
UNIT 1 HISTORY AND DEVELOPMENT OF FOOD SERVICE SYSTEM

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1.1 INTRODUCTION

This is the first unit of the Course on Entrepreneurship and Food Service Management and deals with the history and development of food service organizations, the factors that have played important roles in their development and today's continuing trends.

When we think of a food service unit we think of hotels, restaurants, lunch rooms, fast foods operations, catering services, schools, hospitals, institutional food services, industrial and military food services and vending machines. All these places of food services have become popular because of number of factors. These include:

- Eating out has become a necessity
- Convenience and quick service provided by an eatery
- It is steadily replacing drudgery of cooking at home
- Both the couples being engaged in earning they are forced to eat out
- Office goers, professionals prefer fast food joints to going home for lunch.

Different types and sizes of food service establishments are available today – commercial, non-commercial, home-based. These different types of establishments are covered in this unit.

In addition, the different approaches which catering managers have used from time to time for managing their establishments have been dealt with, keeping in mind the research efforts that led to management thought over the years. Traditional, as well as, modern management techniques have been presented.

Lastly, the processes involved in managing an establishment or institution have been introduced to enable potential managers to learn about goal-setting, forecasting, making decisions about resources, communicating, decision making and leadership qualities necessary for goal achievement.

Objectives

After studying this unit, you will be able to:

- define a food service establishment,
- trace the history and development of food service institutions,
- identify the factors that led to their development,
- discuss the different types of establishments that exist and their recent trends,
- describe the traditional and modern approaches to management that can be used in an organization, and
- explain the principles and functions of management and the processes involved in setting and achieving goals.

1.2 FOOD SERVICE ESTABLISHMENTS

As the name suggests, food service establishments are places set up primarily to plan, prepare and serve food to a large number of people, who may be from different regions, cultural backgrounds and represent various socio-economic levels of society. The food is prepared and served in quantities far greater than those usually done in homes and therefore they are also called food service institutions and vary from small to very large establishments.

We shall begin our study about the food service establishments by first tracing the history and development of these establishments followed by the recent trends.

1.2.1 History and Development

Historically food was served in large quantities in religious places for travelers or pilgrims who needed rest and comfort on long journeys, which they performed mostly on foot. In medieval times, quantity food production and service was considered normal in *abbeys* in England and in *dharamsalas* in India. In fact, food services in *abbeys* reached very high standards because the stewardship followed religious values of discipline, love and free service to all who came for shelter and food. Similar values were followed in the *dharamsalas* which were usually situated near places of pilgrimage where people could rest for short periods and then move on. These establishments provided food to sustain the hungry and the poor at fixed times and to pilgrims who would donate money in return for the services provided and thus sustain the activities of these shelters.

The factors which influenced the development of food service establishments are discussed next.

1.2.2 Factors Affecting Development

A number of factors have affected the development of food service establishments or institutions over time. These are presented in Figure 1.1.

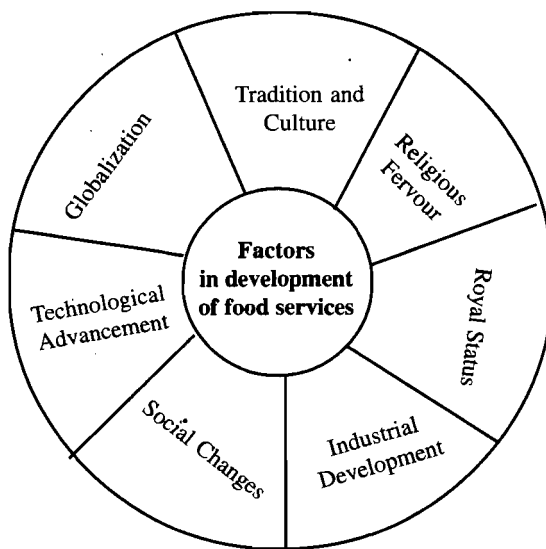


Figure 1.1: Factors in development of food services

Let us review each of these factors.

- **Tradition and Culture:** Traditionally, eating outside the home was taboo, and people who went out for long hours to work, always carried their food with them. It was religion, tradition and culture that always brought people together in large numbers to participate in mass prayers, celebrate festivals, and enjoy social occasions such as marriages, births and other festivities, all of which involved eating together.

The traditional *langars* or mass distribution of food after prayers in *gurudwaras*, the distribution of *prasada* in temples, the breaking of fasts together during *Ramadaan* in mosques and feasting after mass at Christmas are all evidence of large scale food preparation and service from early times.

Tradition and culture dictate that every activity be marked by festivity, whether it is a birthday of a god or goddess, the birth of a child in a family, or whether it is to seek the blessings of the Lord for prosperity in general. Even in bereavement it is traditional not to let sympathizers go unfed, irrespective of their numbers. People, thus find several occasions to get together in large numbers to express their feelings of love and support and satisfy their emotional and social needs.

Have you ever visited a temple or *gurudwara* and partaken *prasada* or *langar*? If not, go and see how food is prepared and served in such large quantities with so much efficiency and how people eat with relish taking food as a gift from God. Experience the feeling.

- **Religious Fervour:** Religion has always formed the central core of life not only in India but all over the world generating activities based on moral values as mentioned in sub-section 1.2.1, and exemplified by missionary fervour and zeal in an attempt to propagate love, comfort and justice in society. Food services in *abbeys* of England reached very high standards because its stewards followed religious values of discipline, love, free service to all who came for food and shelter. This was followed in other parts of the world too.

Some outstanding examples are the Missionaries of Charity, Ramakrishna Mission and Vedanta centers for education, health care and much more, The Red Cross Society, Sri Sathya Sai Trust which has propagated through exemplary fervour, zeal and practice the importance of free education and health care and the necessity of making potable water available to one and all, besides other social and religious activities. All these establishments have depended on public donations for their work, being guided solely by their strength and faith in the

Lord, generating confidence and moral values in people, who then come forward to donate to their causes.

Innumerable festivals and celebrations too brought people together who actively shared in performing activities, necessary to produce and serve food at mealtimes, to all present irrespective of their numbers or cultural and social background. Large scale catering has today, become a norm as large groups of people would over get together to work towards set goals and need to be fed in an organized manner.

- *Royal Status:* Centuries ago royal households had a large number of inhabitants to serve the royalty who were placed in a hierarchy and had established food allowances which were fixed according to their ranks and a large battery of staff were employed for food preparation and service. The kitchens of these medieval households showed high standards of hygiene with respect to food handling, preparation, service and waste management techniques which largely depended on natural recycling methods.

In India, the states were governed by royalties who resided in palaces and were morally involved with the welfare of their states, which often competed for excellence in development, uplift and care of the masses. The kitchens catered to an endless stream of people including family members and guests, who were fed from the palaces of the kings. Status differentiation was however evident, those of higher economic status distributing food and durables to the have-nots.

Today, these princely states are only tourist attractions and mass community feeding is restricted to places of worship or public places, clubs and hotels where festivities may be celebrated. The catering was thus provided according to the menu requirements of the host, whether an individual or an organization.

- *Social Changes:* In earlier days, the social aspects of food and eating were satisfied within the households or family since the joint family system was in vogue and each family comprised of at least 6-10 members. Being related through their genes, love and care and working together for the achievement of family welfare and its financial and other goals, their social needs were taken care of amicably. The gradual shift to nuclear units and government policies of small family norms deprived the family of its internal social interactions, which have now shifted out to clubs, hotels, restaurants and the like.

The catering industry and entrepreneurs cashed on the changing needs of the small family who could no longer entertain lavishly at home. Caterers offered total event management as for kitty parties, birthday and marriage celebrations and other festivities at virtually any location selected by the host. Social organizations such as city clubs, athletic and sports clubs, country clubs all host festive and sports events on a large scale, for which they are equipped with respect to food production and service facilities. Visits to temples and religious places too increased as social rather than purely religious events organized for the explicit purpose of worship.

