



THE SIGNIFICANCE OF MANAGEMENT PRINCIPLES OF HENRI FAYOL IN EFFECTIVE MANAGEMENT OF ENTERPRISES

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Annotation

This article showed that today a very important task is to deeply, perspectival, systematically understand the problems of management, to have basic knowledge that does not become outdated for a long time, but on the contrary, does not lose its relevance, to think independently and use knowledge. It is stated that in order to form unique and suitable relationships in the team, the employee should not be a robot following the orders of the leader, but an executor who gives recommendations and implements practical management concepts and strategies.

Keywords: management efficiency, enterprise management, horizontal, vertical, division of labor.

The Government of Uzbekistan has developed a number of comprehensive support measures to ensure the economic efficiency of enterprises in the real sector of the economy. Because the development of the economy of any society, providing the population with quality goods and services, is directly dependent on healthy competition and effective management of enterprises.

The effective implementation of such huge and important tasks depends on many direct and indirect factors. In particular, the global political and economic changes taking place in the world depend on the rational organization and improvement of management at enterprises in the real sector of the economy. It can be seen that the organization of effective management in the subjects of the real sector of the economy is one of the main urgent tasks of today. «Management of industrial enterprises is a product of social development and an objective necessity of the process of social labor, increasing its efficiency requires deep theoretical knowledge, strategic thinking, and entrepreneurial potential in the field of management from modern leaders». [5.35c.] Professional leadership activity can be mastered in many ways: by studying the rules and principles of management, practical recommendations, methods, and summarizing experience. No matter how unnatural it may seem, the practical result of such training is very low. The fast dynamics of life, the complexity of emerging





problems, the quality factors of management in modern business and the criteria for its effectiveness require more than knowledge and positive experience.

Today, a deep knowledge of management problems is required, the ability to see the future, to systematically understand them, to have theoretical fundamental knowledge of management that does not become obsolete for a long time, but, on the contrary, does not lose its relevance. Managers must think for themselves, use their theoretical knowledge to form unique approaches, and not be commanders who give orders to employees, but give recommendations and advise. But it is required to be the creator of a practical concept and management strategy. remember them all and use in the complex is impossible. It should be applied to the rational practice of managerial activity through a deep scientific understanding of modern management problems.



Based on fundamental knowledge that does not become obsolete for a long time, it's time to recall the French mining and processing engineer, theorist and practice of management, the founder of the administrative school of management, Jules Henri Fayol.

Henri Fayol was born on July 29, 1841 near the Turkish city of Constantinople (Istanbul since March 28, 1930) in the family of Andre Fayol, a builder and engineer (died in Paris on November 19, 1925 at the age of 84). At that time, André Fayol supervised the construction of the famous Galata Bridge across the Golden Horn in Istanbul.

In 1847 his family returned to France. After graduating from the Saint-Etienne School of Mines in 1860, he joined the mining company Compagnie de Commentry-Fourchambeau - Decazeville, where he worked as a manager from 1888 to 1918. On June 23, 1900, Fayol gave a speech at the closing meeting of the International Mining and Metallurgical Congress in Paris, where he publicly presented his views on management for the first time.

Fayol defines five management functions that are independent areas but are also related to other areas of the management process.

According to Fayol's theory, he developed 5 general management functions:

1. Planning;
2. Organization;
3. Give orders;
4. Coordination;
5. Control;





In 1916, Henri Fayol developed the fourteen principles of management in his world-famous work *General and Industrial Management*. Some rules existed before Fayol, others were generalized, others were formulated for the first time:

1. Division of labor
2. Authority and responsibility
3. Discipline
4. Solo leadership
5. Unity of direction
6. Subordination of the interests of the minority to the interests of the majority
7. Awarding employees
8. Centralization
9. Hierarchy or scalar chain
10. Order
11. Justice (Justice)
12. Stable workplace for employees
13. Initiative
14. Corporate spirit

1. The principle of division of labor. There are two forms of this principle: a) *horizontal division of labor*; b) *vertical division of labor*.

Under the horizontal division of labor, it is understood that a certain work is divided into operations. Here we thought it appropriate to recall Adam Smith's «*The Wealth of Nations*».

