

Approaches of Management

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Approaches

→ Speak for the first time about proposal

Type of Approaches of management

- 1. Classical
- 2. Neoclassic
- 3. Contemporary

Classical Approaches

- 1. based on belief that worker on have physical and economical need
- 2. does not take into account social need and job satisfaction
- 3. support specialization of labour,centralized leader,profit maximisation
- 4. Four approaches – early contribution,scientific management,administrative management,bureaucracy

Early Contribution

- 1. Robert Owen (social reformer,philanthropist) emphasizes on welfare of worker
- 2. Charles Babbage (inventor,mathematician) emphasizes the need of profit sharing
- 3. Andrew Ure (physician,chemist) emphasizes necessity of management evolution
- 4. Henry Towne empasizes on significant of business skill

Scientific Management

- 1.Frederick W Taylor : Father of SM
- 2.gave POM,TOM,Mental Revolution

* Principle of Management

science not rule of thumb

- 1. use science not rule of thumb
- 2. rule of thumb : trial and error or hit and miss which is costly affair
- 3. scientific method : study traditional method , unify best practices and develop standard method to be followed throughout organization

Harmony not Discord

- 1. harmony between management and worker in time of conflict
- 2. both need each other
- 3. manager share gain and worker loyalty and work hard

Cooperation not Individualism

- 1. W and M work together
- 2. take suggestion from worker reward if reduce cost and time
- 3. work side by side
- 4. divide responsibility equally

Development of each and every person

- 1. to greatest efficiency and prosperity
- 2. scientific selection of worker
- 3. work assign to worker based on his/her capabilities

* Technique of Scientific management

1. Functional Foremanship

- > technique to supervise worker
- > each worker supervise by 8 supervisor (4 planning aspect 4 production aspect)

2. Standardization and simplification of work

- > setting standard for every organizational activity to maximise output
- > simplify work as much as possible

3. Work study

- > study work to identify how to perform work in a desirable way by standardization and simplification of work

4. Differential piece wage system

- > worker who achieve or exceed production target gets higher rate per piece and vice versa

* Mental Revolution

- > complete change in mindset of owner, manager and worker resulting in understanding need of each other
- > it is neither POM nor TOM but an approach that should be followed to implement scientific management

Contribution of Henry Gantt (mechanical engineer)

* Development of Gantt Chart

- > Developed Gantt chart to manage work and project execution
- > Provide graphical schedule for planning and controlling of work and recording work in progress toward the stages of project
- > still valid today

* Industrial Efficiency

- > Increased by scientific analysis of work in progress
- > industrial management role to improve system by eliminating changes and accident

* Task and Bonus System

- > disagree with Taylor Differential piece wage system
- > introduce concept of flat bonus on achieving production target (both worker and supervisor)

* Social Responsibility of Business

- > obligation to welfare of society in which they operate

Contribution of Frank and Lillian Gilbreth (husband and wife)

* motion study

- > identify all possible movements in doing work
- > determine least possible movement
- > increase efficiency and reduce no. of movement

* fatigue study

- > identify time at which worker felt fatigue and efficiency go down
- > study it and provide suitable time interval and period of rest for worker

* humanistic approach

- > aim of sm is to help reach worker its full potential as a human being

Fayol Administrative Management

- Father of Operational Management Theory
- viewed management problem in top management
- gave 3 approach Managerial qualities and training, General principle of management, Element of management

* Managerial qualities and training

- > six qualities in manager
- pmmeet(physical, moral, mental, education, experience, technical(imp for worker))

* General principle of management

~ Division of work

- > whole work divided into unit and task , assign task and unit to right person

~ Authority and Responsibility

- > Authority – power of decision

- > Responsibility – Duty
- > Balance between A and R
- > Results – quick decision, action and no misuse of power

~ Discipline

- > All level of management should follow sets of rule and regulation

~ Unity of Command

- > One boss, one command

~ Unity of Direction

- > one plan one head in each department
- > each group activity of same objective must have one plan and one head

