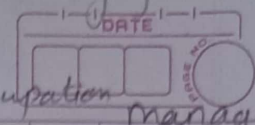


Development

practitioner - a person engaged in the practice of a profession, occupation

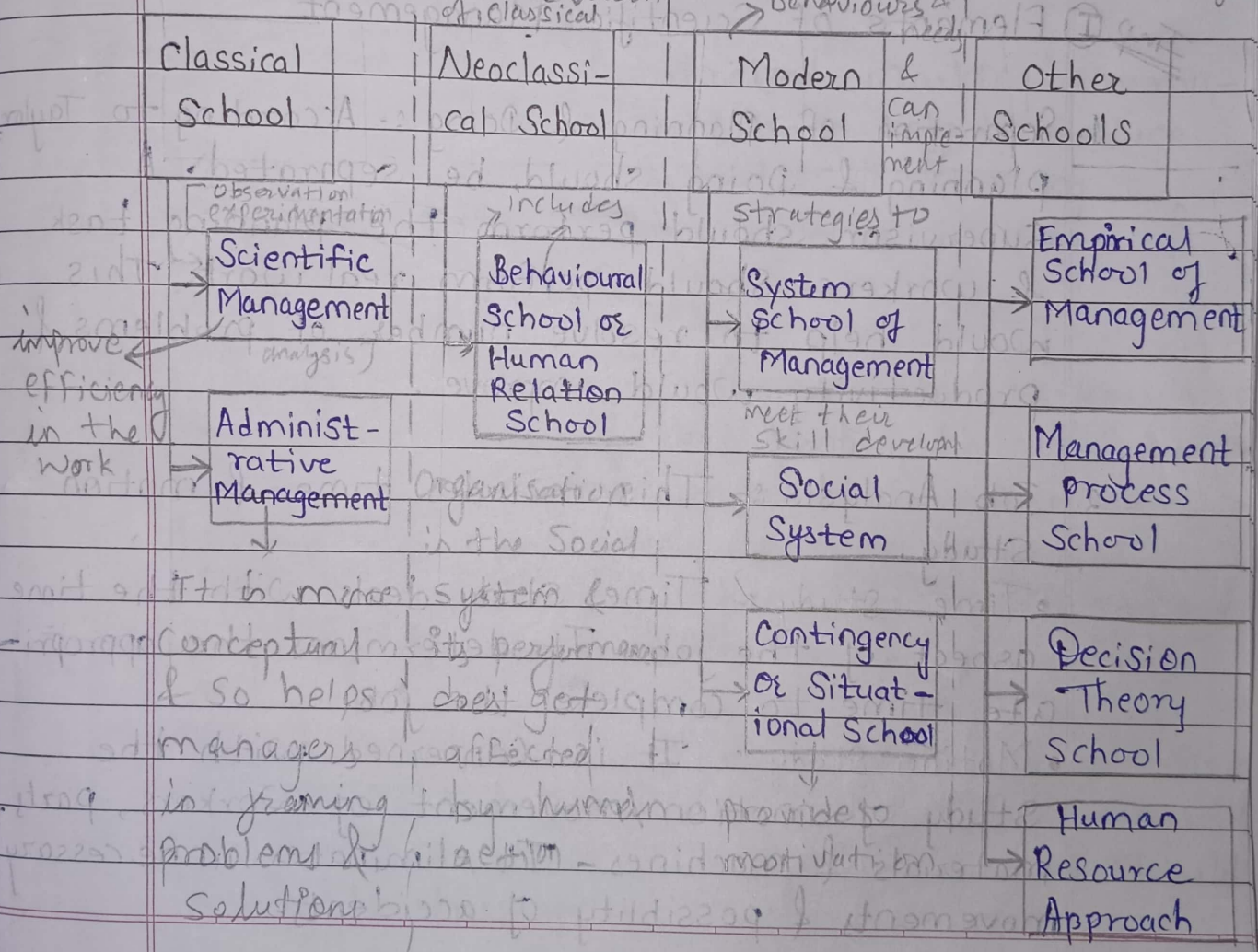


## ② Evolution of Management Thoughts of people in organization

↳ The different views on management popularised by expert, practitioners & management scientists in terms of concepts, ways, methods, functions, processes, principles & theories are known as - Management Thoughts OR Management Approaches

