated fourteen principles designed to guide the successful manager.	Armstrong, 1990; Breeze, 1985; Clutterbuck and Crainer, 1990; Crainer, 1995, 1996; Davidson and Griffin, 1999; Fells, 2000; George, 1972; Holt, 1993; Lewis <i>et al.</i> , 1995; Kennedy, 1999; Lock and Farrow, 1982; Norton and Smith, 1996; Pugh <i>et al.</i> , 1981; Robbins and Barnewell, 1998; Robbins <i>et al.</i> , 2000; Rue and Byars, 1983; Stoner <i>et al.</i> , 1994; Sheldrake, 1996; Thomas, 1993; Wren, 1972.
Fayol initiated a stream of management thought that encompasses the work of Lyndall Urwick and Chester Barnard.	Bailey <i>et al.</i> , 1986; Cole, 1982; Davidson and Griffin, 2000; Griffin, 1984; Hodgkinson, 1978; Lock and Farrow, 1982; Lupton, 1971, 1983; Thomas, 1993.
Fayol participated in an early twentieth-century approach to management theory that incorporated Taylor's 'scientific management'.	Burns and Stalker, 1961; Dessler, 1977; George, 1972; Holt, 1993; Tillett <i>et al.</i> , 1970; Lock and Farrow, 1982; Merkle, 1980; Robbins and Barnewell, 1998; Robbins <i>et al.</i> , 2000; Rue and Byars, 1983.
Fayol participated in an early twentieth-century approach to management theory that incorporated Weber's 'ideal bureaucracy'.	Davidson and Griffin, 2000; Griffin, 1984; Holt, 1993; Joynt and Warner, 1996; Lupton, 1971, 1983; Robbins and Barnwell, 1998; Robbins <i>et al.</i> , 2000.
Fayol alongside Taylor and Weber participated in what some have called the 'classical' school of management theory.	Cole, 1982; Clutterbuck and Crainer, 1990; Crainer, 1996; Davidson and Griffin, 2000; Dessler, 1977; Fells, 2000; Griffin, 1984; Hodgkinson, 1978; Holt, 1993; Lewis <i>et al.</i> , 1995.
Fayol's was a successful manager at Commentry-Fourchambault.	Appleby, 1981; Bedeian, 1985; Clutterbuck and Crainer, 1990; George, 1972; Huczynski, 1993; Norton and Smith, 1998; Merkle, 1980; Rue and Byars, 1983; Stoner <i>et al.</i> , 1994; Sheldrake, 1996; Robbins <i>et al.</i> , 2000; Wren, 1972.

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