

UNIVERSITY
ACADEMIC THESIS

MANAGING PEOPLE AND ORGANISATIONS

ASSIGNMENT TYPE: ESSAY

Question:

*Identify and compare the contributions of
Taylor, Fayol and Mayo to management today*

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Introduction

Organisational cultures have seen many changes since the Industrial Revolution, and management today are becoming more sophisticated, with the advancement in technologies. The need for skilled people to perform specialised jobs in order to play a vital role in innovating new ideas are essential for the survival of corporations amidst the numerous competitions. Despite the new practices of hybrid management to ensure the ongoing survival of these organisations, the methods used by management today have essentially remained unchanged since the classical era.

In this essay, we will identify and compare the contributions by theorists such as Taylor, Fayol and Mayo in the areas of management practices that are relevant today.

Frederick Winslow Taylor

Taylor's most important contribution entails his principles of scientific management, in which his theory focuses on performance, observations, selection, and money (Robbins *et al.*, 2000, p.44).

Taylor (1856-1917) believes that workers and the management can cooperatively focus their efforts in mutual benefits 'to secure the maximum prosperity for the employer, coupled with the maximum prosperity of each

employee.’ (Taylor, 1947). This introduces a reward system by which the performance of employees is measured and higher wages are paid for higher grade of work.

Taylor (1947) also introduces the science of systematic observation and measurement for developing the most effective method in producing maximum output using the right tools or techniques, what he terms as ‘one best way’ to work, so that concentration can be focused on the essential task. An example of the application of this technique can be seen in the success of Transocean Sedco Forex Inc.’s introduction of a modified equipment for improved drilling operations to reach optimal depth for retrieval of oil, which as a result, reduces the number of work cycle, and provide excess time for more critical matters (Gaddy, 2000).

The selection techniques introduced by Taylor (Robbins *et al.*, 2000, p.44) advocates the determination of matching the right person for the training of the right skill. Mr. Low Kong Boo, the managing director of IBM Singapore says that if people have the right skills in the job they do, and applies the right skill with the right experience, they will be able to perform better, and hence, the company pays them for their skill and competency, which then provides recognition to the employees (Wong, 1995, pp.94-95).

King and Anderson (1995) states that ‘despite national differences in training provision for skills, knowledge and attitudes, it is increasingly recognised among large organisations that training must be used

strategically within the overall company business plan. For example, Erneq (1991) describes the introduction of training for staff ... resulted in extensive organisational culture change.

Money is the key motivator that Taylor uses in rewarding employees, which he assume, will provide for the people's occupational satisfaction. While his main methods of management are useful even today, his focus is microscopic in nature, and does not address the requirements for large corporations that need to make executive decisions daily, which importantly decides the survival of an organisation. This gave rise to the introduction of administrative and bureaucratic management theory, which essentially forms a conceptual framework for management at a higher level.

Henri Fayol

In contrast to Taylor's micro approach, Fayol (1841-1925) introduces broad principles for larger organisations. Fayol's fourteen principles of management (Robbins et al., 2000, pp. 47-48, Table 2.2) focuses on the implementation of management functions, of which the underlining areas are specialisation, authority, unity of command and the scalar chain of hierarchy. Fayol summarised these management functions as the areas of planning, organising, leading and controlling. Today, these tools still remain as essentials to most organisational structures.

Take the example of Microsoft. In the early days of its incorporation, Bill Gates relished personal contact with employees, which was a key morale booster. However, as Microsoft grew in size, Gates no longer was able to manage the daily affairs in the same manner, hence to ensure management success, he implemented Fayol's method of management, which entails planning, organising, leading and controlling resources to efficiently reach the company's goals (Mescon, Bovee and Thill, 1999, pp.161-162).

Fayol's theory in the area of specialisation, is in principle similar to Adam Smith's 'division of labour', which introduces increase output by making employees more efficient in their area of scope (Robbins et al., 2000, p.47). In today's management, this theory is still applied in the identification of the right person for the relevant skilled training (Robbins *et al.*, 2000, p.44).

Fayol also focuses on the unity in command in a scalar chain hierarchy. As companies grow in size, it is left to the organisation's executives to decide on a common vision, in which through scalar chain management, is brought down to the individuals to realise the same objectives as conveyed by the different levels of management.

