

Executive Summary

This report provides an analysis of two scientific management theories and its relevance in today's organisation. Specifically, the report will explore how scientific management theories allow organisations to manage effectively by looking at two scientific management theories. The two scientific management theories are Taylorism and Fordism. The analysis on the two theories will be used to review their relevance and application in McDonald's Corporation. The report draws attention to the fact that though scientific management was introduced in the 19th century, great breakthrough in this concept began in the early 20th century during the peak of industrial revolution. As a result of the emergence of factory system during the industrial revolution, more attention was accorded to the factors and processes that could lead to increasing output levels. With these developments, Fredrick Taylor ventured into an extensive study of this field. Taylor is widely regarded as the pioneer of scientific management which gave rise to the term Taylorism. Taylor's ideas were furthered by other researchers and business leaders such as Henry Ford, the owner of Ford Motors Company. His ideas were given the name Fordism. The report finds that McDonald's is one of the major users of scientific management today. Since McDonald's employees operates according to the assembly line, where complex tasks are broken down into simpler tasks and the use of division of labour is emphasised it suffices to state that McDonald's is a 21st century firm has implemented aspects of Taylorism and Fordism.

Introduction

The field of management witnessed growth in its formalisation in the latter part of the 19th century and throughout the 20th century (Heineke and Davis, 2007). This corresponded with the rise of industrial revolution. These developments in management and industry necessitated the growth in management concepts so as to guide the growth of organisations around the world (Hitomi, 2007). Since the industrial revolution, academics and business owners have been periodically developing management theories to increase organisational effectiveness and productivity. The period from the late 19th century to date has been an era of modern management theories which has been characterised by the abandonment of old management theories and practices and the adoption of empirically backed best practices (Bloom, et al., 2012). These new management practices came to be known as the classical management model. The classical management model takes organisations on a pathway of how they can be managed effectively in their lifetime. The post modernist era in organisational management has seen the continuation of certain ideals found in various management theories. This research will conduct a review of two classical management theories, developed by two American Engineers: Fredrick W. Taylor and Henry Ford, and the application of their work in today's organisations. These two theories are Taylorism and Fordism. Specifically, it will evaluate how some of the characteristics of these two management theories help organisations become more effective. Besides understanding how the management theories help organisations to manage effectively, it is imperative to also consider a real life organisation and how it successfully uses the two theories. McDonald's, which was chosen for this review, aligns its management practices with some of the most important characteristics of the two theories.

Taylorism and Fordism Management Theories

Many of today's management practices can be traced back to earlier theorists who tried to gain an understanding of the best practices of managing business. Fredrick Taylor is one of these earlier theories who spearheaded the scientific management movement (Spender and Kijne, 2012). Taylor's management concepts are often referred to as Taylorism. The first principle of this theory is an emphasis on making decisions on the basis of quantitatively researched and tested data (Teneja, et al., 2011). The idea is to develop methods of doing work that are supported by scientific research (Wren, 2011). The second principle of Taylorism is the establishment of goals for productivity (Grachev and Rakitsky, 2013).

Taylor believed that the management has a role in ensuring that it identifies ways of taking account of the costs and time taken to conduct various tasks to ensure that an organisation's efficiency is improved (Gantt and Taylor, 2007). Taylorism is based on the understanding that making employees work hard is not an efficient management approach compared to capitalising on the way the work is done (Waring, 2016). The theory therefore advocates for the optimisation and simplification of jobs as a remedy for improving productivity. The third principle of this theory is provision of proper training and tools for the worker to perform at optimal level (Lauer Schachter, 2010). Performance, according to Taylor, is also hinged on providing employees with outside reinforcement in the form of incentives (Waring, 2016). Therefore, this system of scientific management approach insists that the management needs to provide incentives (to workers) for good performance. The fourth principle of Taylorism is the need to promote a friendly and intimate relationship between the management and the workers (Rahim, 2017). According to Grachev and Rakitsky (2013) Taylor emphasises the importance of this close cooperation because it helps in

creating an environment of smooth production planning and cost analysis; cooperation also helps in determining the work that best suits a workers or a group of workers.

Fordism was pioneered in the 20th century by Henry Ford who helped in applying it at the Ford Motor Company (Xu and Rickards, 2007). By definition, Fordism is a manufacturing philosophy whose goal is the achievement of higher productivity by standardising the output, using conveyor assembly lines and breaking down the work into small and deskilled tasks (Wilson, 2014). Henry Ford, through his Ford Motor Company, pioneered the idea of mass production from 1914 starting with the Model T plant that was based at Highland Park in Michigan (Marazzi, 2011). The system utilised by the company involved fabricating a large number of vehicles at low cost through the use of chain production. Therefore, the aim of this model was to ensure that it provided (to the largest number of customers possible) cheaper products. When many of the automobiles of the time largely targeted the wealthy few, Ford Motor's Model T revolutionised the industry by positioning itself as the hallmark of customer-oriented products (Gambino, 2007). Fordism borrowed the scientific principles of Taylorism particularly on the use of specialised machinery (Hu, 2013). This is because the system that Ford Motors Company was using required an improvement in the labor force's productivity as well as in its efficiency through the use of specialised machinery and having a large line of workers in factories (Gambino, 2007).