~ Subordination of individual interest to general interest

- > organization goal always top than manager personal interest

~ Remuneration of employee

- > salary paid fairly and provide max possible job satisfaction to employee and employer

~ Centralization and Decentralization

- > Centralization – top management decision
- > Decentralization – all management decision
- > balance or combination of C and D

~ Scalar Chain

- > chain of superior from top to bottom level in an organization
- > except top and bottom all are supervisor and subordinate
- > any communication going up or down should follow these chain
- > delay
- > gang plank – arrangement in which two worker working at same level communicate directly for quick communication

~ Order

- > place for everything
- > everything be in place
- > right person at right place

~ Equity

- > all employee treated fair, just and kind

~ Stability of Personnel

> job Security

~ Initiative

> manager encourage employee to take initiative and suggestion

~ Esprit de Corps (french union is strength)w

> manager support team spirits

Bureaucracy(max weber)

> use of oral or written rule to control an organization

> efficient way to set up organization

> organization structure characterized by many rules,standard process,procedures and requirement,division of labour and responsibility

principle of bureaucracy

1 Task Specialization

> business task divided among employee

> work assign to capabilities

2 Formal selection

> selected specialization and technical skill

> right employee at right place

3 Impersonal relationship

> manager and employee must have impersonal (uninterested) relationship

4 Hierarchical layer of authority

> organization structure into hierarchical layer

> each layer of management has a team of employee and manager is responsible for performance of employee

5 Rules and Regulation

> have set of rules and regulation

> all should follow that no matter what

Neoclassical Approach

> attempt to include behavioral science in management thought to solve problem caused by classical approach

> idea that role of management is to use employee to get things done in an organisation

> approaches – human relation,social system,decision theory,behavioral

Human Relation (hawthorne and elton mayo)

- > human relation is relationship between human resource of organization
- > it incorporates management-employee, employee-employee relationship
- > as well as between relationship human resource of organisation and outsider(supplier client etc)

features

- > assume organization is a social system
- > system consist of many interacting groups
- > two way communication for healthy

Social System (extended HRA)

- > organization is a social system
- > relationship exist among external as well as internal environment of organization
- > cooperation required among group to achieve goal
- > harmony between goal of organization and goal of group for effective management

Decision Theory

- > look at problem of management around decision making
- > emphasizes every manager job is to make decision

#features

- > management is essentially decision making
- > member of organization are decision maker and problem solver
- > quality decision == effective organization
- > all factors affecting decision making are subject to management study
- > organization is basically combination of various decision making centres

Behavioral

- > look organization as a collectivity of people for achieving certain specific objective

#feature

- > people donot dislike job just help them reach goals
- > most people have untapped potential at their current job
- > manager job is to untapped those potential
- > create environment that is healthy safe comfortable and convinient place to work for employee to reach best possible potential
- > work satisfaction may increase if employee use its full potential

#Contribution of Barnard (chester management professional)

1 concept of organization

- > suggest classical concept of organization doesnt fully explain features of organization
- > defined organization as a system of consciously coordinated activities of two or more person

2 Acceptance Theory of Authority

> Barnard did not agree with the classical concept of authority where it comes from top to bottom. He said that authority comes from bottom

3. Functions of the Executive

>(a) Maintaining proper communication in the organisation

(b) Obtaining essential services from individuals for achieving organisational goals

(c) Formulating purposes and objectives at all levels.

4 Formal and informal organization

> organization divided 2

> formal organization has consciously coordinated interaction which have a deliberate and common purpose

> informal those social interaction which donot have consciously coordinated joint purpose

5 Element of organization

1 system of departmentalisation so that people can specialize

2 system of effective and efficient incentives so as to induce people to contribute to group action

3 system of power which will lead group members to accept decision of the executives

4 system of logical decision making

6 motivation

> suggested non financial incentive for motivating people like sense of belongness, opportunity of power, mutual supporting personal attitudes