

Chapter - 2

Classical management perspective

Concept of classical management - The classical management theory was introduced during the industrial revolution as a way to improve productivity within factories and other businesses. The classical writers include F.W. Taylor, Henry Fayol, Weber, Gullick and others. They placed emphasis on work planning, the technical requirements, principles of management, formal structure and the assumption of rational and logical behaviour. Two management authorities will be remembered by the world for ever they are Frederick Winslow Taylor and Henry Fayol. Taylor developed principles of scientific management and Fayol developed principles of administrative management.

Concept of scientific management - Scientific management is one of the principles of management which is also known as classical theory. It is propounded by Frederick Winslow Taylor, the father of management. Scientific management theory is a method of improving efficiency in the workforce. The scientific method consists of three steps they are observation, experimentation and analysis.

* The advantages of scientific management can be described as used:

$\rightarrow$ Scientific management is advantageous to the business manager as it helps to improve the efficiency and productivity of staff as well as machine through scientific planning, standardization and specialization in work.

Date _____
Page _____

B) Advantages to the workers - Scientific management has made many provisions which guarantee for higher wages to the workers. It has made many plans and incentive schemes for higher wages to the efficient workers.

★ Fayol's principles of administrative management
contribution of henry fayol are:-

- 1) division of industrial activities: Fayol identified and suggested the industrial activities from manager's point of view.
- 2) Managerial quality and training: When developing a new approach with regard to administrative management concept, Fayol assumed some managerial qualities.
- 3) Elements of management: Fayol considered the functions of management as its elements. He focused and emphasised on managerial or administrative functions.
- 4) Principles of management: Henry Fayol, a french engineer, has propounded this theory. The theory is known as principles of administrative management.

Principles of administrative management

- 1) division of work: This principle is based upon principle of specialisation in which every employee is assigned only one type of work.

2) Authority and responsibility: Authority refers to power to do something. It means the right to give orders. Responsibility means obligation, liability or duty to perform the work.

3) Discipline: Discipline is absolutely essential for the smooth functioning of a business.

4) Remuneration: It is also suggested by Fayol that remuneration and methods of payment should be 'fair' to motivate the workers towards the job performance.

5) Centralisation and decentralisation of authority: Centralisation of authority is state in which authorities and powers are not given to subordinates. Decentralisation of authority is the state in which subordinates are delegated authorities and power.

6) Scalar chain: Scalar chain means the hierarchy of authority from highest executive to the lowest one for the purpose of facilitating communication.

7) Order: Order is desirable and disorder is not. Effort is needed to put the things in an order. For disorder no effort is required.

8) Equity: Equity means assurance for similar treatment to people in similar position. Equity ensures healthy industrial relations between management and labour.

- 9) Stability of tenure of personnel: This stability of tenure is related to job security. The period of service in a position should be fixed.
- 10) Initiative: Initiative means freedom to think out and execute a plan. Managers should encourage the employees to take initiation within the limits of their authority.
- 11) Esprit de corps (spirit of cooperation): Esprit de Corps means team spirit. It is guided by the principle "union is strength".
- 12) Unity of Command: The main concern of this principle is that each employee should receive instruction or order about a particular work from only one superior.
- 3) Unity of direction: According to Fayol, "there should be one head and one plan for a group of activities having the same objective".
- 4) Subordination of individual interest to general interest: Interest of organization should be above the interest of individual.

Advantages of Fayol's administrative management

- 1) Healthy financial situation: Administrative management has an efficient role in managing financial affairs of business organization.
- 2) Higher productivity: It aims at attaining the better co-ordination of all resources for deriving maximum output.
- 3) Facilitates in acquiring goals: This efficient strategy of management assist in accomplishing the primary goals of company.
- 4) Data-based decision: Administrative management theory avoids the basis of any assumption or whim in decision-making process of organization.
- 5) Improve employee and customer satisfaction: It helps in enhancing the satisfaction level of employees by properly allocating them work as per their skills.

* Limitations of fayol's administrative management

Henry fayol, is the father of principles of management and undoubtedly has several invaluable has several invaluable contributions to the area of management. His 14 principles are universally popular and found to be all pervasive.

Comparison between Taylor's and Fayol's principles

<u>Taylor's Scientific management</u>	<u>Fayol's Administrative management</u>
- Taylor attempted to improve productivity of labour and to eliminate all types of wastages through standardization of works.	- Fayol attempted to develop universal principles of management for the betterment of the organization.
- Taylor called his philosophy as 'Scientific management'.	- Fayol named his philosophy as 'A general theory of administration' which is also known as 'Administrative management theory'.
- Taylor gave emphasis on tasks, tools, workers and employees.	- Fayol concerned with developing efficiency.
- Taylor looked at management of administrators or from supervisory view point.	- Fayol analysed management from top level and proceeded to development downward with emphasis on unity of command.
- Taylor concentrated mostly on factory management.	- Fayol concentrated on the principles of general management and functions of managers.

Question answers

1) What is classical management?

➤ Classical management is a centralized management styles that focuses on the tasks of the employees.

2) What is scientific management?

➤ Scientific management is a management technique that utilizes scientific methods to enhance workforce efficiency.

3) Mention any three principles of scientific management.

- - Replacing rules of thumb with science
- Functional foremanship
- Financial incentives.

4) What is Fayol's administrative management?

➤ An approach to management and increasing productivity by emphasizing organizational structure and human behaviour.

5) Mention any four principles of Fayol's administrative management.

- - Division of work
- Authority and responsibility
- Discipline
- Unity of command.

Date _____
Page _____

F.W. Taylor gave more emphasis upon work efficiency and productivity. He strongly suggested that worker's productivity as well as organisational efficiency should be enhanced. In this regard he recommended for the correction of the following:

- Science not rule of thumb
- Harmony not discord
- Cooperation not individualism
- Maximum output not restricted output
- The development of each individual to his greatest efficiency and prosperity.

Principles of scientific management

- 1) Replacing rules of thumb with science: As advocated by F.W. Taylor very strongly, scientific management requires the scientific study and analysis of each job, justify with reasoning, find out the truth and replace the old rules of order or rules of thumb.
- 2) Harmony in group activities: It was observed that there was no harmony but only discord, harsh clashing noise.
- 3) Functional foremanship: Taylor, in his principles of scientific management, introduced functional foremanship for supervision and direction.

4) Financial incentives: Taylor tactfully suggested that workers should be given financial incentives. According to this approach the wages should be based on individual performance of the workers.

5) Cooperation: The cooperation between management and labour is the foundation of scientific management.

6) Development of employees: With regard to development of employees therefore personal management, Taylor suggested there should be scientific selection of employees along with proper training provision.

7) Maximum output: The scientific management propounded by F.W. Taylor is more concerned with increasing production continuously.

* Advantages of scientific management

a) Advantages to the businessman:- Through the adoption of scientific management, the businessman can enjoy with the following advantages.

- Higher efficiency
- Lower cost of operation
- Wider market
- Industrial peace
- Selection and training workers

B) Advantages to the workers - From the scientific management, the workers are getting following benefits:

- Higher wages
- Better working condition
- Proper training

C) Advantages to the society - Along with workers and businessmen, the society is also considered as beneficial of the scientific management, scientific management is beneficial to the society in the following ways:

- Standard of living
- Consumer satisfaction
- Economic progress.

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