

Principles of Managements

Class- BCA IInd Semester



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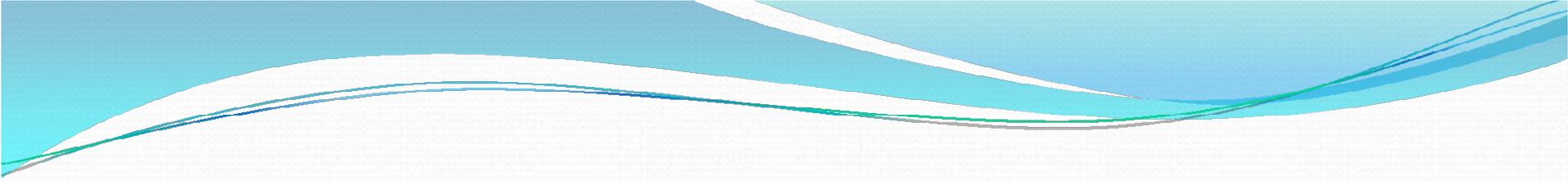
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Outline:-

Unit 2 - Evaluation of Management Thought

- Contribution of F.W. Taylor, Henri Fayol, Elton Mayo, Chester Barnard & Peter Drucker to the management thought.
- Business Ethics & Social Responsibility
 1. Concept
 2. Shift to Ethics
 3. Tools of Ethics

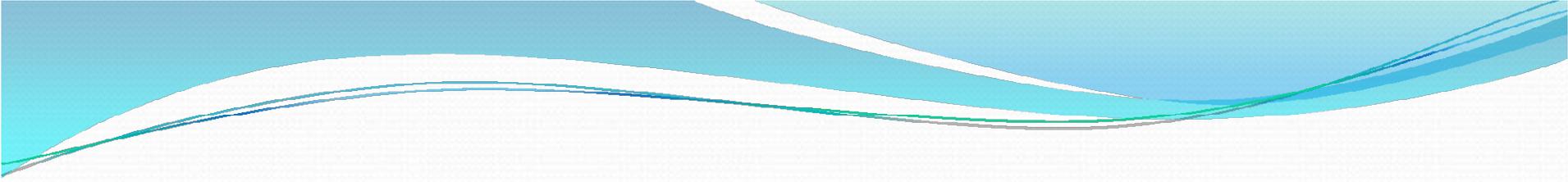


Contribution of F.W. Taylor

Fredrick Winslow Taylor is known as the founder of Scientific Management. Taylor laid the foundation for modern scientific management between 1880 and 1890. He began his carrier in 1871 as an apprentice machinist and turner at the Cramp Shipyard at Philadelphia, U.S.A.

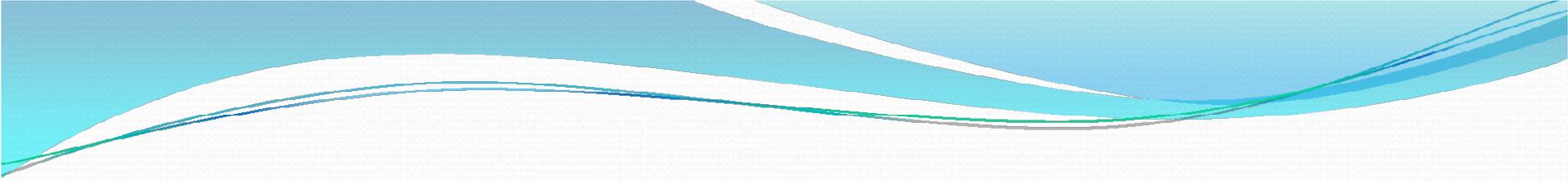
After three years he joined the Midvale Steel Works as a machine shop- worker. By dint of his hard labour, he progressed rapidly to become machinist, gang boss, foreman and finally Chief Engineer in 1884.

According to Taylor, “Scientific Management is an art of knowing exactly what you want your men to do and seeing that they do it in the best and cheapest way”. In Taylors view, if a work is analyzed scientifically it will be possible to find one best way to do it.



