PRINCIPLES AND PRACTICES OF MANAGEMENT

THE BOOKS:

MANAGEMENT: KOONTZ,

O'DONNEL, WEIHRICH

2. MANAGEMENT: KOONTZ, WEIHRICH

3. MANAGEMENT: HITT, BLACK, PORTER

4 PPM : L.M.PRASAD

5. PPM : AMRITA SINGH

6. ESSENTIAL MANAGER: PETER

DRUCKER

7 MANAGER- TASKS, RESPONSIBILITIES: PETER DRUCKER

PEDAGOGY

LECTURES

> CASE STUDIES

> INTERACTIVE SESSIONS

EVOLUTION....

- Management is intrinsic...
- All or rather everyone manages...
- A child...
- A housewife....
- A manager.....
- Families...
- Cultures.

THE EGYPTIANS...

THE ROMANS.....

THE ROMAN CATHOLIC CHURCH...

MILITARY....

THE CAMERALISTS....

Evolution:

• Predecessors to the scientific movement

• Scientific movement

Henri Fayol

• Behavioural studies

Chester Barnard

• <u>go to</u>

PREDECESSORS TO THE SCIENTIFIC MOVEMENT

- ➤ JAMES WATT JR. AND MATHEW ROBINSON BOULTON
- > ROBERT OWEN
- CHARLES BABBAGE
- > HENRY VARNUM POOR
- > goto

JAMES WATT & M.R.BOULTON

- They were the sons of the pioneers who invented the steam engine.
- They ran the Soho Foundry
- Pioneers of Management Systems
- Watt was in charge of administration and organisation
- Boulton looked after and developed accounting, costing and HR systems
- ***

ROBERT OWEN

- Known as "Father of Personnel Management."
- Carried out experiments at his own textile mills in Scotland.
- He was not a philanthropist.
- His philosophy was that "good personnel management pays dividends to the employer and is an essential part of every manager's job."

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CHARLES BABBAGE

- Known as the "Father of Computers"
- Invented the Analytical Machine
- Was a professor of mathematics at Cambridge and was interested in the economies of division of labour
- Also keen on the human element in management.

HENRY VARNUM POOR

- Editor of the American railroad journal
- Saw the railroad system being mismanaged and plundered.
- Suggested effective management with a sound communication system
- Was generally overlooked by the management thinkers of that time
- ***

FREDERICK WINSLOW TAYLOR

- Known as "the Father of Scientific Management."
- He worked his way up from worker to chief engineer of Midvale Steel works in Philadelphia.
- He invented high speed cutting tools, the patents of which, made him so rich that he retired at the age of 45.
- The rest of life he spent as an unpaid management consultant to promote his ideas of scientific management.

Contd...

- Taylor's principal concern was:
 - a) how to increase efficiency in production
 - b) lower costs and make profits
 - c) also make possible increased pay for workers.
- There were two systems in place: "soldiering" and ignorance of the concept of "fair day's work and fair day's pay".

Contd....

 Taylor saw productivity as the answer to both higher wages and higher profits.

• In 1911- he expounded his ideas in his work titled "The principles of Scientific Management".

• Scientific management principles are:

Principles:

- Replacing rules of thumb(unorganised knowledge) with science (organised knowledge).
- Obtaining harmony in group action, rather than discord.
- Achieving co-operation of human beings, rather than chaotic individualism.
- Working for maximum output, not restricted output.
- Developing all workers to the fullest extent possible for their own and their company's highest prosperity.

Taylor says.....

- Scientific management is not a tool, a machine or a device or a bonus system or...
- In essence, it is a complete mental revolution on the part of the
 - -workmen and
 - management
- The great mental revolution that takes place is when both parties take their eyes off the division of the surplus as the all important matter and work together towards increasing the surplus

Taylor says....

• The surplus now becomes so large that it is unnecessary to quarrel over its division as it has exceeded all expectations.

• This calls for what we call today the "attitudinal change".

• He did not live to see his work being hailed as the most fundamental work in management.

FOLLOWERS OF TAYLOR

Lillian and Frank Gilbreth

• Gantt

• Edward A. Filene

• Back

HENRI FAYOL

- A Frenchman, whose work was recognised almost two decades after his death.
- His work first appeared in "Administration industrielle et generale" in 1916.
- In 1949, it gained recognition
- Fayol suggested that managers need not be born- they can be made... in business schools.

Fayol...

- Fayol said that industrial undertakings could be divided into:
- 1. Technical i.e. production
- 2. Commercial i.e. buying, selling and exchange
- 3. Financial: i.e. search for, and optimum use of, capital
- 4. Security: I.e. protection of people and property
- 5. Accounting
- 6. Managerial (planning, organising, directing, coordination and control)

Qualities of a manager

According to Fayol, a manager must have the following qualities:

- a) Physical
- b) Mental
- c) moral
- d) Educational
- e) Technical and
- f) experience

PRINCIPLES OF MANAGEMENT

- 1. Division of work
- 2. Authority and responsibility
- 3. Discipline
- 4. Unity of command
- 5. Unity of direction
- 6. Subordination of individual to general interest
- 7. Remuneration

Contd...

- 8. Centralization
- 9. Scalar chain
- 10. Order
- 11. Equity
- 12. Stability of tenure
- 13. <u>Initiative</u>
- 14. Espirit de corps

GOTO

- 1. Division of work:
- Division of work is to be applied to every sphere of work- managerial or otherwise.
- Division of work takes advantage of specialisation
- > back

2. Authority and responsibility

There is a parity of authority and responsibility. He says Authority is partly official and partly from personal factors of the manager

back

3. Discipline

Discipline is obedience, application, energy, behaviour and outward mark of respect shown by employees. The ultimate strength of command discipline lies in its certainty of application

4. Unity of Command

Employees should receive orders from one commander/superior only

5. Unity of direction

Each group of similar activities should have one head and one plan

6. Subordination of individual to general interest

Organisation is supreme and personal commitments should be secondary to organizational priorities

7. Remuneration

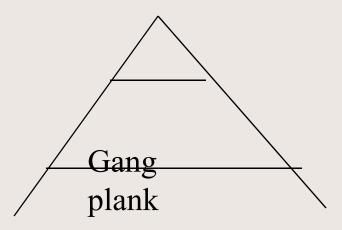
Remuneration should be fair and provide maximum possible satisfaction to both employees and employer

8. Centralisation:

This refers to the extent of centralisation or decentralisation effected by the firm. It is more on a sense of proportion- the smaller the firm- the more centralised it is

9. Scalar chain:

It shows flow of communication and authority in an organisation



10.Order:

A place for everything (everyone) and everything(everyone) in its place

11.Equity

Combination of justice and kindness. Brings about loyalty in the organisation

12. Stability of tenure

There should be reasonable security of job.

13. Initiative

Initiative is thinking out and executing a plan. Fayol defines it as "the keenest satisfactions for an intelligent man / manager to experience" and urges managers to "sacrifice personal vanity" so that subordinates can exercise it.

14. Espirit de corps

In union there is strength i.e. teamwork.

Emphasizes the need for teamwork and importance of communication in obtaining it.

BEHAVIOURAL STUDIES

- Hawthorne experiments:
- a)Illumination
- b) Relay assembly test room
- c)mass interviewing

Elton Mayo and his team

Implications:

- 1. Social factors
- 2. Group influence
 - 3. Conflicts
- 4. Leadership
 - 5. Communication

Chester Barnard

Concept of organisation

Formal organisation

Informal organisation

• Functions of an executive

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THE END.