

## Focus on management history

# Fayol's 14 principles of management then and now: a framework for managing today's organizations effectively

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### Abstract

Early last century, for industrially-developing economies, Fayol offered 14 principles of management aimed to help managers ascertain what to do to manage more effectively. Currently, service-based and high-tech industries are becoming dominant in some economies, such as the United States. Many organizations in these industries interpret the principles quite differently from the way they were interpreted in Fayol's time. The differences and the cultural challenges managers face in implementing this new framework are presented.

Industrial manufacturing began to play an increasingly important role in the US economy more than 100 years ago. Since then, many writers have developed propositions about what managers of organizations must do to be able to perform their managerial duties more effectively. One of the most well-known and quoted early writers is the late French industrialist Fayol (1949). One of his key contributions was the 14 principles of management. These principles provided and continue to provide a general management perspective for practicing managers and an instructional tool for academicians teaching in the field of management. But, since Fayol's era, many of the US's manufacturing industries have been transferred to sites in other countries, and the vast majority of America's workforce is now employed in a service capacity.

Thus, the US has entered into what many writers refer to as "the postindustrial society." Basically, this society is characterized by rapid growth of its service sector, by enormous growth in the knowledge industry (Morley, 1974), by high levels of affluence, education, and leisure, by instability and uncertainty, by change becoming a way of life, and by the requirement for new organizational, political and cultural values (Trist, 1970). In this society, traditional organizational forms remain; traditional organizational politics diminish, however (Schick, 1971). The postindustrial society demands that organizational decision making be more frequent and faster and it requires "consideration of more variables and more complex relationships among these variables" (Huber, 1984, p. 933). In essence, decision making becomes a great deal more complex than it was in the past (Simon, 1973). Hence, it is likely that today effective managers in many organizations, especially

in large service-based and high-tech organizations, interpret the 14 principles of management quite differently from the way they were interpreted earlier in the century. The objective of this paper is therefore, based on existing literature, to compare the interpretation of the meaning of the 14 principles then and now, and to package the existing ideas into a contemporary management framework. Table I outlines the comparison of the interpretation. Another objective is to identify some of the barriers, such as corporate culture and individual motivations, managers encounter in implementing the contemporary framework.

## The 14 principles of management then and now

### Principle 1. Division of work

#### Then

This principle proposes that work can be performed more efficiently and more productively if it is divided into smaller elements and assigning specific elements to specific workers. Thus, the dominant thought in designing jobs then was specialization, each employee performing a specific task, as opposed to generalization, each employee performing multiple tasks. It should be noted, however, that Fayol pointed out that division of work has limitations which should not be exceeded.

#### Now

In today's environment, where change takes place very rapidly, application of specialization in designing workers' jobs in organizations in the US is not as efficient and productive as it was then. Then, US organizations existed in a relatively stable environment, and application of specialization in job design, at least in an economic sense, was a viable approach to management. Today, many US organizations find themselves in a situation where robots have taken over a variety of the specialized

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**Table I**  
 The 14 principles of management: then and now

Principle	Then	Now
1	Specialization in workers' job design	Generalization in workers' job design
2	Managers are empowered	Employees are empowered
3	Formalized controls	Informal, peer-pressure controls
4	Subordinates report to only one boss	Subordinates report to multiple bosses
5	Functions have only one plan and one boss	Functions have multiple plans and bosses
6	Employees are committed to the organization	Organization is committed to employees and vice versa
7	Reasonable pay reward system	Performance-based reward system
8	"Trickle-down" decision making	Task relevant, <i>ad hoc</i> decision making
9	Hierarchical, formalized communication structure	Less-formalized, flatter communication structure
10	Internal information system for control purposes	Internal information system for coordination purposes
11	Commitment obtained through kindness	Commitment obtained through a "sense of ownership"
12	Train employees and encourage them to remain	On-going employee training and development
13	Managers conceive and implement new ideas	Workers conceive and implement new ideas
14	Maintaining high morale among workers is imperative	Maintaining high morale among workers is not as imperative

jobs, where a number of the jobs requiring low-skilled labor have been transferred to other countries, and where employees want more challenging and interesting work (McGregor, 1960; Harpaz, 1990).