The following description of the benefits of specialization in manufacturing comes from Adam Smith's «*The Wealth of Nations*». [2.45p], dedicated to the turning point in history that contributed to the start of the industrial revolution. Without the division of labor, a worker could not even produce 20 pins a day. But then this work began to be carried out in such a way that the production of pins became not only an independent production, but also production on an assembly line. Each operation was divided into stages, and each of them was assigned to a separate person.

One person pulled the wire, the second straightened it, the third cut it into pieces, the fourth sharpened the ends, the fifth worked one end into a head, two more made a loop and so on. Thus, the whole pin-making is clearly divided into about 18 separate operations, some of which are performed by one worker, and others by two or three. Thus, ten people working together could make 49,000 pins a day. In other words, for one person, this means that he produces 4800 pins per day. But if they did all this independently, they wouldn't even be able to produce 20 pins alone.





Management is formed with a vertical division of labor. From the upper levels (top managers) down to the middle level (managers) and the lower level (managers - those who come into direct contact with the workers). If orders are given from top to bottom, reports, opinions, initiatives are sent from bottom to top.

2. The principle of authority and responsibility is one of the principles of particular importance in management. Authority is a limited right to use existing resources in an organization. And the right is a real opportunity to exercise power. Responsibility is the fulfillment of the task at the required level. It is very important to strike a balance of authority and responsibility. Too much power causes it to be abused, and not enough power prevents it from doing its job.

3. The principle of discipline is the observance of the terms of the employment contract concluded between the employer and the employee. At the same time, both the employee and the management must fulfill their obligations on time and at the required level. In many cases, it is proposed to punish only employees. As they say, "clap" comes out with two hands, the management must also fulfill its obligations.

4. The principle of unity of command - this employee must receive orders from his immediate supervisor and report to him. That is, "the master of my master, not my master." The senior manager should not give orders to the subordinate middle manager. This is a violation of subordination. If the director bypasses the shop foreman and assigns the work to the shop foreman, the shop foreman will necessarily do the work specified by the director and not the work specified by the shop foreman, which may cause the daily work plan of the shop to not work. be fulfilled. Therefore, the director must transmit his orders to the foreman through the foreman.

5. The principle of unity of direction means that the entire organization must follow the same business plan and report to one leader. Otherwise, the "cart of the organization" will not move, just as the cart does not move, as in the parable of Ivan Andreevich Krylov: "Swan, pike and cancer." Or there is such a saying: "A creature with two heads, condemned to death." A creature born with two heads does not live long. That is why the organization must have one leader and everyone must obey him.



6. The principle of subordinating the interests of the minority to the interests of the majority is that the influence of the minority on the organization is less, and the influence of the majority is greater. That is why leaders must give priority to the interests of the majority.



7. **The principle of remuneration of employees** is the basis of the foundations of motivation. "Fair remuneration increases the employee's loyalty to the company," said Henri Fayol. Fair remuneration has a great impact not only on employee loyalty, but also on increasing its productivity. Speaking of motivation, the word "gratitude" has a broader meaning than money or pleasure, which are often associated with it. There are two types of awards:

1. Internal rewarding;

2. External reward.

1. The worker receives an internal reward for his work. The situation of internal remuneration is observed in workers - employees in two cases:

- **The first case** is when the result of the employee's work is satisfactory. A group of builders built a long and high fence, and the result of the work was satisfactory. The mood of the builders rose like the sky. But after a while the wall collapsed. Now they are depressed, without mood. This is when the result of their work was not as expected.

- **The second situation** is when someone knows that the result of the work is needed. If the commander finds cigarette butts in the soldier's barracks, then as a punishment he buries them deep and "buries" the cigarette butts there. This will be punished by hard work, because the cinder can simply be thrown into the trash can. Their work is not hard physically, but very hard spiritually. If the commander tells these soldiers, "As a result of yesterday's earthquake, the building collapsed and three young children were left in the basement, they must be dug out as soon as possible, otherwise ...", they can work for 4-5 hours without stopping and without getting tired. Because from them comes an internal reward, they know that someone needs the result of their work.

8. **The principle of centralization** lies in the concentration of powers at the management levels of the organization. If the powers are concentrated at the upper and middle levels of management, then this is called a highly centralized management system. If power is concentrated at the middle and lower levels of management, then this is a decentralized management system. Which of these systems is more efficient in some cases? If the organization is just formed or is on the verge of a crisis, a highly centralized management system is effective. On the contrary, if the organization is stable, a decentralized management system should be used.