- *Industrial Development:* Industrialization brought in its wake, the need to feed employees in factories, which led to the development of industrial canteens and lunchroom facilities. Office goers too needed such facilities and office canteens appeared on the scene. These have taken different forms with time and extend from full to mini-meals and snack facilities that provide hot and cold meals delivered on order to customers on trays or in boxes as individual or bulk-packed meals.

An offshoot of industrialization was the development of roads and transport. Industrialization also led to the creation of job opportunities for men and women leading to a number of lifestyle effects such as migration from rural to urban

settings in search of more lucrative jobs. This resulted in women spending less time at home and therefore devoting less time and energy to meal preparation. In addition, domestic help became scarce and entertaining at home decreased enormously.

The development encouraged tourism, travel and eating out trends and consequently led to the creation of varied types of catering options to offer solutions to new needs in the form of commercial, semi-commercial such as coffee shops, cafes and roadside motels and mid-way establishments to feed, serve and rest the traveler.

Today, a large percentage of the population eat out at least once a month, and the trend for home delivery of meals and snacks is also on the rise as evidenced by the expansion plans of existing food services and a rise in the number of multinational catering franchises showing interest in the Indian market.

In addition, a number of entrepreneurs are taking to supplying home cooked food or single items for delivery including specialty foods of the different regions and countries of the world. Outside catering has come of age in every possible field of event management, entertaining and business conferencing.

- *Welfare and Rehabilitation:* The focus of the government was gradually drawn to the large population not only as pure numbers, but their proportions in terms of unemployment, access to literacy and educational facilities, medical and healthcare problems of normal and handicapped citizens. To add to this was the increase in crime rates and prisons swelled too, where proper food was needed to feed the prisoners. This led to an increase in welfare and rehabilitation centers and the concept of institutional food services came into the limelight to address the needs of inmates of all kinds of institutions whether orphanages, boarding houses, hospitals or others.
- *Healthcare:* Increase in health, medical care and welfare schemes gave rise to hospitals, clinics, crèches, old age homes and welfare centers within which it became necessary to operate catering facilities to fulfill the needs of patients, staff and visitors.

In addition, welfare services were planned by the government to help eradicate hunger and malnutrition in deprived areas through local public health centers, anganwadis and schools. This led to the development of mobile catering and health units in rural and distant areas to take care of health needs through supplementary feeding and mid-day meal programmes for school children.

The need to take the food to the people provided an impetus to entrepreneurs to start mobile and contract catering services even in the urban cities under licensed schemes.

- *Education:* With more and more families sending children to schools, colleges and universities, residence halls, dormitories and hostels providing boarding and lodging facilities sprang up on the premises as a matter of necessity. When the demand increased further, men, women and youth hostels came into existence. Snack bars and cafeterias grew on campuses to provide food services to day students, staff and visitors who were not permitted to use hostel facilities on a regular basis.

School education also became distanced from homes and canteen and hostel catering facilities became a necessity for the young and active clients. For government schools where children could not pay for their food in canteens,

subsidized mid-day meals providing at least 1/6-1/5th of children's daily requirements of essential nutrients was initiated. This scheme has yet to cover all school children but the intention was to try and increase attendance in schools and eradicate malnutrition to the extent possible, while educating them in the process.

- *Unemployment*: With the population of our country well over the one billion mark, unemployment is a real problem even among the educated youth let alone those who have little or no access to literacy or schools of learning. It is for these masses that food vending provided the means of earning a living and gave impetus to self-employment. Vending and other forms of self-employment is a common sight in most residential localities where single food items in the form of hot tikkis or two item meals like chana bhatura, dal roti and the like what we call as *street foods* are made freshly and sold on demand. The main ingredients are usually pre-prepared to the extent possible and then finished on demand.

Having reviewed the various factors which have led to the development of food service establishments, next we shall focus on recent trends in this area.

1.2.3 Recent Trends

National and international cooperation in the fields of trade, commerce, education and sports have led to a spurt in conference catering, group living and feeding facilities. This has brought people together from different geographical and cultural backgrounds enabling catering to progress towards specialty food services.

If you look around when you go out to eat, it is common to find restaurants specializing in South and North Indian food, Chinese, Mexican, Taiwanese, Japanese, Lebanese and other regional and international cuisines. We are sure you have eaten at one of the specialty restaurants. With globalization a modern form of self employment has emerged with national and multinationals joining hands in the catering arena. This form known as *franchising* comes with the total package of training to maintain the standards of the parent company in terms of establishment design, production procedures, raw material, product and service quality, accounting procedures and the lot. Some restaurants and fast food outlets reaching out all over the country are *Nirulas, Moti Mahal, Haldiram* among the national chains and *McDonalds, Pizza Hut* and many more among the International chains.

Entrepreneurial catering ventures have developed and are seen in various forms as *take home* meal counters, *home delivery* services and the like. Today women entrepreneurs with special food preparation and management skills are working from their homes to augment their income and deliver *home made* meals to those who cannot spend that much time in their own home kitchens.

Technological advancements in catering equipment technology, communications and accounting practices has made mass catering faster, more streamlined, less tiring and improved in quality, safety and variety. Today, railway and flight base kitchens can produce thousands of meals for travelers of various requirements around the globe.

We have entered the information technology era and the recent trends developing are on-line catering, whether to order meals, download menus for ordering, examine catalogues for purchasing equipment and so on, all at the click of the *mouse*. One can visualize information technology (IT) being used for catering services in a widely progressive manner in the future even by entrepreneurs supplying lunches to offices taking orders through their networks and coordinating supplies as required irrespective of location of the kitchens. The *e-dabbawala* is not far, as conceptualized by the Director of *e-business solutions* at their Bangalore Labs. In time it is expected to deliver sumptuous meals anywhere anytime.

Research and development efforts in the area of food processing and related technologies, have already made it possible to package cooked ready to eat meal items that can be picked off the supermarket shelf, heated or eaten as such. Have you seen such products in the market? Look for them under the brand name of *Taste bite* or *MTR* and see for yourself how easy it has become for institutions and householders to present a meal to unexpected guests.

Tourism and travel is on the increase as modes of travel have graduated from the road to sea and air. Food service establishments have tried to keep pace with the demand of the traveler according to his or her needs through making night lodges available to those on long pilgrimages to catering facilities on luxury bus, trains to sea and air liners. Today catering institutions form the backbone of the tourist trade and are important foreign exchange earners. The only drawback is that the industry is characterized by a large number of small services which have mushroomed in response to the needs of individuals and groups and have therefore not developed in an organized manner. Such food establishments include the *chai* (tea), *paan* and *chaat* stalls, ice cream parlours, vendors offering various food items or meals, fast food corners and mobile services.

Recent developments in sports facilities, both leisure and competitive have also generated special feeding requirements of clients, which pose challenges for food and service providers at these locations. With the introduction of adventure sports such as deep sea diving, mountaineering and so on, people are now being catered to through constant research and development efforts in food and material sciences. Today, ready-to-serve and eat foods of every region in the country, are available in retort pouches that can withstand sterilization temperatures of 121°C without affecting the quality of the food.

You must have traveled recently. Which food services did you see or use for meals and refreshment on the way? Make a list and we will talk about them a little later. Of course, you would not have gone on a space craft, but do you know that the food industry also tries to meet the special needs of the astronauts and the military posted in mountainous regions at freezing temperatures, and prepares light weight food packages for them. You may recall studying about the space food systems and meals in the Advance Nutrition Course (MFN-004) in the Unit 18 based on Nutrition Requirement for Special Conditions.

Another important trend in recent times has been the promotion of national and international trade and cooperation in every field. This has led to a spurt in conference catering, group living and provision of feeding facilities for people with varying geographic and cultural backgrounds. The exposure to different foods of various countries has created a demand for specialty catering services which are now becoming a common sight in the form of food service establishments serving regional foods. You would have seen or even eaten at Chinese, Mexican, South Indian, North Indian or even Japanese food services and fast food restaurants in the country.