Also, many US organizations now find themselves in situations where they must downsize their staff as a means of staying competitive (see Cascio, 1993; O'Neill and Lenn, 1995; Bruton *et al.*, 1996). With fewer workers available to perform the specialized tasks, these organizations rely on workers performing numerous tasks (see Carson, 1992; Cunningham and Eberle, 1990). Furthermore, as it has been well publicized, managers of organizations in Japan have demonstrated that greater efficiency and productivity can be attained by rejecting the notion of employees performing a single specialized task and adhering to the notion of employees performing multiple functions (generalization). Therefore:

*P1.* Today, US organizations rely more heavily on the principle of generalization in designing workers' jobs than in the past.

**Principle 2. Authority and responsibility**  
*Then*

Managers require formal and/or informal authority to carry out their managerial responsibilities – they require the authority, commensurate with responsibility, to give orders so that tasks will be accomplished. And the organization should implement safeguards against managers' abuse of power.

*Now*

Today's US organizations emphasize less the practice of the boss with the power to command subordinates and more the practice of employee participation (Cotton *et al.*, 1988; Shashkin, 1984; Cole, 1990; Collard and Sivyer, 1990; Semler, 1989) and employee and group empowerment, that is, self-managed work teams with decisional autonomy and control of activities (Blackburn and Rosen, 1993; Dean and Susman, 1989; MacKenzie, 1991; Manz and Sims, 1987; Magjuka, 1991/1992; Mills, 1983). As Blackburn and Rosen's (1993) research revealed, Baldrige Award winning companies apply participative management and empower groups. And the manager acts more as a coordinator (Dumaine, 1991, p. 42), as an "orchestra leader" (MacKinzie, 1991, p. 236), and less as a controller. Hence:

*P2.* Today, US organizations rely more heavily on employee participation and empowerment programs than in the past.

**Principle 3. Discipline**

*Then*

This principle suggests that, along with good supervisors at all levels, organizations require a set of (more or less) clearly defined rules and procedures aimed at attaining good employee discipline and obedience.

*Now*

As was the case then, all organizations need coordination and control (Hage *et al.*, 1971; Flamholtz, 1979; Jones, 1986; Cavaleri and Obloj, 1993). Control systems in US organizations have historically been

designed under the assumption that workers and management seek "primary control" over their work environment (Weisz *et al.*, 1984). Primary control results when employees with individualistic tendencies (see Bellah *et al.*, 1987) attempt to shape the social and behavioral factors surrounding them, including co-workers and particular events, with the aim of increasing their rewards. Thus, many members of the organization demonstrate behaviors and establish goals that may be incongruent with those desired by the organization. For these reasons, formal control systems made up of rules, standards, and norms of behavior are created to guide, motivate, and evaluate employees' behavioral performance (Ouchi, 1977).

Weisz *et al.* (1984) have characterized Japanese organizations as relying on secondary (informal) control. Under secondary control, people enhance rewards by accommodating themselves to the existing environment by adjusting their expectations, goals, and attitudes. Secondary control systems induce people to subordinate their needs to a more powerful person or force, such as the work group or company – the group approach, labelled *ringi*, practiced in Japan is a form of secondary control (Young, 1992, p. 684). As the practice of empowerment of group programs takes greater root in US organizations, managers will rely less and less on costly formalized controls, and more and more on less-costly informal group discipline and peer pressure controls (see Mintzberg, 1983; Miner, 1973). Thus:

P3. Today, US organizations rely more heavily on informal, group peer pressure controls than in the past.

#### **Principle 4. Unity of command**

*Then*

This is the "one man, one boss" rule: For any action whatsoever, an employee should receive orders from one boss only.

