

F.W.Taylor's Scientific Management

Fredrick Winslow Taylor is called “Father of Scientific management”.

Observation and measurement Should be used in the Organizations.

The employees Should be Scientifically selected and trained.

Due to Scientific selection and training of employee has the opportunity of earning a high rate of pay.

(iv) A mental revolution in the form of constant cooperation between the employer and employees should be given the benefits of scientific management.

Principles of Scientific Management

❖ Separation of planning and doing

(I) supervisor should do the planning.

(ii) workers only concentrate on doing the work.

❖ Functional foremanship

(I) based on specialization of function.

(ii) Eight foreman were involved to direct and control the activities of the worker.

❖ **Job analysis** : that requires minimum time, is the best way of doing the job.

(I) Time study : The movement , which takes minimum time, is the best one. This helps in firms the fair work for a period.

(II) Motion study : eliminating wasteful movements and performing only necessary movements.

(III) Fatigue study : Indicates the amount and frequency of rest required in completing the job.

- ❖ **Standardization** : to be maintained in respect to instruments and tools, period of work, working conditions etc.
- ❖ **Scientific selection and training**
 - (I) scientifically.
 - (ii) should be Physically and technically most suitable.
 - (iii) more efficient and effective.

❖ Financial incentives :

(I) motivate the workers to put in their maximum efforts.

(ii) worker who completes the normal work gets higher pay.

(iii) who does not complete gets lower rate.

(iv) wages should be based on individual performance and not the position.

❖ Economy

(I) enhances profit and economy

(ii) by making the resources more productive as well as by eliminating the wastages.

❖ Mental Revolution :

(I) Based on co – operation between management and workers.

(ii) it enhances the effective managerial activities.

Henry Fayol's Contribution

Industrial Activities into six categories

- (i) **Technical (Production, manufacture)**
- (ii) **Commercial (Buying,selling,Exchange)**
- (iii) **Financial (search for optimum use of capital)**
- (iv) **Security (Protection of Property and Persons)**
- (v) **Accounting (Balance sheets, Cost statistics)**
- (vi) **Management (planning, Organizing, Co-ordinating, Directing, Controlling)**

Fayol's Fourteen Principles

❖ Division of Work :

- (i) work should be divided in proper way with reference to the available time.**
- (ii) In general worker on the same job and the managers on the same duty acquire ability sureness and accuracy which increase their output.**

❖ **Authority** : It is the power given to a person to get work from his subordinates.

❖ **Responsibility** It is the kind and amount of work expected of from a man by his superior.

❖ **Discipline**

❖ **Unity of command** : (i) An employee must receive orders and instructions from one supervisor only.

(ii) Multiple commands will cause conflicts and confusions.

(iii) A sound management should avoid dual commands.

❖ **Unity of Direction** : signifies each group of activities having the same objective must have one head and one plan.

❖ **Subordination of Individual interest to general interest:**

❖ **Remuneration of personnel :**

❖ **Centralization :**

❖ **Scalar chain** : It states that instructions and orders should be sent from the top management to the lower management.