While the type and number of food service establishments are increasing everyday, the need to focus on relatively small scale establishments, feeding 50-200 customers a day, in terms of providing professionally planned services is great, in order to ensure a fair deal to customers in terms of health, satisfaction and enjoyment of food.

In India, with over 20 million middle class consumers and an increasing number of catering training institutions, the scope for catering entrepreneurial development holds a great promise. At the same time, this would increase employment opportunities for the unemployed youth of a country whose population has already crossed the one billion mark.

With a brief review on the history, development and the recent trends seen in the food service establishment, let us now learn about the different types of food service establishments.

1.3 TYPES OF FOOD SERVICE ESTABLISHMENTS

Food services basically fall into two categories, *commercial* and *non-commercial*. Let us see what do both these entail and what are the differences between them.

1.3.1 Commercial Establishments

Commercial establishments are those that are set up mainly with a *profit motive* and sell food and services for a price, irrespective of their size. They range from the smallest tea stall, roadside eating place or *dhaba* to the coffee house, cafeteria, restaurant, motel and hotels, the latter providing a wide range of dining and service facilities. The customers who visit such establishments eat out for different reasons such as hunger and thirst, pleasure, entertainment, leisure, business meeting and so on. They are therefore willing to pay for the food, service and comfort received, thus providing for the profit levels of these establishments as planned.

Other type of commercial food services found today are contract catering services. These operate on behalf of anyone who wishes to celebrate an event according to their own menu; at any place they want, whether in their home, in a lawn or a hired hall in the locality or a community center. You must have seen such events as marriages where all the arrangements are made by caterers, according to the menu decided by the host. Can you think of any other functions you have attended where the food is not prepared and served from the home kitchen but outsiders come and arrange the food and the service and then also clear up after the party or function? It is, therefore, clear that food establishments that are set up to make a profit from the operations are called *commercial* organizations. Food services that make *more than 25 per cent profit* fall into this category.

However, there are small establishments that do not have very high costs of staff such as roadside establishments, vendors, or mobile services. These therefore, charge less from customers and make profits within *15-25 per cent*. Such establishments are called *semi-commercial* services as they do not spend much money on furniture or decoration to attract customers and thereby lower their total costs of operation.

From commercial, to semi-commercial, let us next review the non-commercial establishment.

1.3.2 Non-commercial Establishments

Non-commercial services are those that have been set up with a social objective and food preparation and service are only a complimentary part of the care giving aspect of the establishment. Some examples are *government hospitals, schools, prisons, orphanages, old age homes* and the like. Such institutions may however, carry on activities that will enhance their income or charge a fee for services rendered from those who can afford to pay for them.

These establishments cover all their expenses either through government grants or subsidies or through public donations and generally do not aim at profits from sale of the food and services provided. Financially they are said to *breakeven*, although they may in part charge a price from those inmates/beneficiaries who can afford to pay, such as for private ward patients in hospitals.

Having gone through the discussion so far, let us take a break and recall what we have learnt so far by answering the questions included in the check your progress exercise 1.

Check Your Progress Exercise 1

1) Describe the term food service establishment. Highlight the factors influencing its development.

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2) List the food service establishments you have seen on the way while traveling from home to your place of work, leisure or play. Try and write down against each, the type of establishments you think they are. For example: Restaurant — commercial.

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3) How many times do you eat outside your home in a month? State the reasons why you eat out. Tally your responses with what you have learnt.

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4) Match the food service establishments in column A with the reasons for their development given in column B.

A

- a) Dhaba
- b) Restaurant
- c) Canteen
- d) Air Catering
- e. Commercial Establishment

B

- i. Education
- ii. Technology
- iii. Road development
- iv. Tourism
- v. Entertainment/leisure

5) Define a specialty food service establishment. Give three examples of such services.

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So, that was easy. It is important to understand that running a food service unit is not an easy task. It requires management skills and knowledge. Next, we shall focus on what is management and the approaches to food service management.

1.4 UNDERSTANDING MANAGEMENT

Management is classified and defined by different authors in the perception of its use. Let us actually come to define the term management now.

Allen states that the definitions and interpretation of management vary widely. Some see management as a complex of administrative and personal skills. Others view it

as a technique of leadership. Still others define it as a means of co-ordination and cooperation.

According to *Drucker*, it is management that enables the organization to contribute a needed result to society, economy and the individual. *Mary Parker Follett* states that management has been called the art of getting things done through people. It calls attention to the fact that the manager achieves organizational goals by arranging for others to perform whatever tasks may be necessary and not by performing the tasks themselves. Management is a form of work that involves guiding and directing a group of people towards organizational goals or objectives.

Haimann, Mc Farland and other writers have explained the term "management" in three different ways:

As a noun, it refers to the individuals who exercise leadership in an organization, i.e. the manager.

As a process, it refers to planning, organizing, staffing, directing and controlling.

As a discipline, it refers to a body of knowledge and practice.

According to the *Functional School*, management is defined as an integrating process designed to achieve organized and purposeful result. It is the process by which the manager creates, directs, maintains and operates purposive organizations through coordinated and cooperative human effort.

According to *Human Relations School*, management is a social process because management actions are concerned with relations between the people. *Lawrence A. Appley* cites management as personnel administration. According to *Drucker* management is a task of making people capable of joint performance, to make their strength effective and their weakness irrelevant.

According to *System and Contingency School*, management is an open system consisting of interacting and interdependent parts, having a variety of goals in other words the *System theory*. Management is also situational, that is, there are prevailing environmental conditions according to which everything should be managed, termed as *Contingency theory*. Management is a process of using resources to achieve goals through various interacting elements including problems, needs, wants, values, decision making, planning, implementing, communication and feedback, all operating within an environmental context.

According to the *Decision making School*, management is a decision making body, a rule making and rule enforcing body. According to *Drucker*, the life of a manager is a perpetual choice making activity. This school underlines the role of thought process in taking decisions, which are directed towards achieving goals. Thus management is defined as a process of decision-making and control over the action of human beings for the explicit purpose of attaining the predetermined goals.

Management is identified as a body of systematized knowledge, based on general principles, which are verifiable in business practices. If management is a profession, then the key problem is to decide what a manager does. *Strong* answers by saying that a manager *plans, organizes, delegates motivates, directs and controls*. These are some of the aspects of his work. He adds foresight, order, purpose, integration of effort and effectiveness to the contribution of others. Therefore, we can say that *management is a process of planning, organizing, delegating, leading and controlling* the efforts of the organization members and by using all other organizational resources to achieve the stated organizational goal. *Gullick* has suggested POSDCORB an acronym for management created from the names of seven functions, which include *planning, organizing, staffing, directing, coordinating, reporting and budgeting*.

1.5 APPROACHES TO FOOD SERVICE MANAGEMENT

Management thinking has undergone a number of changes in the last few decades resulting in adoption of approaches that can be flexibly applied to management situations in the fast changing business environment of today.

Management thought in India gained momentum after independence but developed on the lines of western approaches followed in U.K. and U.S.A., where sociologists have increasingly focused attention on various aspects of organizations studying their structures, managerial practices, and people's behaviour at work and why some organizations succeed and others do not.

Manager's have followed a number of approaches while managing their establishments, depending on their own personality traits, position in the establishment and leadership and decision making qualities. Further, the science of management has changed through the decades to suit the changing needs and challenges of the business environment. We will now see what approaches were followed and how they changed over time. We begin with the traditional approach.

1.5.1 Traditional Approach

Traditional management was based on the rule of *thumb* principle which assumed that whatever food and drink was prepared and offered to the customer would be sold because food is a necessity for survival. Thus, management of food production and service became a combination of certain cultural factors adapted to the contemporary world, both through its own inertia and its relevance to the organization and its environment. This combination often referred to as *ethics* determines actions, decisions and behaviour of people at work and their role in an organization.

