

Management

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Taylorism

- ▶ Father of Scientific Management – Frederick Winslow Taylor
- ▶ Published “The Principles of Scientific Management” in 1911.
- ▶ Four Principles:
 1. Replaced rule of thumb work methods with scientific study of tasks;
 2. Scientifically select, train, teach and develop the employee vs. the employee choosing their own work and training methods;
 3. Provide detailed instructions, supervision of performance, and cooperation with employees to ensure methods are followed;
 4. Equal distribution of work between management and labor where management assumes the role of planning using scientific methods.



Drawbacks of Scientific Management

While scientific management principles improved productivity and had a substantial impact on industry, they also increased the monotony of work

While in many cases the new ways of working were accepted by the workers, in some cases they were not.

The use of stopwatches often was a protested issue and led to a strike at one factory where "Taylorism" was being tested.

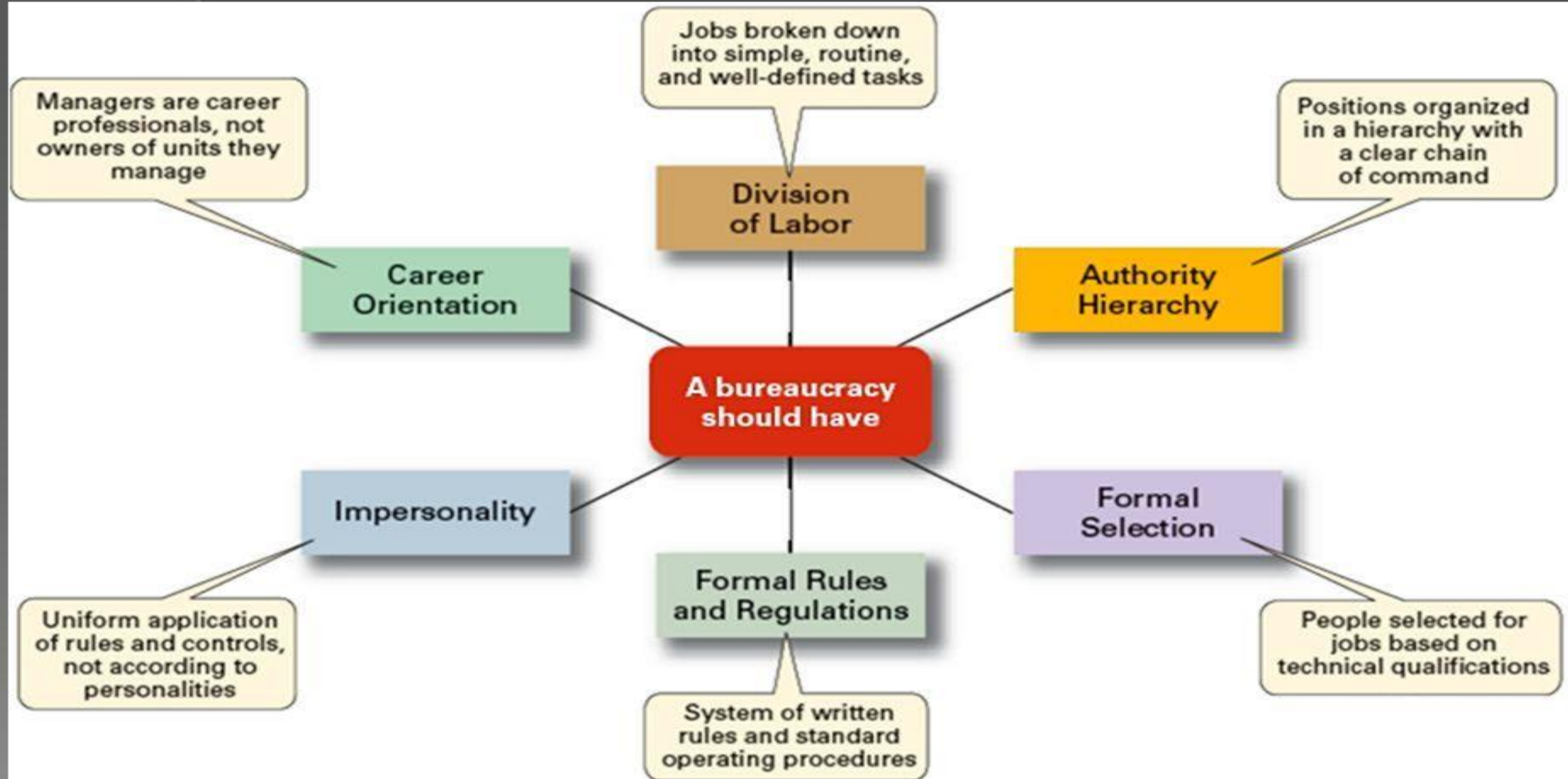
Complaints that Taylorism was dehumanizing led to an investigation by the United States Congress.