Contribution of F.W. Taylor

- He developed the principle of breaking a task (job) into elements for timing the same.
- He kept himself involved in exploring the causes of inefficiency and labour difficulties in the industry. Through Time studies he experimented to recognise losses of efficiency in Industrial operations.
- He evolved certain principles of— Investigating work on scientific basis, selecting the best worker for a task and training him further to acquire desired skill, developing co-operative spirit between management and workers, almost equal division of work between workers and management, etc., – which led to the concept of Scientific Management.
- Another concept connected with the name of Taylor is A Fair Day's Task While working on it, Taylor undertook studies on fatigue incurred by the workers and the time necessary to complete a task.
- Taylor suggested that for increasing production rate, the work of each person should be planned at least one day in advance and he shall be allotted a definite work to complete by a given time using a pre- explained method.

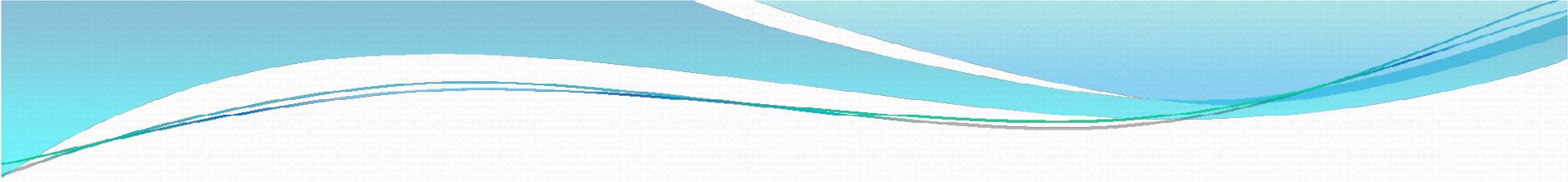


Contribution of Henry Fayol

Henri Fayol, the father of Principles of Management was born in 1841 in France and graduated as a mining engineer in 1860 from the National School of Mining at St. Etienne.

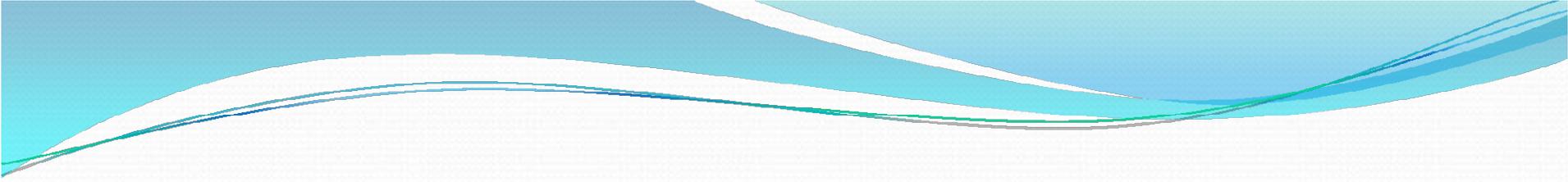
In 1860, he joined the famous French Combine in the mining and metallurgical field-the Commentary-Fourchambault Company-as an engineer. After a couple of years he was promoted as the Manager of the collieries and continued as such for twenty-two years.

In 1888, the condition of the combine became precarious. Due to heavy losses the firm was nearly bankrupt. At this time Fayol was appointed as General Manager. When he retired thirty years later, the company had expanded into a large Coal-Steel combine with a strong financial position and a long record of profits and dividends.



Contribution of Henri Fayol

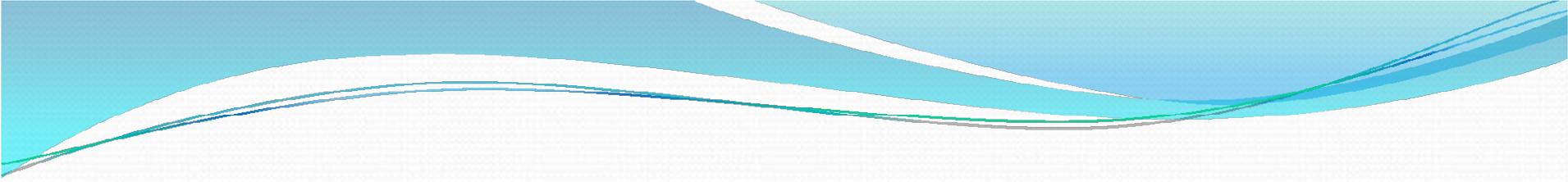
- Technical activities (production, manufacture, adaptation).
- Commercial activities (buying, selling, exchange).
- Financial activities (search for optimum use of capital).
- Security activities (protection of property and persons).
- Accounting activities (stock taking, balance sheet, costs, statistics).
- Managerial (administrative) activities (planning, organization, command, coordination and control).