The traditional ethic is clearly depicted by the *Confucian* philosophy which originated in China and spread to Korea and other countries. This defines five basic relationships between people by which society can be organized at the social, political and economic levels, as indicated in Figure 1.2.

Master	—	subject
Husband	—	wife
Parent	—	sibling
Self	—	friends
Franchiser	—	franchisee

Figure 1.2: Five relationships at work in traditional management

Let us see what these relationships are and how they work in an organization where a number of people interact at work.

Master-subject

This relationship is widely seen in catering enterprises where the owner is the sole manager as in the case of small roadside establishments such as Dhabas, tea or coffee shops, bakeries and so on. In such situations, the management style is authoritative, and communication is one-way usually in a downward direction from master to subject.

Husband-wife

Ventures started by couple's exhibit this relationship in their management style which shows male domination in management decisions in a traditionally male dominated society. The advantage of this relationship is that it is based on love and understanding and therefore division of work and effort is willing, participative and effective. The skills are well used, the wife taking charge of food production and service while the husband deals with external forces and activities such as purchasing, inventory management, customer networking and finance. Examples of such services are supply of meals to homes, offices, or take-away services from which customer picks up the meals or food items, having ordered them telephonically in advance.

Parent-sibling

With this relationship, the establishment expands with the family, its members contributing to the work according to their age, ability, skills which they gradually learn from the parents on-the-job. Unity, loyalty and goal focus is assured because of familial bonds between the members of the organization, which may be a cafeteria, contract catering business, specialty or other restaurant.

Self-friends

Management thinking changed with time and greater investments were needed. This was achieved by extending family businesses by joining with friends who exhibited mutual loyalties, and were willing to share responsibilities of a business in terms of partnerships for investment, risk and profits alike. The characteristics of this relationship were care, concern and mutual respect which formed the basis of success in running a food service organization such as a motel, hotel, lodge, hostel or restaurant in partnership.

Franchiser-franchisee

This represents a contractual relationship between one organization and another, the franchiser allowing the use of its established trade name in exchange for royalty payments. The franchisee was however, trained by the former to ensure that standards of food and service were maintained under the given trade name irrespective of the location of the newer enterprise. Examples of such enterprises are Nirula, Pizza Hut, McDonald, Sagar Ratna, Udipi restaurants and so on.

The traditional management arrangements, as discussed above, although still practiced in some establishments, have gradually undergone changes resulting from behavioural and social research on groups at work. The different approaches that thus evolved are discussed as practiced from time to time.

1.5.2 Classical Approach

In the 1800's when industry was being developed, child workers were employed who worked up to 13 hours a day, even in England, and yet lived in poor conditions. Classical approaches to management at the time treated productivity as a purely engineering problem. It was *Robert Owen* who first conceived the manager's role as that of a reformist, because he felt that improving working conditions of employees would lead to better production and profits. He truly believed that the best asset for any manager was his workforce. *Owen* practiced his beliefs on his own workers by reducing their hours to 10½, stopped employing children under 10 years of age and started rating daily performances. In this way he instilled pride in people for their achievement, discovered problem areas and introduced competition. Gradually management skills began to be taught instead of only technical ones shifting the focus from engineering to people at work.

The Classical organization theory resulted from the need to find guidelines for managing complex organizations and *Henri Fayol* was the first to systematize them. According to him, sound managerial practice falls into patterns that can be identified and analyzed. This gave rise to the classical bureaucratic model that was followed by managers in establishments. Many transitional theories with slight modifications followed which were referred to as neo-classical approaches. Let us review this approach.

Neoclassical approaches

Neoclassical approaches evolved as a result of experimentation with improvements tried by managers using human relations and behavioural approaches. Two theories were developed by *Douglas McGregor* known as Theory X and Theory Y, which were based on two sets of assumptions about the nature of people.

The traditional assumptions included in Theory X were that:

- Human beings have an inherent dislike for work and will avoid it if they can.
- Most people need to be coerced, controlled, directed and or threatened with punishment to get them to put in enough effort to achieve organizational objectives, and
- Human beings prefer to be directed, wish to avoid responsibility, have little ambition and want security.

Theory Y assumptions were stated as:

- The expenditure of physical and mental effort in work is as natural as play or rest.
- External control and threat of punishment are not the only means of producing effort, and people will exercise self-direction and self-control to achieve objectives or goals to which they are committed.
- The degree of commitment is proportionate to the size of rewards associated with their achievement.
- Average human beings learn, under proper conditions, not only to accept but also seek responsibility.
- The capacity to exercise a high degree of imagination, ingenuity and creativity in the solution of problems, is widely distributed among people, and
- The potential of people is usually only partially utilized.

Now that you have gone through the two theories, can you suggest what the difference between the two theories is? Write down the difference and tally your response with the differences highlighted next.

Differences between the two theories

Theory X is pessimistic, static, and rigid and the control is external being imposed by the superior. Theory Y is optimistic, dynamic and flexible, and emphasizes self-direction and the integration of individual needs with those of the organization. There is little doubt that each set of assumptions will affect the way managers perform in any establishment.

We will all agree today, that managers should behave respectfully to their employees too, thanks to the research done and implemented by *Owen, Fayol*, and others in the management field.

Next, let us review the scientific approach to food service management.

1.5.3 Scientific Approach

The scientific approach to management is also called *Taylorism* after its founder *F.W.Taylor* who believed that management could be taught and practiced in a scientific manner. He felt that an organization can be looked at scientifically from three points of view – management, workers and the total organization.

Let us understand these three points of views.

Management

This approach assumes that management has always been interested in obtaining control over the worker. This may not necessarily be for exercising power but to increase output and efficiency. On the other hand, managers were happy to offer definite rates and standards for jobs, which could be used to judge the performance of people at work. This approach suggested by *Taylor* also helped managers to calculate wage costs more accurately and avoid conflicts at work. In fact *Henri Fayol* was the first to investigate managerial behaviour in organizations and systematically grouped operations of an organization into six basic activities such as:

Security: This included safety of people and property.

Technical: This covered all production methods and products.

Commercial: Included all activities of buying and selling.

Financial: Involved the raising of funds and using capital.

Accounting: This involved recording and monitoring of all costs, profits and liabilities.

Managerial: This covered monitoring productivity, problem solving, coordinating, controlling and so on.

Fayol, however, preferred to use the word principle instead of rules to build flexibility in the way managers could react to situations using their own judgment.

Workforce

The views of workers was basically monetary gain and incentive pay which were part of scientific management, although much harder work had to be performed to meet the standards laid down.

Organization

The scientific approach enabled organizations to set clear goals and organize processes, procedures and work areas more efficiently to achieve them. The result was that efficiency and thereby productivity improved and profits got better ensured. Thus, a value was placed on work performed which indirectly benefited the organization, as it involved better planning, organizing and overall functioning of all staff in the organization. While *Taylorism* grew out of experimentation and experience on the job, a problem arose, that workers were afraid of completing a job too soon because they believed that their pay would be lowered as a result. To remove these fears, *Taylor* encouraged productive workers rewarding them by increasing their wage rates. Gradually training schemes based on procedures followed by high performers were prepared, skills required for various jobs were established for use in staff selection and evaluation standards set up for each type of work. Management thus, started to become scientifically researched and practiced.

Having understood the scientific approach, next we shall get to know the management by objective approach.

1.5.4 Management by Objectives

Peter Drucker was the first to use the Management by Objectives or MBO approach for management planning and evaluation, in situations where goals of managers were set to be achieved within a predetermined time frame. In this approach, each manager sets his own goals within the broader preset goals of the establishment and then works to achieve them. The significance of this approach is that manager's performance can also be evaluated, in addition to that of the operative staff of an establishment. This makes managers more committed to goal achievement.