❖ **Order** : (I) Materials order (ii) Social order

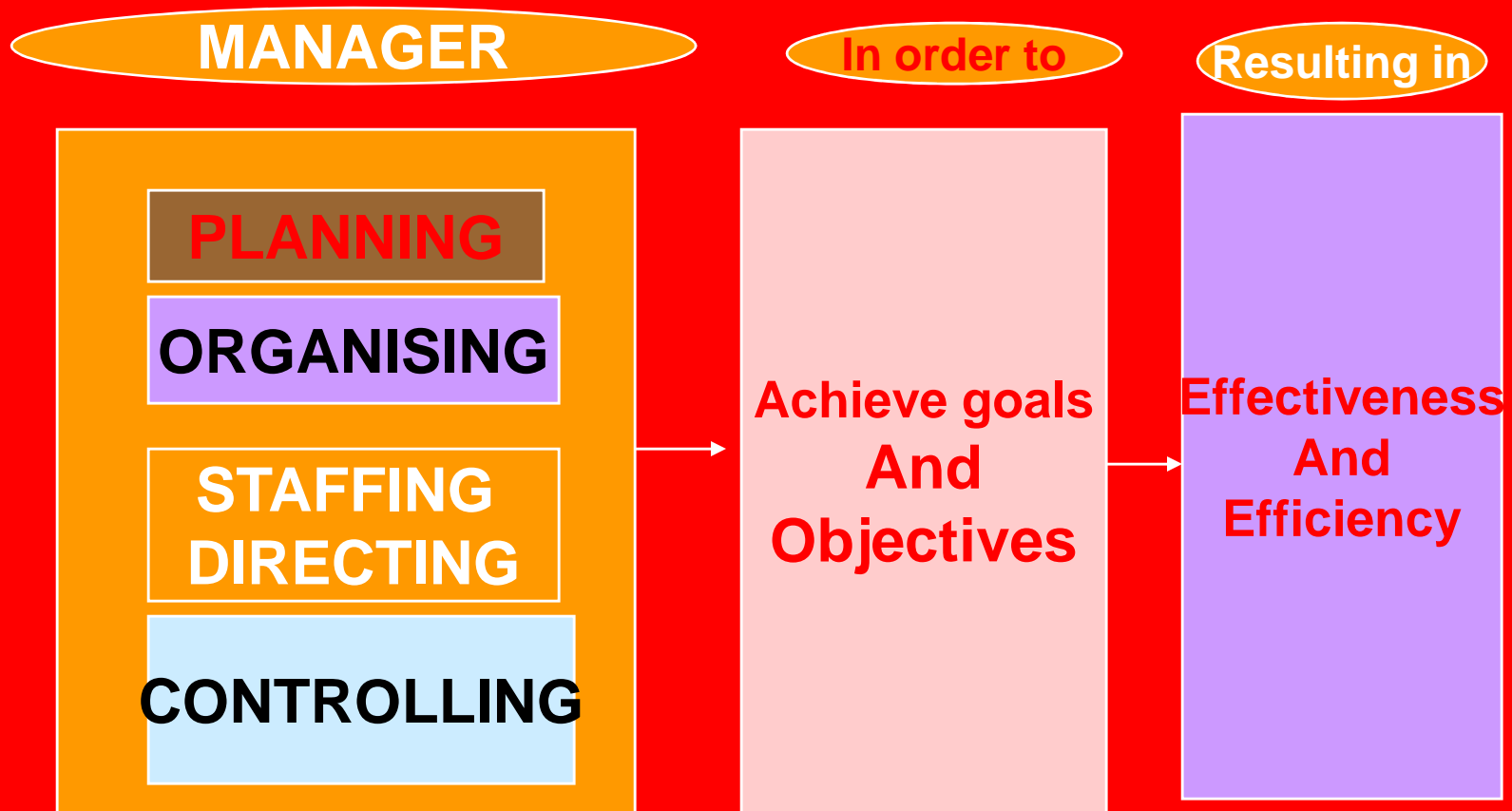
❖ **Equity** : treatment of employees equally.

Stability of staff : high employee turnover rate is not good

Initiative : employees come forward with new ideas must be encouraged.

Team Spirit : union is strength.

Functions of Management



Planning

- preparing for the future
- Efficient management.
- What to do?
- When to do?
- How to do?
- who is to do?

Planning process

- Determination of the goal of the organization.
- Formulating policies, rules, procedures etc.
- Forecasting the future based on past and present.

Organising

- Involves identification and grouping the activities to be performed and dividing them among the individuals and creating authority and responsibility relationships among them for the accomplishment of organizational objectives

Functions of organising

Identifying the tasks that must be performed and grouping whenever necessary

Assigning these tasks to the personnel While at the same time defining their Authority.

