

Classical & Scientific Management Principles

Management as Planning

Planning is the preparation of a pre-determined course of action for a business.

- Planning Levels
 - Strategic (long term): 3-5 years. Where you want to be in the future.
 - Tactical (medium term): 1-2 years. A flexible and adaptable series of plans that enables you to implement the strategic plan
 - Operational (short term): daily, weekly, monthly. Plans the specific functions needed to achieve short term objectives (e.g. staffing projections for the week, monthly sales forecasts)

Management as Organising

Organising is the translating of plans & business objectives into action.

- The Organisational Process
 - Determine the work process
 - Classify & group activities (e.g. into departments)
 - Assign work and delegate authority

Management as Controlling

Controlling compares what was intended to happen with what activity.

- The Control Process
 - Establish standards based on organisational objectives
 - Measure actual performance against standards and benchmarks
 - Take corrective action

The Hierarchical Structure based on the “Division of Labour”

- Adam Smith in his book “The Wealth of Nations”, released in the 1770’s introduced the concept of a specialisation or a “division of labour” whereby work activities (e.g. building a car) is broken down into more specialised tasks or separate jobs (e.g. install the wheels, construct the steering wheel)
- Introduced the idea of levels of management hierarchy. The higher the level of management within an organisation the greater the level of authority held by that person. This allowed for easy implementation of a *chain of command* and a *span of control*
- People were grouped according to the specialised functions they performed.

Leadership Styles

Autocratic → Participative/Democratic → Laissez-Faire

Classical Scientific Management is generally seen as highly autocratic in nature.