The characteristics of the MBO approach are superior-subordinate participation in goal setting, devising methods, reviewing progress and achieving results. Constant interaction between involved staff is established but requires a good information system for success, as the approach is totally result oriented. The positive features of the MBO approach are employee satisfaction because it outlines what exactly is expected of them and provides measurable objectives at all levels of the establishment. It also takes into account profitability, competitiveness, efficiency and flexibility.

Next, we shall review the systems approach to food service management.

1.5.5 Systems Approach

The systems approach looks at organizations as systems composed of a number of sub-systems which interact with each other and their internal and external environments to achieve goals, and to satisfy the needs of the environment in which the organization exists. The systems model therefore focuses more on those properties and processes of the organization which are relevant to goal achievement.

The systems approach therefore, sees the organization as receiving inputs from its environment and interrelating them through various job divisions or systems to produce the products or services which flow back into the environment to satisfy needs. The systems model is thus seen as inputs and outflows from one system to another as shown in Figure 1.3.

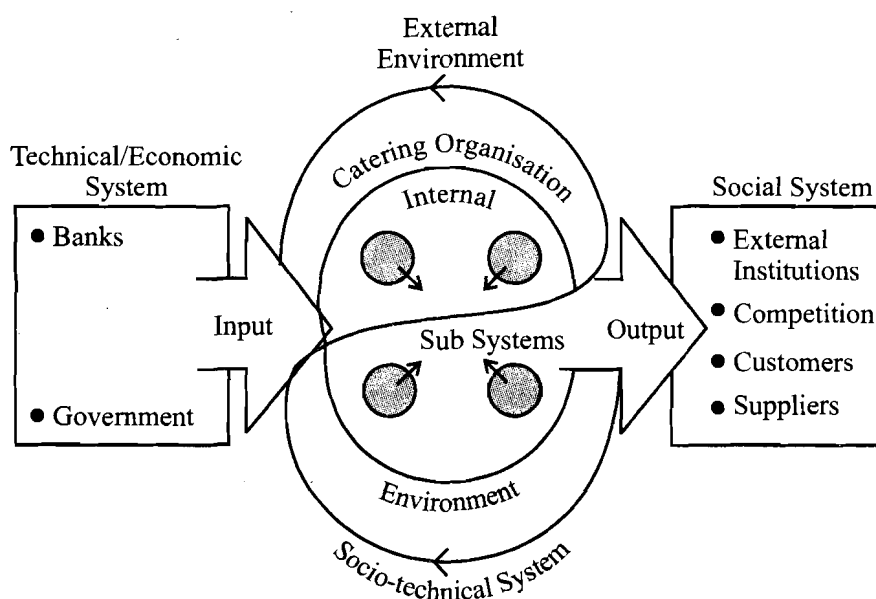


Figure 1.3: Systems approach to organizations

Source: Reprinted with permission from Institutional Food Management, Sethi, New Age, International, 2004.

For example, in a restaurant a system consists of the customer giving an order to a waiter, who in turn takes it to the kitchen. The cook then prepares it and returns it to the waiter who then presents it to the customer. Thus the activities of the customer, waiter and cook are interconnected in the customer-feeding system. Such systems show important properties of dynamism, the parts of the system constantly moving in addition to interacting with one another. So if something occurs in one part of the system its effect in some way gets transmitted through it to affect the functions of other parts. We can therefore quote three main assumptions underlying organizations as systems. These are:

- Systems are composed of interdependent parts.
- They have needs for survival, and
- They behave and take action

The systems concepts thus focus on interconnectivity so a change in one part influences other parts as well but without showing any visible cause of disturbance.

Let us review the types of systems next.

Types of systems

There are basically three types of systems – closed, open and socio-technical systems. Let us get to know these systems.

- *Closed systems:* Closed systems usually have few inter-relating parts which operate on the assumption that the external environment is constant and does not change to influence the functioning of the organization. When changes do occur they are slower than the internal changes and organizations adapt to them to bring back a state of equilibrium.
- *Open systems:* These are similar to closed ones except that they take into account the interactions with the external environment as well.
- *Socio-technical systems:* In such systems the link is provided between the social and the technical system by a set of activities, interactions and sentiments which are partly molded by the technical system. One such factor is the division of work developed in a system through which the task requirements interrelate to individuals' needs, as an interdependent socio-technical system.

Thus, the systems approach helps to distinguish between productive, maintenance, adaptive and managerial-political functions of an organization. There are however, certain limitations of the systems approach. These limitations are highlighted next.

Limitations of the System Approach

The limitations of the systems approach include:

- It is purely functional and does not focus on people to a large extent.
- The model does not explain the prevalence of conflict at work.
- The approach can be misleading, as it suggests that all the parts of the system cooperate at all times rather than compete or struggle for survival.
- The least convincing aspect is its inability to explain change that arises not from the system, but from the interaction between motivated people.
- The approach looks at the organization from the viewpoint of managers and not the workers.
- The needs of the environment are seen as impersonal processes, and therefore organizations adapt to their environments at different rates, and

- The scope of employees' participation in decision making is limited, since all decisions are made within the formal structure of the organization.

Next, we shall focus on the quantitative approach.

1.5.6 Quantitative Approach

Quantitative approach is also called the *mathematical* or *operational research* (OR) approach, because it involves the study of effects of all possible factors that can affect potential outcomes, based on which management decisions may be taken. It involves the building of models to project through computers a real situation or problem. Basically, four types of models have been used namely, representative, analogous, symbolic or mathematical and simulated models.

Let us get to know about these models.

Representative model: This is a scaled representation of the real situation as in a photographic or mapped out model.

Analogous model: This involves using comparative properties of situations to illustrate problems or the mechanisms involved in decision making in similar situations and conditions.

Symbolic model: These consist of mathematical derivations using symbols for certain components of the problem and then calculations are made to depict solutions from which the best possible solution is arrived at. Symbolic models represent real situations, are simple, convenient and economical to use for testing hypotheses. They help in understanding and predicting conditions of uncertainty or risk and control decision problems which are under consideration.

Simulation model: This model makes use of linear programming to solve problems such as queuing which affect sales revenue of an establishment. Simulation helps to search for an optimum solution by striking a balance between the cost of waiting, customer loss and cost of reducing queues through allocation or reallocation of additional resources.

Quantitative methods help to maximize resource use by providing solutions to technical problems at operative levels. For managers, they provide a factual basis for guiding them towards objective decision making.

The next approach covered in this section is the behavioural and human relations.

1.5.7 Behavioural and Human Relations Approach

Behavioural and human approach is based on the belief that an organization is as good as its people, because in spite of scientific and other planned approaches, managers continue to face problems. This was attributed to the changes in people's behaviour and therefore attention was drawn to social and psychological factors that operated among working groups. Behavioural scientists suggested three ways of improving productivity by:

- Selecting the best person for each job using psychological testing techniques,
- Creating the best psychological conditions, and
- Motivating employees.

The human relations and behavioural approaches had two basic objectives – i) economic effectiveness, and ii) employee satisfaction which can further be extended to customer satisfaction with respect to service organizations.

Today, a lot of attention is paid to motivation of employees through providing different degrees of employee benefits and rewarding them with bonuses for increasing profits of organizations, irrespective of their size. The working environment too is the focus of attention of managers to provide workers with a comfortable work environment and atmosphere.

After behavioural and human approach, we shall review the contingency approach.

1.5.8 Contingency Approach

The contingency approach was the result of the efforts of managers to apply different approaches to real life situations for making the most effective decisions. They found that methods used in one situation did not succeed at other times. According to this approach, managers needed to identify which techniques will work in a particular situation under given circumstance, and at a particular time, to contribute the maximum to goal achievement.

From contingency approach, we move on to the just-in-time approach.

1.5.9 Just-in-Time

Just in Time or JIT approach was the result of the increasing desire of managers to enhance efficiency for achieving better profits. This approach is applied basically to production management in an effort to control costs of storage space, time and effort. The idea was to receive raw materials just in time for production as required with minimum stocks being held on the premises.