Contribution of Elton Mayo

Born in Australia and trained in psychology, Elton Mayo is generally recognized as the 'Father of Human Relations Approach'. Mayo led the team which conducted the study at Western Electric's Hawthorne Plant (1927-32) to evaluate the attitudes and psychological reactions of workers in on-the-job situations. Mayo's idea was that logical factors were far less important than emotional factors in determining production efficiency.

Mayo concluded that work arrangements in addition to meeting the objective requirements of production must at the same time satisfy the employee's subjective requirement of social satisfaction at his work place.



Contribution of Chester Barnard

Chester Barnard's *The Functions of the Executive* (1938) represents a book of historical significance to the study of management. Using the fundamental principles that Barnard outlines, an application of these principles is made to the area of strategic management. The analysis focuses specifically on two main areas: the movement from a static to a dynamic model and the role of the environment. Highlights the importance of returning to the work of early writers and their contribution to the future development of management disciplines.



Contribution of Peter Drucker

Some of the major contributions of Peter Drucker are as follows:\

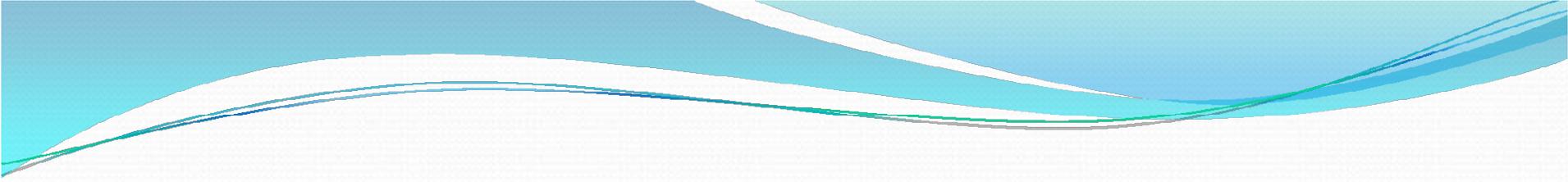
1. Nature of Management
2. Management Functions
3. Organization Structure
4. Federalism
5. Management by Objectives
6. Organizational Changes.

- Among the contemporary management thinkers, Peter Drucker outshines all. He has varied experience and background which include psychology, sociology, law, and journalism. Through his consultancy assignments, he has developed solutions to number of managerial problems. Therefore, his contributions cover various approaches of management. He has written many books and papers.



Business Ethics

The concept has come to mean various things to various people, but generally it's coming to know what is right or wrong in the workplace and doing what's right -- this is in regard to effects of products/services and in relationships with stakeholders. Wallace and Pekel explain that attention to business ethics is critical during times of fundamental change -- times much like those faced now by businesses, both nonprofit or for-profit. In times of fundamental change, values that were previously taken for granted are now strongly questioned. Many of these values are no longer followed. Consequently, there is no clear moral compass to guide leaders through complex dilemmas about what is right or wrong. Attention to ethics in the workplace sensitizes leaders and staff to how they should act. Perhaps most important, attention to ethics in the workplaces helps ensure that when leaders and managers are struggling in times of crises and confusion, they retain a strong moral compass. However, attention to business ethics provides numerous other benefits, as well (these benefits are listed later in this document).



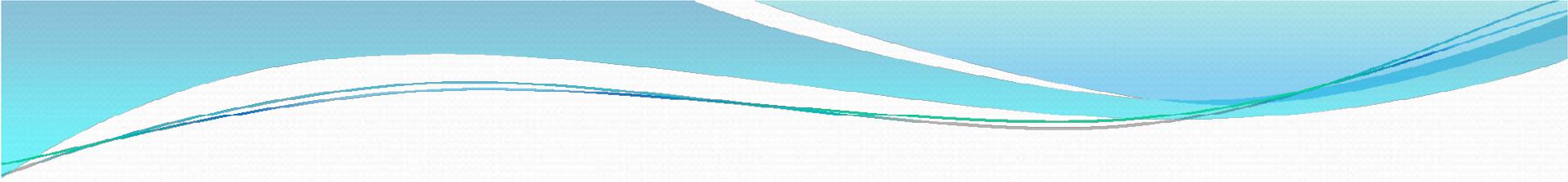
Social Responsibility

Social responsibility and business ethics are often regarded as the same concepts. However, the social responsibility movement is but one aspect of the overall discipline of business ethics. The social responsibility movement arose particularly during the 1960s with increased public consciousness about the role of business in helping to cultivate and maintain highly ethical practices in society and particularly in the natural environment.