*Now*

Today, many decisions in many US organizations are made cooperatively through groups (Byrne, 1996). It has been reported that about one in five US employers uses self-management teams, and that by the end of the 1990s, experts predict that 40 to 50 percent of all US organizations could be managing themselves through such mechanisms (Lublin, 1992). Many of these groups are *ad hoc* (Weick, 1987). Members of these groups are from various units located throughout the organization and sometimes from units located outside the organization.

Thus, members of these groups may very well need to take orders from their project manager as well as from their regular job managers. Furthermore, in tune with Taylor's (1911) classical approach, members of the group may at times have to take orders from, for example, a financial expert one minute, from an engineering expert the next minute, and so on – depending on the nature of the problem at hand. Hence:

P4. Today, US organizations rely more heavily on the multi-boss, *ad hoc* organization than in the past.

#### **Principle 5. Unity of direction**

*Then*

This principle proposes that there should be only one plan and one boss for each group of activities having the same objective.

*Now*

Today, this principle remains vague in the sense that Fayol did not make it clear how it is to be established which activities in an organization have a common objective (Strank, 1983, p. 11). For example, does the principle apply to units producing multiple products or just to units producing a single product? Furthermore, would not a marketing department with an objective to sell the company's product or products globally sometimes be better served with two or more strategies and two or more bosses: one for the domestic market and one or more for the foreign markets? Would not a marketing department whose target customers are both final consumers and manufacturers sometimes be better served with two plans and/or two bosses? Also, many of the US's organizations are currently multi-industry conglomerates, multi-product manufacturers, with matrix organizational structures containing functions with multiple bosses. Therefore, it is likely that this principle is perceived and practiced quite differently today. Therefore:

P5. Today, US organizations rely more heavily on the multi-boss, matrix organization than in the past.

#### **Principle 6. Subordination of individual interests to the common good**

*Then*

The goals of the organization must take precedence over the interests of individuals or groups of individuals in the organization. Fundamentally, this principle proposes that employees must sacrifice their interests for the good of the organization. Thus, an organization should employ only individuals who are fully committed to its objectives and are willing to readily comply with its mandates.

*Now*

Today's managers find it wise not to demand that the goals of the overall organization take precedence over individual interests (Walton, 1989, p. 81). This is in part because many of today's organizations are confronted with a dynamic environment and must often establish new objectives to meet environmental demands for change (Miller and Rice, 1967). These organizations thus need employees who quickly become highly committed to the new objectives. As has been learned over the years, to best obtain high employee commitment, the organization must view its employees as valuable resources whose interests must be strongly considered (Mayo, 1933; McGregor, 1960; Walton, 1989). Thus:

*P6.* Today, the management of US organizations demonstrates more commitment to its employees than in the past.

**Principle 7. Remuneration of personnel**

*Then*

Compensation for work done should be reasonable to both the employee and the organization, and it should be sufficiently motivational – do not underpay nor overpay employees.

*Now*

Since then, many organizations have adopted meritless remuneration systems, where employees are rewarded more on political savvy than on productivity. Currently, however, organizations are starting to pay more attention to rewards based on performance – referred to as performance-based pay systems. Performance pay is based on the notion that individual equity suggests that “better workers should receive higher wages on the same job than poorer workers” (Wallace and Fay, 1988, p. 18). This wage differentiation supposedly helps motivate workers to produce closer to their maximum potential (Cascio, 1987). Performance pay became a major area of strategic management change in the 1980s (see Kessler and Bayliss, 1992; Kerr and Slocum, 1987). In a survey of over 1,600 US organizations, 75 percent indicated having some form of incentive scheme, with more plans having been introduced in the past five years than in the previous 20 years (McAdams, 1988). Performance pay is distinct from “merit pay” in that it is systematic and open, in that employees have at least some awareness of the criteria being applied to measure performance and the consequent rewards. Whereas using the merit pay approach, increases are often based on arbitrary

management decision (Kessler and Bayliss, 1992). The performance pay system resembles Taylor's (1911) “piece differential pay” system, where employees' pay is based on their motivation and quantitative output.