Delegating such authority to these employees

Establishing a relationship between Authority and employees

Co-ordinating these authorities

Staffing

- Selecting candidates
- Fixing Salary
- training

Directing

- **guiding**
- **Supervising**
- **Motivation**
- **Communication**
- **Leadership**

Controlling

- Establishing Standards
- measuring current Performance
- Comparing this Performance to the established Standards
- Taking corrective actions if deviation are detected

BUSINESS ORGANISATION

✓ take inputs such as raw materials, capital labour,energy and so on from the external environment,transform them into goods or service within the internal environment and send them back as outputs to the external environment

Types of Business Organisation

Business Organisation

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graph TD; BO[Business Organisation] --> II[Individualistic institutions]; BO --> G[Government]; II --> IT[1. Sole Trades]; II --> JHFP[2. joint Hindu family partnership]; II --> JSC[3. joint stock company]; II --> CO[4. Co-operative]; II --> MC[5. Multinational companies]; G --> DU[1. Departmental undertaking]; G --> PC[2. public corporation]; G --> GC[3. Government company]; G --> BOrg[4. Board organisation];
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Individualistic institutions

1. Sole Trades
2. joint Hindu family partnership
3. joint stock company
4. Co – operative
5. Multinational companies

Government

1. Departmental undertaking
2. public corporation
3. Government company
4. Board organisation

SOLE TRADE

Business unit which is owned and controlled by a single individual is known as sole trading.

Characteristics of sole proprietorship

- (I) One man ownership and control**
- (ii) Unlimited liability**
- (iii) Enjoyment of entire profit**
- (iv) Simplicity**

❖ Advantages

- (I) It is easy to form and close the business**
- (ii) It is easy for decision making**
- (iii) full control of business activities**
- (iv) It is easy to maintain healthy relations with employee**
- (v) It is easy to accessibility of consumers**

❖ Disadvantages

1. Limited resources
2. Short life
3. Lack of consultation
4. Risk of entire loss

PARTNERSHIP

❖ It is an association of two or more persons to carry on business and to share its profit and losses.

(I) Agreement

(ii) Multiplicity of person

(iii) Lawful business

(iv) Sharing of profits

(v) Registration

JOINT STOCK COMPANY

➤ “ By a company we mean an association of many persons who contribute money’s worth to a common stock and employ it in some trade or business and also share the profit and loss as the case may be arising there from”

joint stock company

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graph TD; A[joint stock company] --> B[Private limited company]; A --> C[Public limited company]
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**Private limited
company**

**Public limited
company**

CO-OPERATIVE

- ❖ It is a voluntary association of persons for mutual benefit and its aims are accomplished through self help and collective effort.

UNIT –II

Planning

- ❖ **DEFINITION OF PLANNING**
- ❖ **THE NATURE AND PURPOSE OF PLANNING**
- ❖ **OBJECTIVES OF PLANNING**
- ❖ **STEPS INVOLVED IN PLANNING**
- ❖ **OBJECTIVES**
- ❖ **SETTING OF OBJECTIVES**
- ❖ **MANAGING BY OBJECTIVES (MBO)**
- ❖ **STRATEGIES, POLICIES AND PLANNING PREMISES**
- ❖ **FORECASTING**
- ❖ **DECISION MAKING**

THE NATURE OF PLANNING

- (i) Planning – primary function : organizing ,directing,controlling**
- (ii) Planning – a dynamic process : complex process**
- (iii) Planning – based on objectives and policies**
- (iv) Planning – a selective process**
- (v) pervasiveness Planning**
- (vi) Planning – an intellectual process**
- (vii) Planning is directed towards efficiently**
- (viii) Planning – Focus with future activities**

Purpose of planning or objectives of planning

- ❖ Primary of planning :
- ❖ To achieve objectives
 - (I) Why am I making this plan?
 - (II) Why am I trying to accomplish?
 - (III) What resources do I need to execute the plan?
- ❖ To help in coordination
- ❖ To guide decision making
- ❖ To increase organisational effectiveness

STEPS INVOLVED IN PLANNING

IDENTIFICATION OF OPPORTUNITIES



ESTABLISHMENT OF OBJECTIVES



DEVELOPING PLANNING OBJECTIVES



IDENTIFICATION OF ALTERNATIVES



EVALUATION OF ALTERNATIVES



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graph TD; A[ ] --> B[SELECTING AN ALTERNATIVE]; B --> C[FORMULATING DERIVATIVE PLANS]; C --> D[ESTABLISHING SEQUENCE OF ACTIVITIES];
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SELECTING AN ALTERNATIVE

FORMULATING DERIVATIVE PLANS

ESTABLISHING SEQUENCE OF ACTIVITIES