Shift to Ethics

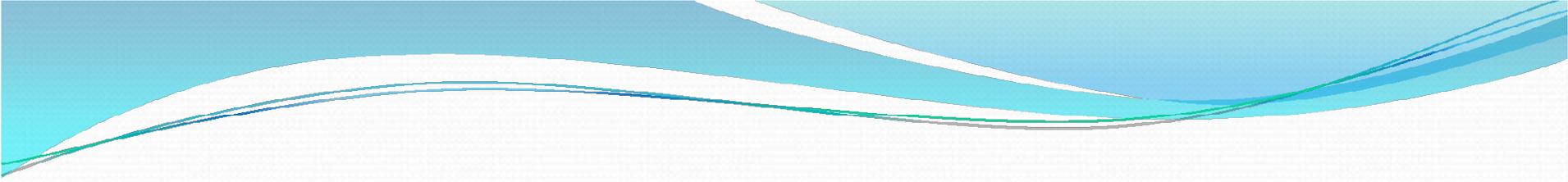
For several decades, business has operated according to the tenets of neoclassical economic theory, where the primary obligation of corporations is to maximize profit for shareholders. However, the larger social mandate for business has changed, represented by the rise of language such as "sustainable development", "corporate social responsibility" (CSR) and "stakeholder groups." Nevertheless, the theoretical shift implied by the use of such language has not occurred. Issues of sustainable development and CSR continue to be justified in the terms of neoclassical economic theory through the rationalization of "doing well by doing good".



Tools of Ethics

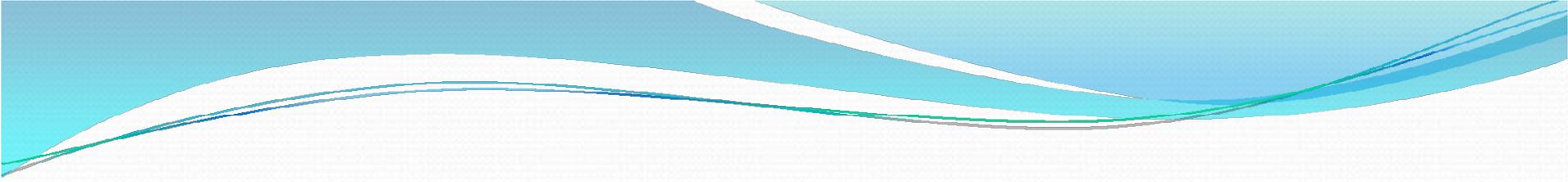
In the following, we will deal with the central question of business ethics: How can the behavior of employees be influenced in such a way that ethical behavior is encouraged:

- To avert damage to economic activity for third parties (interest of society)
- To avert damage to economic activity for the company (interest of the company)
- To increase the productivity of interpersonal cooperation (interest of the company and society)



References

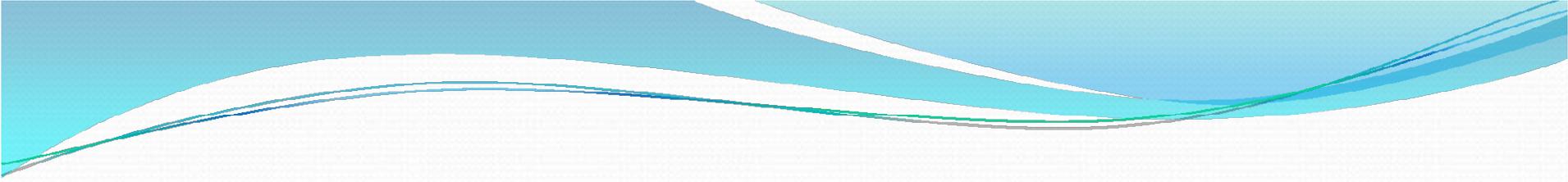
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Thank You