Hence:

*P7.* Today, US organizations use performance-based reward systems to greater extent than in the past.

**Principle 8. Centralization**

*Then*

This principle suggests that too much centralization leads to organizational ineffectiveness, and so does too much decentralization. Thus, organizations must attain a balance between centralization and decentralization. An approach used to attain the balance is to have upper-level managers establish broad strategic plans and policies and to have the interpretive decisions of the plans and policies made by lower-level managers in the form of tactical plans and procedures (Katz and Khan, 1966).

*Now*

Today, the above “trickle-down” type of decision making is steadily being less and less used by US organizations. Many organizations' decisions are made in what Weick (1987) labelled an “*ad hoc center*,” which is defined by task relevant, specialized knowledge; centers of control, authority, and communication are problem-specific and dependent on where the expertise to solve a problem rests. Another label used is “problem-solving groups” (Magjuka, 1991/1992). The Baldrige Award-winning companies studied by Blackburn and Rosen (1993) practice this behavior. Therefore:

*P8.* Today, US organizations rely more heavily on “*ad hoc center*” type of decision-making systems than in the past.

**Principle 9. Scaler chain**

*Then*

This principle, sometimes referred to as “the hierarchy principle,” suggests that communication in organizations should be basically vertical; that a single, uninterrupted chain of authority should extend from the highest level to the lowest position in the organization. And there should be horizontal communication only when the need arises and permission from superiors has been obtained. Fundamentally, the principle aims to facilitate formal organizational controls.

*Now*

Today, US organizations are beginning to rely less and less on the traditional

hierarchical form of control and more and more on “normative integration” (Ghoshal and Nohria, 1993, p. 18). Normative integration relies neither on hierarchical decision-making mechanisms nor on bureaucratic mechanisms such as formal systems but on the socialization of managers into a set of shared goals, values, and beliefs that then shape employees’ perspectives and behavior. Thus, US organizations are beginning to rely more and more on “organic” (Miner, 1973), “adhocracy” (Mintzberg, 1983), and “total quality management” (Rodrigues, 1995a) ideas. Basically, these ideas suggest that organizations should continuously redefine what is expected of employees, possess low formalization, and implement ongoing change programs. Furthermore, the traditional hierarchical thinking has led to development of tall organizational structures, but today’s US organizations’ structures must be relatively flat and possess fewer managerial layers. This is because, as Tom Peters has been quoted, “A twelve-layer company can’t compete with a three-layer company” (Braham, 1989). This is in part because paying many managers (controllers) at many levels and the slowness of hierarchical decision making in tall structures make organizations existing in a dynamic environment less competitive. Also, an organization can only create an atmosphere of maximum creativity if it reduces hierarchical elements to the very minimum, and creates a corporate culture in which its vision, company philosophy, and strategies can be implemented by employees who think independently and take initiative (Hinterhuber and Popp, 1992). Thus:

*P9.* Today, US organizations use a less-formalized, less-hierarchical, flatter decision-making organizational structure than in the past.

#### **Principle 10. Order**

##### *Then*

One interpretation of this principle is that in organizations there should be a place for everything and everything should be in its place. Another interpretation is that an organization’s materials should be in the right place at the right time, and its employees should be assigned to the jobs best suited to them. Basically, the principle provides a form of formal organizational control.

##### *Now*

Today’s organizations still need to have their materials in the right place at the right time, a JIT system (Young, 1992), for example, and have their employees in jobs best suited for

them. This suggests that organizations require formalized information gathering systems – which this classical principle also suggests. What seems to have changed, however, is the notion of control over internal activities. Today, US organizations are beginning to gather information about their internal activities not so much for the purpose of internal control as for the purpose of providing employees information needed about production and quality strategy (Griffith, 1993). Hence:

*P10.* Today, US organizations, to a greater extent than in the past, gather and use internal information more for the purpose of efficient coordination and decision making than for the purpose of control.

