



Scientific Management Theory

Nowadays, research in management and organizational theory plays an important part in how business operates. By far the most influential person of the time and someone who has had an impact on management service practice as well as on management thought up to the present day, was Frederick W. Taylor.

Taylor was the first modern efficiency expert in world history. Around the Twentieth Century, he formalized the principles of Scientific Management and developed a set of ideas designed to get employees in manufacturing industries to produce more output. Taylor contracted with companies to rearrange their production processes to simplify the tasks each employee performed. Instead of doing many different things, workers in Taylorized factories would execute the same simple tasks over and over.

The principles of Scientific Management still have an important impact globally and there are still many evidences which show some New Zealand companies apply the Scientific Management principles in their business operations. McDonald's is one of the world's most well-known and valuable brands and holds a leading share in the globally branded quick service restaurant segment of the informal eating-out market in virtually every country and the leading global foodservice retailer with more than 30,000 local restaurants serving nearly 50 million people in more than 119 countries each day.

This essay proves the Scientific Management principles in McDonald's business operations from three perspectives: systems of rewards for meeting the goals, scientific education and development of the workman and standard method of performing each job.

To start with, McDonald's apply the Scientific Management principles in their business operations because the company establishes systems of rewards for meeting the goals.

Taylor stated that the non-incentive wage systems encourage low productivity if the employee will receive the same pay regardless of how much is produced. Taylor's concept of motivation is to institute a system of inequitable pay for workers and a bonus system will create monetary incentives (Freeman, 1996).

McDonald's encourages employees through many effective ways. Except the base pay, McDonald's establish competitive wage and promotion programs, hard work, dedication, motivation and results are recognized and rewarded at McDonald's.

Appreciation comes in many forms - from a simple encouragement for a job well done, to restaurant-wide recognition through programs such as the 'Employee of the Month.' (McDonald's, 2006) McDonald's also offers great incentive programs with access to gift certificates, merchandise, free food, etc. In addition, McDonald's also establish an incentive pay system and provide employees with the opportunity to earn competitive total compensation when performance meets and exceeds goals. The company pays a bonus on top of employees' base salaries based on business performance and their individual performance (McDonald's, 2006). Furthermore, Long-term incentives are granted to



eligible employees to both reward and retain key employees who have shown sustained performance and can impact long-term creation at McDonald's. Not only they establish the bonus system for the employees to perform efficiently, but also they institute other kinds of systems to increase monetary incentives such as recognition programs and company car program.

Secondly, scientific training is one of the most important principles of Scientific Management. Taylor states that each company should train the workers scientifically rather than passively leaving them to train themselves. It aims to unearth and cultivate workmen's endowment, let them have the best performance in their work and obtain the highest efficiency farthest (Freeman,1996). McDonald's have a strong tradition of, and belief in, training, they know its value to the bottom line of their business. At crew level there is considerable initial and ongoing training that is consistently applied to everybody in the business, whether part, full time, hourly paid staff or salaried managers undergoing their compulsory restaurant training.

In New Zealand, a Crew member will extend his skills through the McDonald's Qualink programme, which is recognised with a New Zealand Qualifications Authority (NZQA) approved National Certificate. Moreover, a new employee will accept training as soon as he joins McDonald's and starts his first working day. He must pass tests of three posts in the first month. Therefore, high requirements create high quality food. Further to that, McDonald's even build up a Hamburger University, it is McDonald's worldwide management training center located in Oak Brook, Illinois. It focuses on providing training exclusively for all McDonald's Corporation and Franchisees employees in various aspects of the business.

Founded in 1961, Hamburger University is located in a 130,000 square foot, state-of-the-art facility on the McDonald's Home Office Campus in Oak Brook with a faculty of 30 resident professors (Schaaf,1994). Like any university, HU has a course catalog: nine courses, ranging from basic restaurant operations to the four progressive levels of the management development program (MDP I-IV). The heart of the curriculum is the Advanced Operations Course (AOC), a two-week combination of operations enhancement, equipment management, and interpersonal-skills training. Well structured training helps to retain staff, as do demonstrable links between training and promotion (Schaaf,1994). In addition, the training materials consist of two elements: core content which applies globally for maintaining consistent food quality and services worldwide, and locale-specific content based on local menu items, food safety regulations and labor practices, etc (Christine,2002). Those training systems help their staff to perform more efficiently and professionally.

Lastly, company should develop a standard method of performing each job efficiently. Taylor taught that there was one and only one method of work that maximized efficiency. And this one best method and best implementation can only be discovered or developed through scientific study and analysis. This involves the gradual substitution of science for 'rule of thumb' throughout the mechanical arts. Taylor was not really concerned with other organizational or management issues. His focus was on efficiency, and he suggested that



people had to follow what his method said (Freeman,1996). McDonald's establishes a series of detailed and strict working standards which ensure that every product from any chain restaurant has high quality.