The JIT approach was first developed by the Japanese in 1970's and has since inspired managers globally to adopt it to cut the costs of production. In food services, this approach is followed when fresh, highly perishable foods, like meats, milk, fruits and vegetables, are directly delivered to the kitchens for production of meals, rather than stored in the establishment. The concept gains importance in India given the seasonality of raw food production in different regions of the country, and the price sensitivity of the consumer. Only in large establishments where the quantity delivered is very large, these foods are stored for short periods under refrigeration or in cold rooms, for issue as required.

The JIT approach results in appreciable cost reduction in terms of storage, handling and staff costs, making the products and services offered by food establishments more affordable for consumers and more profitable for the food manufacturing and catering sectors. Savings of 5-10 per cent have been reported in inventory and storage costs as reported by some researchers. JIT thus improves efficiency of production and improves quality because foods are not stored excessively and deterioration is automatically prevented.

JIT thus follows a demand pull rather than a supply push approach enabling managers to schedule production on demand rather than have unsold products in the hope that they will be demanded. Implementing the JIT approach has definite advantages. These advantages are enumerated next.

Advantages of JIT

The advantages of JIT include:

- Direct cost reduction
- Staff and space reduction
- Decreases cost of handling

- Reduces or eliminates damages in storage
- Makes work flow easier, and
- Saves time and energy

Implementation, however, requires the establishment of sound communication networks as suppliers need to be informed about requirements, consumer uptake all of which needs documentation. Some establishments following this approach are McDonald's, Dominoes Pizza, Cadbury India Limited which is linked with its depots, factories, cocoa sourcing points by use of appropriate software. JIT is a management intensive system, but once established is easy to monitor effectively.

Finally, let us study about the total quality management approach.

1.5.10 Total Quality Management Approach

Total Quality Management or TQM is a concept that fosters continuous overall improvement at all levels of production and service in an establishment. This approach emphasizes a systematic, integrated and consistent organizational effort involving all resources at hand whether human or material, for the purpose of gaining competitive advantage in the market. What then does TQM mean? Let us see. According to *Ho*, 1995, TQM is:

Total represents all people associated with an organization including suppliers and customers.

Quality means that the requirements of customers whether expressed or implied, are being met constantly.

Management implies that the managers of the organization are fully committed to the continuous improvement of all facets of the organization from the smallest to the largest link.

Many researchers have been linked with the development of the TQM approach such as *Crosby* (1979), *Deming* (1986) and *Juran* (1988) who spread it worldwide. By 1992 the definitions kept on changing to include statements like *performing jobs right the first time*, or defining quality as providing extraordinary customer satisfaction or conforming narrowly to standards and so on. *Juran* developed the ideas of quality planning, quality improvement and quality control.

According to the Japanese, TQM is a journey which never ends if an organization has to succeed and survive in a competitive environment. *Kondo* (1995) focused on quality and people motivation and believed in creativity, physical activity and sociability for expressing the joy of sharing pleasure and pain with colleagues.

Thus, the TQM, approach signifies a state of constant dynamism within an organization because of technological advances and systems development which has made it possible to monitor work and processes more effectively for constant quality improvement.

With TQM, we end our discussion on the different approaches to food service management. Surely, you may have found the discussion a bit technical but certainly interesting. Do read this section once again for better understanding and conceptualization. To help you recall what you have learnt in this section, we have included few exercises in the check your progress exercise 2. Answer these exercises and evaluate where you stand.

Check Your Progress Exercise 2

- 1) What are the different approaches to management? List them.
.....
.....
.....
- 2) Fill in the blanks:
 - i) Traditional management was based on the of principle.
 - ii) The scientific approach to management is also called because founded it.
 - iii) Organizations can be looked at scientifically from points of view namely, management, and
 - iv) school defines management as a social process.
 - v) Neoclassical approach evolved as a result of experimentation with improvements using and approaches.
- 3) What are the five relationships at work in traditional management? Name them and write against each the type of food service establishment you think they are practiced in even today. For example:
 - i) Master subject Dhaba
 - ii)
 - iii)
 - iv)
 - v)
- 4) Write full names for the following short forms and define them.
 - i) MBO-
 - ii) JIT -
 - iii) TQM -
 - iv) OR -

In the last section we covered the approaches to food service management. Next, we shall study about the processes and principles involved in managing an organization.

1.6 MANAGING AN ORGANIZATION

In order to use the approaches highlighted in section 1.4 above, to manage an organization, managers use certain processes and principles to perform their functions in order to achieve goals. Let us see what these are and how managers succeed or fail in different situations on their journey towards goals.

1.6.1 Processes Involved

The very concept of management involves the design of the environment in which people working together in groups, using their different skills and talents strive to achieve objectives of the organization. *Design* is thus, *the application of knowledge to a practical problem for the purpose of finding out the best possible way to achieve results for that situation*. The processes involved therefore aim to establish an environment in which goals can be achieved with the least expenditure of time, money, materials while using human resources most productively, and in a climate that fosters harmony. Details of the different processes are dealt with in Unit 2.

Here, let us try and look at some decisions that you take almost routinely every day to reach your place of work. What do you do when you wake up in the morning? Possibly:

- Look at you watch and react by saying Oh! I'm late.
- Jump out of bed.
- No time for a relaxed cup of tea.
- Pull out some clothes and rush to get ready.
- Get stressed, miss breakfast.
- Run to catch your bus or drive fast unmindful of safety.
- Reach late and try to catch up with work throughout the day.
- Can't achieve as expected.
- Reach home frustrated and disturb harmony.

Look at your reactions above and observe the processes that you have gone through to make decisions at various points in time. You will find that you went through three types of processes, *physical*, *mental* and *emotional*. Now reverse the situation and wake up well in time. You will still go through the three types of processes but reach office in time, eat well, be happier and satisfied at the end of the day. We all have good days and bad days, so do managers but they still have to take decisions as the situation demands.

In food service establishments, it is common for operative level staff to complain that the manager draws more salary, has greater comfort at work and sits in a chair most of the time ordering others to do the hard work. This is however, a misconception since managers are mainly involved on the mental plane, using their judgment in particular situations and making decisions that help the organization towards its goals. In order to operate efficiently, the managers follow certain principles which are briefly outlined and discussed next.

1.6.2 Principles of Management

What do principles mean? *George R. Terry* has aptly defined a principle as .. *a fundamental truth providing a guide to thought and action*. Thus, principles are guidelines formulated on the basis of past experiences of managers in related situations, through a process of recording mentally or in writing, the effects of decisions taken in the past.

Certain basic guidelines can be formulated by every manager to help in the successful management of his/her establishment, therefore there can be very different principles that are applied in various organizations according to past experiences and judgment of managers in their particular situations. This is also because no two situations are exactly alike to demand prototype decisions taken in the past, and people involved also change their behaviour at different points in time. Present decisions however, can be based on the results of past decisions taken under fairly similar circumstances, depending on future goals to be achieved.

Thus, principles are not rigid foolproof rules which can provide definite solutions to problems or needs but are flexible, practical, consistent and relevant guidelines for use in similar sets of situations. They help to predict the results of decisions taken when used with the manager's own judgment of when to apply or use them. When managers take decisions that have constantly proved wrong, the fault does not lie with the principles, but in the judgment made and the principle applied by managers in a particular situation. Let us see how this works through an example.

Example 1

Suppose a catering manager follows the principle of serving lunches strictly between 12.30 and 2.30 pm every day, but one day finds that there is an unexpected rush of customers, and meals get finished by 2.00 pm. How will he apply his principle to manage the situation with respect to customers who habitually come to the establishment between 2.00 and 2.30 pm?

Let us list what decision choices he has in the situation.