#### **Principle 11. Equity**

##### *Then*

Equity means fairness. The fairness that results from managers being kind and just toward their subordinates will lead to devoted and loyal service. Similar to Principle 6: subordination of individual interests to the common good, this principle proposes that organizations require employee commitment and compliance.

##### *Now*

As proposed in the “Now” subsection of Principle 6, to obtain high commitment, an organization must strongly consider the interests of its employees. In high commitment organizations, according to Walton (1989, p. 81), the relationship between labor and the organization is expanded “well beyond the traditional arrangement. The employee becomes committed to the organization and its goals, and is matched by an additional commitment by the employer to the employee’s welfare.” To enhance commitment, the organization develops a “sense of ownership” among its employees. For example, Wal-Mart gives every employee a piece of the action – it provides profit sharing, incentive bonuses, and stock purchase plans (*Business World*, 1991). Therefore:

*P11.* Today, US organizations are more committed to their employees’ welfare and to developing a greater “sense of ownership” among them than in the past.

#### **Principle 12. Stability of personnel tenure**

##### *Then*

Training new employees takes time and it is expensive. A high rate of employee turnover would thus be inefficient and should be avoided.

*Now*

Stability of personnel tenure does not seem to be important to many organizations. Some industries, e.g. the fast-food industry (McDonald's, Burger King), actually rely on high employee turnover because employees with tenure demand higher wages than new employees. There is also the current phenomenon of organizational downsizing, which has had an effect on hundreds of companies and millions of workers since the late 1980s (Cascio, 1993, p. 95). Some companies' downsizing strategies are to eliminate many middle management positions in order to flatten the organizational structure and to enrich the lower-level employees' jobs. Some companies' downsizing strategies are driven by economic reasons – due to intensive competition and/or lower product/service demand, they cannot afford to maintain as many workers as in the past. And some companies' downsizing strategies are an attempt to eliminate the long-time-tenured employees who are unwilling to change from their old programmed behavior to a new behavior needed to meet new organizational challenges.

Hence, today many companies can no longer simply train an employee and keep him/her until retirement. Regardless of strategy a company adopts, one thing is clear: organizations require ongoing training and development programs (see Blackburn and Rosen, 1993; Walton, 1989). Companies that adopt a high turnover strategy need a program to quickly train new employees. Companies that adopt the flatter organizational structure and employee job enlargement and enrichment strategy need training programs to train the lower-level employees and to quickly retrain them. And, to keep long-time-tenured employees from becoming unadaptable to new organizational challenges, organizations need ongoing training and development programs. Thus:  
*P12.* Today, US organizations implement more ongoing employee training and development programs than in the past.

**Principle 13. Initiative**

*Then*

Organizations require managers who possess the ability to conceive new ideas as well as the ability to implement them.

*Now*

Organizations rely less on hierarchical managers' abilities to conceive and implement ideas and more on problem-solving groups (Weick, 1987; Magjuka, 1991/1992; Blackburn and Rosen, 1993). This is

because organizations can only create an atmosphere of maximum creativity if they reduce hierarchical elements to the very minimum, and create a corporate culture in which its vision, company philosophy, and strategies can be implemented by employees who think independently and take initiative (Hinterhuber and Popp, 1992). Hence:

*P13.* Today, organizations rely less on hierarchical elements and more on employees who think independently and take initiative than in the past.

**Principle 14. *Esprit de corps***

*Then*

The maintenance of high morale and unity among employees is imperative.