Since Fordism has been used to create a market that is based on economies of scale having initiated the transformation from craft production to mass production, this theory is an example of how organisations can manage effectively (Zarbo and D'angelo, 2007). Ford Motors Company managed to achieve economies of scale after the realisation that when a company grows, it needs to produce more products (Hatch, 2018). To achieve this, a company needs to standardise its production which will see the average cost of each item reducing. Correspondingly, profits will

increase. The creation of markets based on economies of scale as the Fordism principles proposes has seen the emergence of giant organisations founded on functional specialisation as well as minute divisions of labor (Alizon, et al., 2009). Ford's most significant contribution to mass production and consumption is in the area of process engineering. As already highlighted, the foundation of Ford's system was standardisation. Standardisation involved standardised components and manufacturing processes; it also revolved around an easy to manufacture and repair standard product. Standardisation would not have been achieved without having an almost perfect to perfect interchangeability of parts (Alizon, et al., 2009). To achieve this, Ford adopted advances in gauging systems and machine tools. These innovations helped in the creation of a continuous assembly line where each worker (in this case assembler) would perform one specialised and repetitive task.

The main difference between Taylorism and Fordism is that Taylorism overemphasised all aspects of work which includes the social aspects of workers, employers and managers (Spender and Kijne, 2012). However, the main focus of Fordism was on one subset of work which is the assembly line which according to the theory, every piece of the assembly line was a tool that the organisation for realising economies of scale (Gantt and Taylor, 2007). Fordism is thus not concerned about the sociological aspects of the workers. Nevertheless it advocates for sufficient compensation of workers which will help them to purchase the products they are assembling/producing so as to keep the process going. The management principles of the two theories, Taylorism and Fordism have continued to influence organisational management to date. However, Fordism seems more closely related to the modern organisation's production system than Taylorism. This is largely due to the fact that Fordism integrates Taylor's ideas and equally

introduces new ones that are more relevant today. The following section will conduct a review of the relevance of Taylorism and Fordism in McDonald's.

Review of McDonald's use of Scientific Management Theories

McDonald's Corporation is one of the leading food service brands in the world. The fast food chain operates more than 36,000 restaurants in over 100 countries (McDonald's Website). This corporation, whose headquarters are in Oak Brook, Illinois, is mostly known for its hamburgers (McDonald's Website). McDonald's also has one of the most iconic logos represented by the letter 'M' for McDonald (McDonald's Website). Besides the hamburgers, other products and symbols that equally define the corporation's brand include the Chicken McNuggets, The Big Mac, Happy Meals and the Egg Muffin (McDonald's Website, n.d).

To unearth the relevance of scientific management theories in the 21st century, one has to carefully analyse business processes employed by the firm and its employees. There are some examples of today's organisations that still use various management theories that can be used to explain how McDonald's conducts its management. One of the best examples of a 21st century company that uses aspects of scientific management is McDonald's. One of the most evident aspects of scientific management that the corporation uses in its business is Fordism. Indeed, as McEachern, (2012) found out, at McDonald's, every employee works or is stationed as an assembly line. McDonald's has successfully adopted Ford's management style in its corporate culture where employees specialise in a specific task which means that an employee does not undertake more than two steps to complete a task.

Breaking down the work into small and deskilled tasks is one of the principles of Fordism. This definition fits perfectly into the process of McDonaldisation, which involves taking a task and

breaking it down into smaller tasks (Ritzer, 2008). It is thus imperative to understand the process of McDonaldisation to understand how it is aligned to Fordism. The concept, which was coined by George Ritzer, emphasises that almost every task can be rationalised (Ritzer, 2008). The idea behind McDonaldisatin is to ensure that tasks are broken down into the smallest possible level (MacDonald and Korczynski, 2008). The process of breaking down tasks is repeated until such a time that the tasks cannot be broken further. The resulting tasks (minute tasks) are then rationalised to determine the most efficient method of completing the tasks. Other inefficient methods are then discarded. All McDonald's branches have adopted the Fordist management style where each of the employees specialises in what they are good at. In many cases employees handle only the necessary action – in many cases one task for instance warming a hamburger, topping a hamburger, taking the order and so on (McEachern, 2012).

A careful study of McDonald's also indicates that the fast food chain also implements Taylor's ideas. From the discussion in the previous section, it emerged that one of Taylor's main concern was developing the right worker for the job, thus the important of division of labor (Wren, 2011). Division of labor necessitated specialisation among the workers. The process in which the fast food chain produces its products is by deskilling, which is means simplifying the level of skills needed to carry out a task (Light and Kiddon, 2009). The process of producing its products also involves division of labor – which is also one of the critical principles of Taylorism. Indeed, McDonald's has simplified the job of making its products. For instance, making the burger is divided into smaller tasks such as grilling the burger, adding tomatoes and lettuce, adding sauces and putting it into rolls among others (McEachern, 2012; Qureshi and Hassan, 2013). This an example of breaking down a complex task which means that a hamburger will go through a number of employees before it is ready for consumption. Therefore, different employees will handle a

specific task something that significantly improves efficiency (McEachern, 2012). Besides creating efficiency, this model also helps in creating highly specialised personnel. Different machines at each of the chain also have an employee assigned to each. This reduces the time it takes to complete tasks (McEachern, 2012). These machines include the French fries machines, cash registers and drink dispensers.

Though McDonald's has been quick in its adoption of scientific management, and though it has helped the food service chain to be more efficient and dominant in the restaurant industry, there are some legitimate criticisms to the use of scientific management in 21st century organisation. The main criticism to this method is that it limits individual with highly specialised skills. The skills of such individuals are suppressed because the tasks are highly specialised. This means that their skills are wasted. Denying such individuals an opportunity to exhibit their skills is like denying such people their human rights.

Conclusion

Through McDonaldisation, McDonald's is a model of rationality meaning that it operates under efficient standardised process. The fact that employees at McDonald's work according to the assembly line, breaking down complex tasks and division of labour demonstration that McDonald's, a 21st century firm, has implemented aspects of Fordism and Taylorism. Considering the impact of these scientific management approaches to the chain, it would suffice to suggest that the corporation would not be as efficient as it has been had it not adopted scientific management. In addition, the firm would not have been as dominant as it is in the market and become the leading food service brand in the world that it is today.

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