↳ The terms of persons - human relations experts, behavioural scientists, management practitioner, writers & contributors who develop the thoughts are known as Schools of Management

↳ Schools of management thoughts are classified into four main groups :- manager's understand employee's behaviours



## \* Contribution of F.W. Taylor :-

- F.W. Taylor, the chief contributor of the Scientific management, defined as, "Scientific Management is concerned ~~with~~ with knowing exactly what you want men to do & then see they do it in the best & cheapest way."
- F.W. Taylor is known as the father of Scientific management & his contribution is known as Principles of Scientific Management.
- Scientific Management can be described in two different dimensions:-

### Imp ① Elements of Scientific Management

1. Separation of Planning & Doing :- According to Taylor planning & Doing should be separated. A Supervisor should perform the planning task & workers should perform real work. This would help to resolve number of problems & productivity would improve.
2. Job Analysis :- This includes time & motion Study.
  - Time Study :- Time Study deals with the time aspect of the job. It determines the appropriate time to complete the job.
  - Motion Study :- It is concerned with the study of motion/movement of workers, parts, materials & machines. It eliminates unnecessary movements & possibility of accidents.

productivity - Amount of o/p & p/p needed to produce product.



- Method Study :- It is concerned with issues related to methods to complete the job & it helps to find the best methods to perform the work.

3. Fatigue Study & rest Study :- This are concerned with the study of physical exertion that a job requires & the need of rest after a particular time.

4. Differential Wages System :- Many experts including Taylor advocated a differential wage system to improve worker's productivity. They suggested that the wage system should be associated with productivity.

5. Standardisation :- Standardized working environment & methods of production help to reduce Spoilage & wastage of material, cost of production, fatigue among the workers & it improves quality of work.

6. Scientific Selection & Training to workers :- The selection of workers should be on Scientific basis, taking into account their education, their work experience, aptitude, physical fitness etc. Similarly they should be trained properly to make effective & efficient.

7. Mental Revolution :- There should be mutual co-operation between management & workers. They should work for co-existence & should behave as trustees of the organisation.

8. Financial Incentives :- Workers should be given financial incentives to encourage them to put maximum efforts & to achieve better performance. He recommended the piece wage rate system.

9. Economy :- Taylor emphasised on achieving economy in operations. He laid stress on higher production efficiency in production result into reduced ~~into~~ the cost & eliminating wastages.

## Imp II Principles of Scientific Management

1. Replacing rule of thumb with science :- Taylor advised replacing the rule of thumb that means belief, guess with estimation with scientific precision. Job aspects like day's fair work, standardisation, time, rates of payment should be measured precisely.

2. Principles of work :- Taylor advocated the application of the following principles :-

(a) A Large Daily Task

(b) Standard Condition

(c) High pay for Success

(d) Loss in case of failure

3. Harmony in-group action, not discord :- Taylor focused on harmony in-group actions. There should be a mutual give & take situation based on proper understanding. Harmony in-group action can maximize group contribution.

4. Co-operation & not individualism :- Co-operation between management & workers should be developed in a positive way. Mutual Confidence, Co-operation & goodwill can make smooth professional relationship.

5. Maximum Output, not restricted output :- Scientific management is based on continuous activity & increase in production & productivity. Taylor strongly recommended that workers & management concentrate their attention on increasing production until the size of surplus is met.

6. Development of workers :- According to the Scientific management, all workers should be developed to the fullest extent, for both their benefits & company's prosperity. Scientific Selection & training are ~~ness~~ necessary for the purpose.

### \* Contribution of Elton Mayo :-

A) ↳ Elton Mayo is known as the founder of Human Relation School.

↳ The famous Hawthorne investigation are main part of the research study.