No matter people is a cook, a counter person or a hall cleaner, each kind of works has normative operational standards and written regulations. The cook time and the amounts of materials are prescribed with accurate numerical value and controlled by machines. In addition, they also establish a computer system that transmits orders to the kitchen, where in the kitchen, the holding bins will regulate the temperature to keep the food hot and fresh.

Moreover, McDonald's staff is specialized in different production procedure. The counter person accepts the order and typically uses a suggestive sell-up to add a missing item such as dessert. Then they use the register display to confirm, assemble, and check the order. The order is assembled by collecting food from the appropriate machines and bins. Besides, some of the staffs play a role in the burger production and some others perform in the production of French fries. McDonald's has developed a standard method of performing each job and the employees can perform efficiently.

In conclusion, Scientific Management became a powerful force as it contributed to increased efficiency in industrial establishments. McDonald's shows the evidence of applying the principles of Scientific Management. They institute bonus systems to encourage the employees to perform well to meet the goals. Also, they train the workers scientifically rather than passively leaving them to train themselves. It aims to bring everyone's production efficiency into full play to accomplish maximum profit. Moreover, they cooperate with the workers to ensure that the scientifically developed methods are being followed and it will be eligible to improve the production efficiency.

Scientific Management has dramatically affected today's management approaches. It has also made an important contribution to the business world we see today in New Zealand and worldwide. The ideas generated by Frederick Taylor still have a place in current management thinking. Because of Taylor, production efficiency has improved, products become more and more plentiful. Nowadays people can have a rich and colorful life like a king in the past. Much of core of Scientific Management remains with us today, only been modified, updated and given a human face.

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Scientific Management

The theory of scientific management is the “brainchild” of Frederick Winslow Taylor. In its simplest form the theory is the belief that there is “one best way” to do a job and scientific methods can be used to determine that “one best way”.

Taylor developed his theory through observations and experience as a mechanical engineer. As a mechanical engineer Taylor noticed that the environment lacked work standards, bred inefficient workers and jobs were allocated to people without matching the job to the worker’s skill and ability. In addition to this the relationship of the workers with the managers included many confrontations.

Over a 20 year period Taylor devised the “one best way” to do each of the jobs on the shop floor. He then concluded that prosperity and harmony for both workers and managers could be achieved by following the 4 guidelines below:

1. Develop a science for each element of an individual’s work, which will replace the old rule of thumb method. Scientifically select and then train, teach and develop the worker.
2. Heartily cooperate with the workers so as to ensure that all work is done in accordance with the principles of the science that has been developed.
3. Divide work and responsibility almost equally between management and workers.
4. Management takes over all the work for which it is better fitted than the workers (rather than most of the work and responsibility being assigned to the workers).

A well known example of the scientific management theory is the pig iron experiment. Iron was loaded onto rail cars by workers each lot weighing 92 pounds and known as a “pig”. On average 12.5 tons were loaded onto the rail cars but Taylor believed that scientific management could be used to increase this to 47/48 tons per day. Through experimenting with various procedures and tools Taylor achieved this. This is how he did it:

- Matched each of the jobs to each of the workers skills and abilities.
- Provided the workers with the correct tools.
- Provided workers with clear instructions about how to do each job. Taylor ensured that the workers understood the instructions and then Taylor ensured that the workers followed the instructions exactly as he had explained.
- Created worker motivation by providing a significantly higher daily wage.

It is believed that through the use of scientific management Taylor increased productivity on the shop floor by 200%. Taylor’s ideas and thoughts were adopted throughout the world including in France, Russia and Japan. In today’s world scientific management has been merged with other ideas and is used by managers in the form of time and motion studies to eradicate wasted motions, incentive schemes based on performance and hiring the best qualified workers for each job.



Scientific management A broad program for reorganizing the workplace through the application of “scientific” methods to the study of management and the work process. Scientific management, sometimes called Taylorism in recognition of its American innovator and promoter Frederick Winslow Taylor (1856–1915), revolutionized industrial production in the late nineteenth and early twentieth century.

Most famously, it pioneered the use of time-and-motion studies to analyze and break down the tasks of individual workers into faster, smaller, repetitive steps. Scientific management is a theory of management that analyses and synthesizes workflows, with the objective of improving labor productivity.

Taylor began trying to discover a way for workers to increase their efficiency when he was the foreperson at the Midvale Steele Company in 1875. Taylor believed that decisions based upon tradition and rules of thumb should be replaced by precise procedures developed after careful study of an individual at work. Its application is contingent on a high level of managerial control over employee work practices.