- Close down service at 2.00 pm on that day.
- Use some ready to serve foods held in stock to make up extra meals to cover the demand between 2.00 to 2.30 pm.
- Request staff to make sandwiches and arrange for making eggs to order to make up a meal platter for customers.

In this manner there can be many different reactions to a particular situation and it may seem confusing to make a decision. But the principle if applied with a manager's value judgment helps to make decision making easier and more effective. Let us see how different managers use their value judgments to make decisions.

- i) A manager who places greater value on the goodwill of customers will not think twice about keeping the food service open, and providing whatever he can to his customer. He would not take the risk of turning away even a single customer.
- ii) Another manager might value his own image vis-à-vis his staff, in which case he will treat the situation as a challenge and think of quick preparations, being guided by the principle of keeping the food service open till 2.30 pm.
- iii) A third manager may value good relations with his staff and take the opportunity to give them half an hour off, based on the fact that the number of customers in the last half hour are not significant enough to make his staff prepare meals all over again and create stress in the environment.

Which of the above decisions would you choose if you were the manager of the establishment and why? It is possible that when you apply your value judgment you may come up with a fourth decision absolutely different from that of the three managers cited above.

So you can see that many possibilities come up in different situations according to the many value judgments of people. Principles applied must therefore be flexible enough to be used where goals change, no matter how far apart in time similar situations may be.

Principles therefore represent the historical collection of cause and effect data obtained from experiences gathered by managers in various situations, from which practicing and potential managers can draw for making effective decisions. There are therefore, no fixed numbers of principles that a manager may adopt as the basis for developing an organization. As experience is gained very different guidelines emerge, some principles helping to predict, others providing guidelines for decision making at various levels of the organization.

According to *Koontz, O' Donnel and Weihrich*, principles of management are descriptive or predictive and not prescriptive. In other words, they do not tell a manager what he should do, but only give him an idea of what may be expected if certain variable interact in a situation.

There are 14 principles which have formed the basis for management activity, but each manager may use as many as they think useful in a particular situation. In fact, every manager can create principles to suit their own particular field of work which could form reference points for success in the future. The basic principles are outlined in Figure 1.4 and are self explanatory.

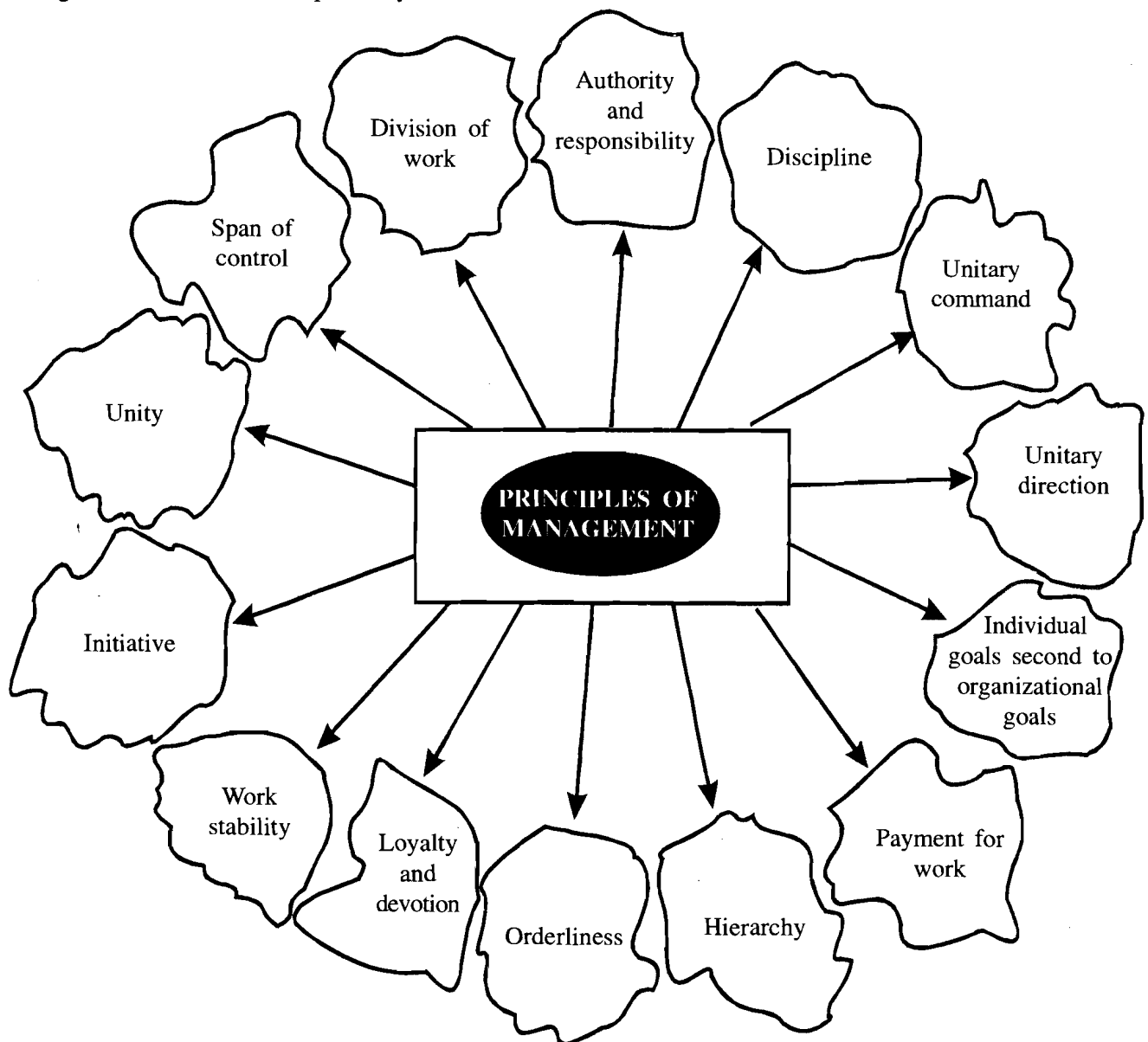


Figure 1.4: Principles of management

Now let us see how these principles are used effectively in food service establishments.

Division of work: The use of this principle in food services is based on the different skills, knowledge and experience of staff. It is a fact that a worker washing dishes cannot perform a cook's job. This implies that jobs need to be divided between people according to their abilities in every establishment irrespective of its size or location. The use of this principle in organizing work, makes staff perform tasks repeatedly, a process through which they become more efficient, gain confidence and thereby production gradually speeds up thus increasing efficiency of the establishment.

Larger organizations need to apply this principle more than very small operations like dhabas, tea stalls etc. in which staff numbers vary from 2-5 only and require to do all the tasks together, under the supervision of one manager. The principle of division of labour however, needs to be applied with care in food services because strict application might lead to staff becoming too specialized in their jobs to takeover the tasks of others. For example, if a cook leaves the assistant cook may not be able to produce the same quality food for the customer, to the detriment of the establishment. Therefore a certain amount of job rotation also needs to be followed to train others to fill in for staff that may be absent, sick or on leave.

Authority and responsibility: The principle of authority works in two ways one, it is exercised because of the position in the chain of command of the organization, and two, it is because of a person's intelligence, experience and the sense of values he holds. Both types of authority complement each other. In any work situation some of the official authority may be delegated along with the responsibility a task carries with it. For example the task of meal production and job distribution may be delegated by a manager to the head cook, who then also gets the responsibility of ensuring quality food to the customer. Authority may thus be dispersed or centralized for an organization, depending on its size and location.

Discipline: The principle of discipline covers punctuality, courtesy, adherence to rules and regulations, obedience and so on, all being essential where group activities are involved and directed towards common goals.

Unitary command: Unitary command means that there should only be one manager to give the orders or command at work in any area of the establishment under his control. Application of this principle goes a long way in establishing loyalty towards managers and the organization. Imagine if two or three people were to give different orders or instructions for completing the same task. What would happen? There would be confusion in the mind of the worker and questions like:

- Whose instructions should be followed?
- Will other managers go against me if I do not follow their orders?
- What should I do?