↳ The studies included investigation into :-

- B)
1. The extent of relationship between physical working conditions & productivity.
  2. Extent of the value of the wage incentive.
  3. General worker attitude toward work & team

members:

4. Extent of the Control of the individual upon working group.

- Productivity of employees depends heavily upon the satisfaction of the employees in their work situation.

- All the human factors influencing employees behaviour, the most powerful were those emanating from the worker's participation in social groups. The studies underlined the need for developing social skill for meeting human problems arising out of transformation of established society to adaptive society.

1c) This approach attempted a theory of management in terms of social relationship. Developing a point of view on what is adequate personnel management, it observes:-

- 1) Happy employees are productive workers.
- 2) Special attention causes people to increase their efforts.
- 3) It learns that what is important to particular employees exists its own organisation.

\* Contribution of Henry Fayol:-

1) Classification of Business Activities

Henry Fayol has classified operations of industrial organisation into six groups, viz.

- 1) Technical Activities
- 2) Commercial Activities - related to production
- 3) Commercial Activities - related to buying, Selling & exchange
- 4) Financial Activities
- 5) Security Activities
- 6) Accounting Activities
- 7) Managerial Activities.

2) Managerial Qualities :-  
 - Henry Fayol was the 1<sup>st</sup> to identify various qualities a manager should possess for effective performance.  
 - He describes these qualities in six groups as under :-

- 1) physical Qualities
- 2) Mental Qualities
- 3) Moral Qualities
- 4) Educational Qualities
- 5) Technical Qualities
- 6) Experience Qualities.

Vimp 3) General principles of Management :-

@ Division of Labour - Fayol advocated division of work to take advantage of specialisation.  
 According to him, Specialisation leads to efficient work & can be applied to all levels of organisation. One person cannot take effective decisions for all the departments; instead if work is divided as per the nature & specialisation then it can be controlled & completed more effectively & efficiently.

**(b) Authority & Responsibility :-** Authority is the right to take decisions. It is necessary to get the things done appropriate from Subordinates. Authority always comes with responsibility. Responsibility arises from assignment of work. Fayol stated that there should be balance bet<sup>n</sup> authority & responsibility.

**(c) Discipline :-** According to Fayol, discipline is the most essential thing in the organisation. Employees must obey & respect the rules that govern the organisation. Discipline helps to achieve the goals in the organisation. Good discipline is the result of effective leadership.

**(d) Unity of Command :-** It indicates that a person should be receive orders & instruction from only one Superior. Lack of unity of Command may lead to conflict & confusion. It is an important principle for Organisational efficiency. This leads to working in groups for various departments & project.

**(e) Unity of Direction :-** This principle suggests that the operations with same objectives should be directed by one manager using one plan. Unity of direction provides better Co-ordination among different activities of the Organisation.

#### (d) Subordination of Individual to General Interest :-

In many organisations, individual interest should be subordinated with the general interest.

The common goal of organisation should be communicated to all the members clearly.

This principle is very important because interest of people leads to dedication towards work.

(e) Remuneration :- Remuneration of employees should be fair to both employer & employees. It should be equal to the level of performance, & should be flexible. Remuneration plays a very important role in motivating & holding employees interest.

(f) Centralisation :- Fayol believed that a manager should retain the final authority, but should delegate to his subordinates enough authority to do their jobs. Depending upon situations, a manager should decide the extent to which authority should be centralised.

(g) Scalar Principle :- There should be a scalar chain of authority & communication from the top to the bottom in the organisation. This is also known as 'Hierarchy'. Line of authority/responsibility & communication should remain unbroken from the top to bottom.

(h) Order :- This principle is related to arrangement of things & people. There should be 'A place

for everything & everything should be in its place'. Human resources & materials should be in the right place at the right time for maximum efficiency.

(K) **Equity**:- Equity is combination of justice, fairness & kindness. Manager should be friends with & fair to his subordinates. He requires good sense, experience & good nature to apply equity.