Quinn, O'Neil and Clair (2000, p.44) quoted Haimann and Scott (1970)'s hypothesis that 'the main reason for the high regard in which the unity of command principle is held is that it is one of the major avenues for achieving coordination ... People should not be confused by having two bosses'.

Authority, in the area of empowerment, is a key contributor to the successful use of employees' ideas to achieve the company's goals.

Mescon, Bovee, Thill (1999) states that '... employee empowerment can be a powerful motivational tool because it gives employees more say in the actual workings of the company ... At the same time, empowerment places more value on employee ideas, which give employees greater responsibility and greater accountability for the company's performance. This ... leads to a deeper sense of satisfaction when employee's ideas and work contributions help achieve the company's goals'.

There are other areas in Fayol's principles that are not being discussed here, but as a summary, it should be noted that Fayol also recommends remuneration as a reward system to boost the employees' contributions, and assumes that self interest of employees must not precede interests of the organisation, hence, the need for discipline. The principles also include the assumption that there will be stability in the tenure of personnel, so long as occupational satisfaction is met through proper rewards and recognition through empowerment (Robbins et al., 2000, pp. 47-48).

Notwithstanding the essentiality of Fayol's methods of management, surveys showed, however, that employee benefits alone might not necessarily be the main criterion for an employer of choice (TMP

Worldwide eResourcing, 2001, p.C42). Rather, what rated more highly by respondents was a strong perceived company in the market place, followed by a good work environment and culture. This, as a result, has brought about the behavioural movements, which focuses on human relations.

Elton Mayo

Mayo (1880-1949) is known to be the founder of human relations movement, whose major interest was in establishing a relationship between productivity and the work environment. His investigations on this subject, known as the “Hawthorne Studies”, demonstrated the importance of stable social relationships in the work situation, in contributing to spontaneous cooperation, achievable through work satisfaction (Mayo, 1933). This theory shows that work satisfaction, social group teamwork contributes a high cohesion in producing positive results when workers and supervisors developed a sense of participation working together in a team environment.

‘Team Management System (TMS), developed by Margerison and McCann (1990), identifies ... that team effectiveness will be greatest where there is maximal correspondence between the work preferences of individual members and their roles within the team. Where there is a major mismatch, options include redesigning jobs, personal development in less preferred types of work, delegation or reallocation of tasks, or the mismatched person(s) leaving the team.’ (King and Anderson, 1995, p.79).

As teamwork becomes a part of the organisation's culture, managers will find that motivating employees would be easier because they are committed to the goals of the organisation. 'When team members are dependent on each other to complete a project, they are more likely to benefit from each other's energy and inspire each other' (Mescon, Bovee, Thill, 1999, p280).

Comparison of Taylor, Fayol and Mayo's Contributions

As you can see from what has been discussed so far, Taylor, Fayol and Mayo's contribution of management theories are still in practice today.

Taylor's focus entails a technical contribution to innovate better tools for optimal performance of work, thus optimising productivity, which in a broad view, is similar to all the objectives of the other theorists in general.

Fayol uses empowerment as a tool to encourage new ideas from the employees which also seeks to gain optimal performance, as in Mayo's studies of human behaviour, in building teamwork and social relationship to boost performance excellence based on work satisfaction.

The objective of Taylor's theory to match the best person for the job in building specialised skills, also encompasses Fayol's focus for division of labour and Mayo's studies of specialised roles in a team environment.

In the areas of employees' benefits, Taylor and Fayol primarily focused on money as a means of reward, but this has seen differing responses from workers. Self-actualisation and work satisfaction is gathered from the individuals, and it is Mayo who introduced the need to also focus on the interests of the individuals.

Conclusion

In the real world, it is not the management who holds the keys to the final decision-making. In truth, it is the employee who decides what he really wants, and there are no perfect methods in management that can really command its employees to obey. Mayo's research in organisational behaviour is a good starting point, where mutual satisfaction may be derived to produce a conducive and cohesive teamwork.

In today's organisational structure, it is the combination of the various aspects of bureaucratic, scientific, and human relations management to form a hybrid management method that will eventually ensure the survival of any organisation. Customising these methods with considerations of the surrounding cultures and environment will aid in realising the mission of each organisation and introduce a new paradigm for the management of tomorrow.

References

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