*Now*

Today, as indicated earlier, more and more US organizations find themselves in a position of needing to downsize their operations as a means of remaining competitive in the marketplace. Often, downsizing means an organization eliminating jobs. Staff cuts and the prospect of staff cuts tend to lower employee morale (O'Neill and Lenn, 1995). Downsizing has in some cases led to greater efficiency (see Bruton *et al.*, 1996), but not in some cases (see Cascio, 1993). Whatever the case may be, organizational downsizing seems to be a dynamic here to stay. This suggests that to attain greater effectiveness more and more organizations in the US will hire more and more workers on a temporary, project contractual basis, and thus more and more employees in the US will become self-employed. Therefore, paradoxically (in light of the other 13 principles):

*P14.* Today, maintaining high morale among all employees in US organizations is not as much of an imperative as it was in the past.

**Discussion**

Basically, the above has developed a contemporary general management framework (outlined in the "Now" column of Table I) describing what today's managers must do to be more effective in carrying out their managerial duties. It should be noted, however, that research is likely to reveal that not all organizations, for example, small organizations, government agencies, churches, large steel makers, apply this contemporary framework – they continue applying the old Fayol framework. The research is also likely to reveal that many modern organizations do not apply all 14 contemporary principles, and that many

organizations apply some principles more intensively than others.

Of course, developing a framework describing what managers generally must do to manage more effectively is far less complicated than developing one describing specifically how to implement it – how to do it. Implementation requires changing the old organizational culture and developing a new one. Schein (1984, p. 3) defined organizational culture as the “pattern of basic assumptions that a given group has invented, discovered, or developed in learning to cope with its problems of external adaptation and internal integration, and that have worked well enough to be considered valid, and therefore to be taught to new members as the correct way to perceive, think and feel in relation to those problems.” Organizational culture is thus defined by the organization’s members’ frames of reference, which are articulated and codified by organizational statements of purposes, policies, myths, stories, and rituals (Shrivastava and Schneider, 1984). Hofstede *et al.* (1990, pp. 311-12) broke down the meaning of organizational culture into practice, such as symbols, heroes, and rituals, and into values, such as good/evil, beautiful/ugly, normal/abnormal, rational/irrational.

Kabanoff *et al.* (1995, p. 1076) define values as “generalized, enduring beliefs about the personal and social desirability of modes of conduct or ‘end-states’ of existence.” These researchers posit that individuals, groups, organizations, societies, and national cultures have values. Schein (1992) has proposed that organizational values are implicit or explicit views shared to a large extent by members of the organization about the external adaptation of the organization and the internal integration of the organization. According to Hofstede and his colleagues, the value aspects of organizational culture are determined by national culture, and the practice aspects are determined by the organization as a means of adapting to environmental demands for change. The notion of culture thus presents certain challenges for managers when attempting to implement a new organizational culture, especially when the change is countercultural (Schein, 1992, p. 140).

For example, organizations which have implemented this type of framework would rely heavily on group efforts and informal group controls. Sethi *et al.* (1984) have suggested that people in individualistic cultures, such as America (Hofstede, 1980), join group activities voluntarily “on the basis of enlarged benefits that will accrue to them

for participation, balanced against the loss of individual freedom that is surrendered to the group” (Hofstede, 1980, p. 243). How do organizations deal with employees who do not want to participate in group activities because they do not want to lose their individual freedom? The Japanese are forced, in many instances, to become members of groups others feel are appropriate for them (Sethi *et al.*, 1984). Can people in American-like cultures be mandated to join groups? Even if they could be, it may not be effective – as has been proposed, employee involvement “with voluntary membership status works best for the firm” (Magjuka, 1992, p. 208). Schein (1992, p. 140) has also indicated that “the use of quality circles, self-managed teams, autonomous work teams, and other kinds of organizational devices that rely heavily on commitment to groups may be countercultural in the typical US individualistic competitive organization as to be virtually impossible to make work unless they are presented pragmatically as the only way to get something done.”