(L) **Stability of Tenure**:- There should be stability in staff. Unnecessary turnover should be reduced. Employees should be given reasonable security of jobs. Staff stability can contribute to maximum efficiency.

(M) **Initiative**:- Within limits of authority & discipline, a manager should encourage his employees to take initiative. They should be given reasonable freedom to conceive & carry out plans. Initiative skill is important for development of the organisation.

(N) **Esprit de Corps**:- The principle is concerned with prompting team spirit. A manager should encourage esprit de corps among his employees. It gives sense of unity. The principle explains that unity/union is strength.

## \* Elements of Management :-

- According to Fayol, management should be viewed as a process.
- Management process consists of five elements also regarded as functions of management. These elements are :-

- 1) Planning → most important managerial function.
- 2) Organising → is concerned with creation of formal structure.
- 3) Commanding → similar to direction & necessary for executing plans.
- 4) Co-ordination → ensures working together for the same purpose.
- 5) Controlling → verifying whether everything is proceeding according to plan.

## \* Taylor (Scientific Approach) Vs. Fayol (Administrative Approach)

Scientific Management School	Administrative Theory School
1. Focus on jobs of individual workers.	1. Focus on total organisation.
2. Concerned with issues of efficiency improving of individual jobs.	2. Concerned with functions performed by the managers, co-ordinating the resources of the organisation.
3. Concentrates on worker level.	3. Concentrates on management from top to bottom.
4. Requires technical skills	4. Requires conceptual, managerial & human skill.

5. Emphasis on technical aspects of production.

5. Emphasis on the administrative aspect of Organisation.

6. Increasing work through Simplification of work, time & motion study.

6. Improving overall administration by observing certain principles.

7. provided a major basis for accomplishments on the Shop floor.

7. produced systematic theory of management.

## \* Contribution of Peter Drucker.

- 1) Focus on Managers:- Peter Drucker always focused on the managers & their roles, because managers are the integral part of decision-making.
  - ↳ Managers should be known by their performance. They must set meaningful goals for the entire organisation.
  - ↳ Managers impact society through their action.
  - ↳ Managers should realise that ~~their~~ businesses survive & flourish only because of the blessings of the society.
  - ↳ While meeting social expectations, managers need to maintain balance between organisational goals & society's expectations.
  - ↳ Drucker wanted to deliver satisfying goods & services. The purpose of an enterprise is to create customer.

2) Nature of Management :- He described nature of management through creative & innovative characteristics. To him, management is both a discipline & a liberal profession.

3) Decision - making task :- Peter Drucker stated that life of manager was a perpetual decision-making activity. Whatever manager does, he does only through decision-making.

4) Organisation Structure :- Peter Drucker suggested three features of an effective Organisation:

- Performance orientation
- Minimum managerial level
- provision of training & testing of tomorrows top managers.

- To realise above mentioned activities, he suggested these concrete steps:

- Activity Analysis
- Decision Analysis
- Relation Analysis.

5) Federalism :- It results into some positive outcomes such as:-

- 1) Reducing the burden of top management.
- 2) Defining the functions & responsibility of the operating people.
- 3) Setting yardsticks for measuring success & effectiveness of operating jobs.
- 4) Resolving problem of continuity through educating the operating managers about the top level management & functions.

6) Management By Objectives [MBO] :- MBO is regarded as Drucker's most valuable contribution.

- MBO is treated as the modern way of management.

- MBO is result oriented, non-specialist operational process for effective utilisation of material, physical & human resources of the organisation by integrating the individual with the organisation & the organisation with the environment.

⑥ Aspects of MBOs:- MBO implies mainly 3 aspects:-

1) Objectives :- It focus sharply on objectives or the end expected results that every manager has to achieve within the given time.

2) Participation :- It suggests participative decision making.

3) Integration :- It emphasises on proper integration between individual objectives & organisational objectives.

7) Insightful Quatations :- Two judgemental quotations on leadership are:-

1) Innovation distinguishes between a leader & a follower.

2) Management is doing things right & Leadership is doing the right things.