What Is Management? (According To Fayol)

Fayol's definition of management roles and actions distinguishes between **Five Elements**:

- **Prevoyance.** (Forecast & Plan). Examining the future and drawing up a plan of action. The elements of strategy.
- **To organize.** Build up the structure, both material and human, of the undertaking.
- **To command.** Maintain the activity among the personnel.
- **To coordinate.** Binding together, unifying and harmonizing all activity and effort.
- **To control.** Seeing that everything occurs in conformity with established rule and expressed command.

Weber's Ideal Bureaucracy



Henri Fayol's 14 principles of Management



Principles of Management

- **Division of work** : In any organised situation, work should be divided into compact jobs to be assigned to individuals. Division of labour facilitates specialisation and improves efficiency, if, it is done within reasonable limits.
- **Authority and responsibility** : The authority of a manager should go hand in hand with the responsibility for effective results. In other words, there should be a parity or balance between authority and responsibility vested in a managerial position.
- **Discipline** : Discipline defined as observance of diligence and respect, should be enforced throughout the organisation by managers as leaders of their work groups. Fayol declares that discipline requires good superiors at all levels. Fayol emphasised the need for discipline among the personnel for the smooth running of organisations and advocated penalties to prevent its violation.
- **Unity of command** : This principle specifies that a subordinate in an organisation should be under the direct supervision of a single superior from whom he gets instructions and to whom he is accountable. In other words, every employee should have only one boss, otherwise, conflict and confusion in authority and instructions would result.

Principles of Management

- **Unity of direction** : According to this principle, a set of activities having the same objective should be under the direction of a single manager. Similarly, there should not be only one plan of action for such a set of activities since the objective is the same.
- **Subordination of individual interest to central interest** : The collective good and common interests of the organisation should prevail over the narrow sectional and self interest of its members.
- **Remuneration**: Remuneration and the methods of payment in an organisation should be fair.
- **Centralisation** : It refers to relative concentration of much authority in a manager at any managerial level but especially at the top managerial level. Decentralisation of authority refers to relative dispersal or devolution of authority among the various managerial levels and especially among the lower managerial levels to facilitate operational decision -making. There should be a proper combination and balance between centralisation and decentralisation in an organisation based on consideration of several internal and external factors.

Principles of Management

- **Hierarchy or scalar chain of command** : Scalar chain implies authority relationships from the top to the lowest echelons of organisation. Authority relationships said to be scalar when subordinates report to their immediate superiors and when their superiors report directly, as subordinates, to their superiors (i.e. in 'scales').
- **Order** : Order refers to a systematic arrangement of materials and placement of people in the organisation. In 'material order' everything should be in its proper place and there should be a place for everything. For 'social order' there should be a place assigned to each employee, and each employee should be in the place assigned.
- **Equity** : Equity in this context refers to fair treatment to all workers in an organisation so that it promotes a friendly atmosphere between superiors and subordinates.
- **Stability of tenure of personnel** : Organisations should make efforts to achieve relative stability and continuity of tenure of their personnel. This could be achieved by attractive remuneration and honourable treatment of personnel.
- **Initiative** : An organisation should encourage desire initiative among its managers and employees by extending opportunities and freedom to contribute their best.
- **Esprit de corps** : This is the principle that 'in union there is a strength', or 'team spirit'. The principle stresses the need for team spirit, cordial relations and a cooperation among the personnel.

“THE HAWTHORNE STUDIES”

- **Illumination Study** (November 1924)
 - Designed to test the effect of lighting intensity on worker productivity
 - influence of human relations on work behavior
- **Relay Assembly Test Room Study** (1927-1932)
 - To determine the effect of changes in various job conditions on group activity.
- **Interviewing Program** (1928-1930)
 - Investigate connection between supervisory practices and employee morale
 - Employees expressed their attitudes towards company, supervision, insurance plans, promotion and wages (e.g., likes and dislikes)
- **Bank Wiring Room Observation Study** (November 1931 - May 1932)
 - Social groups can influence production and individual work behavior
 - How is social control manifested on the shop floor?



Results from Hawthorne Studies

- Discovery that workplaces are social environments
- Within workplaces, people are motivated by much more than economic self interest
- All aspects of industrial environment carry social value
- The group developed an increased sense of responsibility and discipline no longer needed to come from a higher authority, it came from within the group.
- Impact on Management Theory
 - Represent the beginning of the human relations movement in the study of management

McGregor's Theory X and Theory Y

(Assumptions and Management's Roles)

THEORY X

Assumptions:

- People have an inherent dislike for work and will avoid it whenever possible.
- People must be coerced, controlled, directed, or threatened with punishment in order to get them to achieve the organizational objectives.
- People prefer to be directed, do not want responsibility, and have little or no ambition.
- People seek security above all else.

Management's Roles:

To coerce and control employees.

THEORY Y

Assumptions:

- Work is as natural as play and rest.
- People will exercise self-direction if they are committed to the objectives (they are not lazy).
- People learn to accept and seek responsibility.
- Creativity, ingenuity, and imagination are widely distributed among the population. People are capable of using these abilities to solve an organizational problem.
- People have potential.

Management's Roles:

To develop the potential employees and help them to release that potential towards common goals.