

Vw is a german  
automobile  
manufacturer  
management essay



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Volkswagen is a German automobile manufacturer founded in May 28th, 1937, has its headquarter in Wolfsburg in Germany. Volkswagen means peoples car. The company also have other factories in America, Europe, Salzgitter, Brunswick etc. It is the parent company of Volkswagen Group. It is the top selling of the Volkswagen group. The Volkswagen group is made up of twelve brands: seven from European countries which consists of Volkswagen, Audi, SEAT, SKODA, Bentley, Bugatti, Lamborghini, Porsche, Ducati, Volkswagen Commercial Vehicles, Scania and MAN. It is the largest car producer in Europe. In 2011, the number of cars delivered to customers was increased by 8. 25million from 7. 203million in owns 2010. They have 12. 3 per cent of the world passenger car share market. (Volkswagen 2012).

## **Review of Theory**

### **Classical Management**

According to Wolfgang Pindur and Sandra E. Rogers (1995, p. 60) state the approach to management arose between 1885 and 1940 in an effort to provide a rational and scientific basis for the management of organizations.

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Its beginning stems from the Industrial Revolution when people were brought together to work in factories as opposed to the handicraft system whereby people worked in small shops or in homes. Industrialization created a need for efficient planning, organizing, influencing and controlling of all work activities.

NRM (1997) explained that Classical management theories (Taylor, 1947; Weber, 1947; Fayol, 1949) deal with the formal organization and concepts to increase management efficiency. Taylor presented scientific management concepts, Weber gave the bureaucratic approach, and Fayol developed the administrative theory of the organization. They all contributed significantly to the development of classical organization theory.

The classical management movement has two fundamental thrusts - scientific management and general administrative management. Scientific management centres on ways to improve productivity. Administrative management theory examines organizations as total entities and focuses on ways to make them more effective and efficient. The frame of reference normally used for the classical management movement runs from 1895 to around 1940. In recent years, there has been renewed interest in classical management theory as a method to cut costs, increase productivity and re-examine organizational efficiency and effectiveness.

Laurie J. Mullins (2010) claims that the classical writers thought of the organisation in terms of its purpose and formal structure. They placed emphasis on the planning of work, the technical requirements of the organisation, principles of management, and the assumption of rational and

logical behaviour. The analysis of organisation in this manner is associated with work carried out initially in the early part of the last century, by such writers as Taylor, Fayol, Urwick, Mooney and Reiley, and Brech. Such writers were laying the foundation for a comprehensive theory of management. The classical writers have been criticised generally for not taking sufficient account of personality factors and for creating an organisation structure in which people can exercise only limited control over their work environment. The idea of sets of principles to guide managerial action has also been subject to much criticism. However, the classical approach prompted the start of a more systematic view of management and attempted to provide some common principles applicable to all organisations. These principles are still of relevance in that they offer a useful starting point in attempting to analyse the effectiveness of the design of organisation structure. The two major sub-group of the classical approach are: Scientific Management and the Bureaucracy.

### **Scientific Management Approach**

Laurie J. Mullins (2010) states that scientific management approach was developed by Federick W. Taylor in 1911. Heinz and Harold (2004 pp. 31) state that Taylor concern is based on increasing efficiency in production, not in lowering costs or increasing profits but making possible increased pay of the workers through their higher productivity. He believed in his that any management operated on his ideas, work would become satisfying and profitable for all concerned. Workers would be motivated by obtaining the highest possible wages through working in the most efficient and

productive way. Taylor was concerned with finding more efficient methods and procedures for co-ordination and control of work.

Steve Paton (2013) claims that Taylorism implies low-trust relations between employer and employees. Therefore direct as control is needed to ensure that labour power bought is turned into labour performed. This control question urges managers to find ways of imposing on workers what they should do, in what way, within which limits and at what pace, and to evaluate work performance and apply sanction. Introducing Taylor to the knowledge economy Taylor organisations in their search for greater control and efficiency endeavour to remove knowledge from their workers by the application of scientific management. A core attraction of Taylorism is that it Promises that the best possible method, "the one best way" will be used. Whether there exists a one best way to work may be a matter of philosophical debate. Taylor strongly believed in it.

But also in highly modern discussions about organizational learning in the Context of mass production we find the following assumption.

He set out a number of principles to guide management. These principles are usually summarised as: the development of a true science for each person's work; the scientific selection, training and development of the workers; co-operation with the workers to ensure work is carried out in the prescribed way; the division of work and responsibility between management and the workers. Taylor placed emphasis on the content of a 'fair day's work' and on optimising the level of workers' productivity. A major obstacle to this objective was

'systematic soldiering' and what Taylor saw as the deliberate attempt by workers to promote

their best interests and to keep employers ignorant of how fast work, especially piece-rate

work, could be carried out.

Braverman criticized Taylor's approach to management that it only starts from a capitalist point of view and method of production, and the adaptation of labour to the needs of capital. Braverman suggests Taylor's conclusion was that workers should be controlled not only by

the giving of orders and maintenance of discipline, but also by removing from them any

decisions about the manner in which their work was to be carried out. By division of labour,

and by dictating precise stages and methods for every aspect of work performance, management could gain control of the actual process of work.

The rationalisation of production processes and division of labour tends to result in the de-skilling of work and this may be a main strategy of the employer. He was also criticized that he chose the best workers for his experiments and assumed that workers who were not good at one particular task would be best at some other task. According to Drucker, the central theme of Taylor's work was not inefficiency but the need to substitute industrial warfare by industrial harmony. Taylor sought to do this through:

higher wages from increased output, the removal of physical strain from  
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doing work the wrong way, development of the workers and the opportunity for them to undertake tasks they were capable of doing and elimination of the 'boss' and the duty of management to help workers.

## **Bureaucracy (1864-1920)**

Laurie J. Mullins (2010) described Weber as a sociologist from Germany is concern for is on Bureaucracy Structures.

structures', although his work in this area came almost as a side issue to his main study on

power and authority. He suggested that 'the decisive reason for the advance of bureaucratic

organization has always been its purely technical superiority over any other form of organization. It is commonly found in large-scale organisation. 'bureaucracy' has common connotations with criticism of red tape and rigidity, though in the study of organisations and management it is important that the term is seen not necessarily in a deprecative sense, but as applying to certain structural features of formal organisations. He emphasised the importance of administration based on expertise (rules of experts) and administration based on discipline (rules of officials).

## **APPLICATION TO ORGANIZATION**

According to Marxism-Thaxis (2010), Taylorism approach of management is still used in Volkswagen. The believe of Taylor is that there is always a machine that for each job in that there is always a best working method by which people should undertake their jobs. Volkswagen practiced this

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approach by creating their own plant trains ' industrial athlete'. They want their production workers to undergo through a fitness programme in order to furnish an industrial athlete who will be able to lift, grip, bend and push without weakening. They build their bodies before they build cars. This aimed at increasing efficiency and better quality. This is attributed to one of Taylors principle in guiding management

Ulrich Jürgens, et. al the increase in speed in the American assembly plant didn't mean there will also be an increase in the swiftness and pressure in carrying out individualistic work task; but its is stronger orientation towards Taylorism principle of simplification and routinization and standardization of work. The consequence of taylorism principle on qualification and requirement for skill development were still eclipsed by the effect of seniority system in the America plants.