Further, Quinn’s (1988) competing values model provides one means of examining how different value orientations underlying organizational culture affect design choices. According to Quinn and Rohrbaugh (1983), some organizations possess flexibility-oriented values, which emphasize decentralization and differentiation, and some possess control-oriented values, which emphasize centralization and integration. The former is likely to encounter less difficulty in implementing this framework than the latter. And Quinn and Kimberly (1984) have indicated that no organization is likely to reflect only one value; instead organizations reflect a combination of values, although one could be more dominant than the others. This suggests that an organization may apply strong controls in a certain function, e.g. finance, and at the same time apply looser controls in another, e.g. marketing or R&D. How do managers of organizations attempting to implement this framework address the need for different approaches for different situations?

Also, major cultural changes and structural change efforts are very expensive and time consuming due to the need to build trust, develop skills, and overcome resistance. For example, shifting from a mechanistic to an organic form is time consuming and costly because of the requirement that lower-level employees, supervisory personnel, and middle managers be retrained in the knowledge, skills, and abilities needed to carry out their new roles. And these changes disrupt existing power

and status networks, making resistance likely as well as costly and time consuming to overcome (Child, 1987, p. 187). Furthermore, organizations incur substantial ongoing training costs after their initial investment because of the need to continually update employee knowledge and skills (Nemetz and Fry, 1988). In other words, implementing and maintaining this type of framework is often expensive and, ultimately, the consumer must bear these expenses. What if customers do not want to pay for these costs? For example, Baldrige Award winner Wallace Company's customers eventually rebelled at paying higher prices to fund the costs of the firm's quality program. The enterprise lost money, laid off employees, and was forced to operate in Chapter 11 (Blackburn and Rosen, 1993). If the latter occurs, what happens to the "bond," "sense of ownership" aspects of the framework? How will these problems be dealt with? Or what if consumers can get the product for less from companies which do not incur as many costs in implementing and maintaining such programs? For example, many organizations in Japan are already managing under such a framework and thus may not need to incur as many implementation costs as would US organizations.

Still another question has to do with individuals' need for power and empowerment. Many people are motivated by the need for power (see McClelland, 1975). What if such individuals do not want to surrender their power? How do organizations deal with these individuals? Can these individuals be taught the practice of empowerment? How? Therefore, if these individuals refuse to relinquish power, how will organizations establish a flatter structure? Furthermore, Schein (1992) has found that a poor match exists between top managers' and information technology specialists' values. For instance, top managers' presumption that "hierarchy is intrinsic to organizations and necessary for coordination" conflicts with the specialists' presumption that "a flatter organization will be a better one" and "a more fully connected organization with open channels in every direction will be a better one" (Schein, 1992, pp. 286, 291).

The above framework and questions suggest that while we may know that such programs are imperative for organizational effectiveness, there is still much to be learned about what such programs really are and what they are really for. Are they a quick fix business solution? Are they a methodology? For example, TQM (see Blackburn and Rosen, 1993; Taguchi and Clausing, 1990;

Juran, 1988; Rodrigues, 1995b) is a program similar to this framework. It has been inferred that TQM is neither; that it is an attitude, a set of values; that there is very little discussion in the literature of what is required in order for TQM work (Wilkinson, 1992). This paper has to some extent attempted to show what is needed to implement this framework. Notwithstanding all the barriers, the concept developed in the paper is still valuable. It provides, at least, a framework for thinking in terms of organizational and managerial improvement.

In conclusion, when one considers the implementation of the contemporary 14 principles as a means of obtaining organizational effectiveness, it seems as if Principle 12, ongoing employee training and development programs, would today be of utmost importance. This is in part because implementation and maintenance of this framework requires that both the managers and the subordinates be willing to implement it and know how to keep it implemented. It is also important because possessing employees whose skills are in tune with the times may result in fewer downsizing activities. And when downsizing is necessary, capable employees may be able to transfer elsewhere more readily, hence, morale will not decrease as much as if employees are not mobile.

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