9. **The principle of a scalar chain or a hierarchical chain is the relationship between** all management links and departments in an organization. Henri Fayol, in his "General and Industrial Management" (London, 1949), argued that these





principles are becoming increasingly relevant to all market participants in the process of business development and market understanding. There is a proverb of the wise Uzbek people: "If you hit the bull's horn, its hooves will squeal." The impact on every point of the organization must be felt at all other levels and departments.

10. **The principle of fairness is that employees** who perform equally well should receive the same remuneration, and employees who make the same mistake should be equally punished. Emphasis is placed on the desire to maintain equality between the contribution of employees to the work and the results they receive from it, in comparison with the contributions and results of others. The situation is only fair when compared to a person whose strength and expected reward are comparable. In addition to this principle of Henri Fayol, John Stacy Adams created a theory developed in 1963 based on the results of research conducted at the General Electric Company. [3.78c.]

11. **The principle of order** is, as defined by Henri Fayol: "Everything is in its place and everything is in its place." Every worker should have a place in the organization, and the worker should be in his place. Even documents should be allocated a separate place, and they should be in their place.

12. **Stable jobs for staff is a factor** that ensures the long-term work of employees in their jobs and the economic efficiency of the organization. Henri Fayol gives an example: "There are two managers in an organization, one of them is highly qualified, studied at universities and improved his skills by working in prestigious companies, and the other is a manager with an average qualification. If your organization is close to a crisis, the second manager knows that he is competitive in the labor market and will leave you and quickly move to another company. The second manager will be next to you and will make every effort to put the company on its feet and get out of the crisis. "The second manager is more valuable to you." This principle can be shortened and called the principle "Loyalty" - "Devotion".

13. **The principle of initiative** lies in the fact that the employee not only conscientiously fulfills the tasks assigned to him, but also tries to fulfill the tasks necessary for the development of the organization, works to improve his work, and shows initiative in his activities. The employee feels that he is a responsible employee, and not just a small "cog" of the organization. As you know, when organizations are divided into classes "X", "Y" and "Z", they feel that they belong to organizations belonging to classes "Z". Different nations have different versions of the legend: "A rich man had two servants." He gave 50 dinars to one servant and 500 dinars to another. A rich man's friend asked him: "Why do you pay them two different salaries, because there is no difference in appearance." Then the rich man called the first





servant and told him that he saw an ordinary caravan on the outskirts of the city and ordered him to go and find out what kind of caravan it was. The first servant went and said that this caravan was going from the city of Samarkand to Bukhara. The rich man asked to go to the caravan and find out what he was going to trade. A servant came and said that the caravan would trade in velvet. When he asked how much it cost, he ran again and again and found out. This situation was repeated 8-9 times. The rich man called the second servant and told him to find out what kind of caravan was going on the outskirts of the city. The second servant came up and asked where he was going and so on and so forth. He came and said what was for sale, how much he would sell it for, how much the price could be reduced and how much to pay for what and how much. As can be seen from this myth, an enterprising worker guarantees the implementation of the organization's business plan at low cost.

14. **Corporate spirit or the spirit** of unity - is manifested in the coherence of the employees of the organization. What is harmony? Employees of the organization must be compatible with each other, i.e. complement each other. They should be able to approach the problem from different angles. Only then will a correct and rational solution to the problem be found. One person has a very beautiful face - eyes, eyebrows, lips, but not attractive, another person's face - eyes, eyebrows, lips are not so beautiful, but this person is very attractive. And in the organization also, there are highly qualified and knowledgeable employees, but the level of development of the organization is low. The employees of another organization are of average qualification, knowledge-skills are also average, but the organization is becoming more and more developed. Since in the first organization there is no harmony among the employees, in the second organization the employees work together, which leads to better results.

Summarizing all the above points, we can say that the scientific legacy left to us by the great French scientist Henri Fayol does not lose its strength. Over the years, modern scientists continue to develop them and add their own contributions. Today's leaders need to study these principles in depth and apply them to their work. Whatever problems they face in their work, they find answers and guidance in these principles.

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