

1. Classical School of Thought

Scientific Management Approach

Taylor emphasized following points to achieve organizational efficiency

1. Develop scientific way of performing jobs.
2. Train and develop workers to perform the job.
3. Establish harmonious relation between management and workers.

Taylor suggested two important practices:

1. Piece rate incentive system.
2. Time and motion study.

Piece rate system rewards the workers who produce the maximum output.

Time study helps in determination of time required, recording analyzing and synthesizing the time elements of each operation.

Motion study on the other hand involves study of movements in doing jobs in parts and eliminates wasteful movements and retains only necessary movements. It makes a job simpler, easier and better.

Time and Motion Study concepts were developed by **F.W.Taylor** in association with **Frank and Lillian Gilberth**.

Gilberth conducted research on motion studies. They had classified 17 basic hand motions like **search, select, position, hold** etc. They called this therbligs . Their approach helps to analyse the exact elements of a workers' hand movement.

Henry Gantt worked with Taylor. His contributions are introduction of **task and bonus plan**, and **Gantt chart**. As per his incentive plan worker gets daily wage even if he does not complete his job, but gets bonus if the jobs is completed in less than normal time.

Gantt chart is used for production control indicating **progress of production in terms of time**.

Drawback of Scientific Management Approach

1. **Scientific Management** principles revolve around operational level problems do not focus on managerial issues essential for managing organization.
2. This theory also ignores the human desire for job satisfaction.

Administrative Theory

Administrative Theory another part of classical school of thought focuses on principles to coordinate the internal activities of the organization. Henry Fayol classified business operations into 6 activities.

1. **Technical** : Activities relating to **production and manufacturing**.
2. **Commercial** : Activities relating to **buying selling and exchange**.
3. **Financial** : Activities ensuring **optimal use of capital**.
4. **Security** : Activities to ensure **protection to employees and property**.
5. **Accounting** : Activities concern with **costs, profits, liabilities, balance sheet**.
6. **Managerial** : It is functional approach to management. i.e. **planning, organizing, directing, coordinating and controlling**.

Bureaucratic Theory

☛ **Max Waber** had advocated the necessity of a formal organizational structure with set rules and regulations. Weber's concept is intended to **remove ambiguity, inefficiencies, and patronage**.

☛ **Limitations of Classical School of Thought**

Management principles are not universally applicable in today's complex business situation.

Classical school of thought ignored organizational behaviour (leadership, motivation informal relation) only concentrated on productivity.