Apart from the mental confusion, many commands given together is time wasting to implement, as well as, frustrating for the worker, lead to dissatisfaction and fatigue.

Unitary direction: This relates to coordination of activities to achieve a single goal. Undirected or multidirectional goals lead to divided attention, lack of efficiency and achievement.

Individual goals second: The principle of organizational goals being subordinate to establishment goals is important for organizational success, because if every person starts to satisfy their own personal goals first, the organization will have to close down. This is because there is no end to individual needs and when one is satisfied another will crop up, all at the cost of the food service.

Payment: All work must be paid for in order to motivate people to do their best. The methods of payment agreed upon should satisfy employees and the organization, the terms in principle being fair.

Hierarchy: The principle of hierarchy refers to the chain formed by staff at different levels in an organization, and corresponds to the various levels of management. The levels tell the worker who is their boss and who to go to when in need. This results in a natural acceptance of authority that can then command respect if relationships developed over time are cordial.

Orderliness: Orderliness saves time at work looking for materials and equipment and leads to a smooth work flow through the establishment. In kitchens where raw, partly prepared and ready to serve foods are handled it also prevents cross-contamination and ensures food safety for all concerned. Orderliness with respect to staff is helpful in placing people in positions so that the right person is in the right place at the right time which is a reflection of a good organization.

Loyalty and devotion: Where people show a sense of devotion to work and loyalty the work environment generates harmony, and a unified attachment to the interests and goals of the establishment.

Work stability: Where there is work stability people stay and do not leave an organization frequently. Where staff turnover is minimized it creates in people a sense of security and confidence leading to pride in their association with the organization.

Initiative: Based on this principle staff are often encouraged to participate in making decisions that affect them and their work. In such an interactive environment morale is raised and people generate new and creative ideas to increase organizational effectiveness. For example, if a recipe idea suggested by an assistant cook is accepted for preparation by the head chef or manager and further liked by the customers it helps to develop initiative in staff to become more creative.

Unity: The principle of unity emphasizes the spirit of group work and helps to establish smooth communications between people, a healthy team spirit and positive group behaviour.

Span of control: This principle suggests that every manager can only guide or supervise the work of a limited number of people efficiently. This usually covers five to six people having related jobs and is referred to as the span of control of a manager. It may vary with the nature of jobs being performed, but with the advent of computers and quick monitoring and evaluation techniques the span may be increased for each manager.

From principles, we move on to the functions of management.

1.6.3 Functions of Management

The activities which a manager performs to get people to work harmoniously towards the goals of the organization are termed as *functions of management*. There are basically six functions that every manager performs as shown in Figure 1.5.

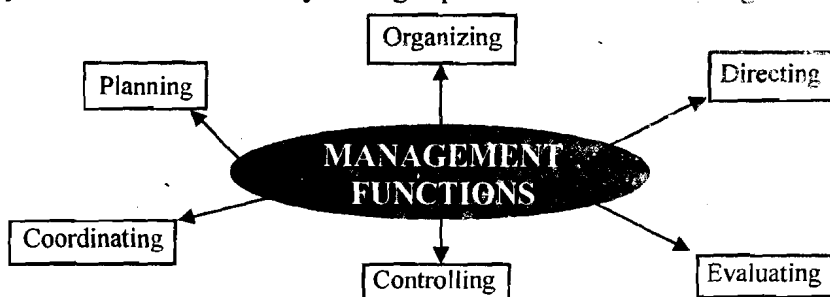


Figure 1.5: Functions of management

The functions illustrated are performed at all levels of the establishment, within the span of everyone's activity and control. These are not necessarily performed in the order in which they are written, but according to their relevance to the situation at a particular time.

Let us get a brief insight into these functions.

Planning

Planning is the continuous process by which a manager scrutinizes past performance, reviews its applicability in the light of environmental changes, and forecasts future trends. The planning process generally starts by an awareness of an opportunity or a problem, which can be foreseen or forecasted in the future. In the light of forecasts the manager then scrutinizes the establishments for its strengths and weaknesses, and sets new objectives and goals on the basis of certain assumptions called planning premises. These include forecasts pertaining to technological advancement, economic and social factors, government controls, customer attitudes and competitive forces. All planning involves the following three steps:

- 1) Gathering information relating to building, finances, and all other resources to make a workable scheme.
- 2) Developing a blueprint of the structure indicating the arrangement of spaces and details of activities to be performed in them, and
- 3) Setting goals or targets to be achieved in a set period of time, the goals being closely related to a fairly accurate forecast of future events.

Planning is thus a continuous mental exercise of setting and resetting goals, which help activities to proceed as realistically as possible towards them, in constantly changing environments. Therefore any goal set must be clear to both planner and the staff involved in activities for achieving it. This way, people know why they are doing what and feel a sense of achievement in the end. Work then becomes purposeful, creative, orderly, productive, cost effective and satisfying for all. Apart from benefits to the organization, individuals benefit too, through better relations at work, economically by getting bonuses for producing profits and personally by upgrading their skills and experience, thus enjoying a sense of belonging to the organization.

There are basically three types of planning – short, medium and long term varying from one to five to ten years. When the targets for achievement for each period are set, written out clearly and understood by all staff concerned, the document is known as a plan.

Planning food service operations involves stating objectives clearly by:

- Forecasting number of customers accurately.
- Knowing staff production and service skills.
- Judging customer expectations through information on their food habits, cultural background and economic status or purchasing power.
- Determining menu composition and costs.
- Establishing profit policy keeping in mind inflationary trends, taxes to be paid, subsidies and free meals of employees.

Accurate projections help to lay down general policies and goals that are achievable over different periods of time. Planning therefore is advantageous. Let us get to know how?

Advantages of Planning

Planning has a number of advantages although some managers tend to think that planning is a time wasting exercise. The advantages include:

- It helps to minimize time wasting activities like waiting for instructions, ingredients and so on because of last minute purchasing, all leading to uncertainties in task performance.
- Makes managers alert to changes and trends that may affect the activities of the department.
- Helps integration of activities of various subunits or departments.
- Eliminates confusion if a plan is communicated well and in time to those responsible for its implementation.
- Provides a basis for control through budgeting of time money, space and energy.

Time spent on planning therefore is time well spent provided it is not overdone.

From planning we move to the next function of management i.e. organizing.

Organizing

Once the goals have been set and understood by key people in each department, each area of the plan has to be put into practice. In food services the key areas of implementation revolve around the food production cycle, service areas, profit planning and record keeping. Each department manager then translates his part of the plan into clear-cut activities that are sequenced in a manner to flow smoothly. The ability to coordinate the activities of staff according to their abilities and establish smooth work flow is termed as *organizing*.

Let us learn what steps are involved in organizing.

Steps in organizing

There are five steps involved in the process of organizing. These are:

- Breaking down tasks into specific activities.
- Each action unit is then allotted to a manageable group of people and authority and responsibility for its performance to a leader in the group.
- Staff are allocated to each action unit and placed in positions according to their skills with levels of authority clearly defined.
- Resources are then allocated for each activity.
- Work is equally distributed to avoid stress and fatigue.

Organizing may thus be defined as putting together resources by matching skills to tasks, within the structural and financial constraints of an establishment.

From organization, we move on to the third function i.e. directing.

Directing

Directing is a function that initiates actual performance of tasks and requires interaction between people. This is done through five distinct activities such as:

- Instructing
- Guiding
- Supervising
- Teaching
- Reviewing

Let us review these activities briefly.

Instructing: Instructing means communicating a plan of action to the people who have to put it into action. Unless they understand exactly what is to be done, where and how a plan can become useless. All instructions given by the manager must, therefore, be clearly written out in a language understood by the staff, followed by verbal communication so that if any one has doubts they can ask questions and clear their understanding before work actually starts. Further, clear stepwise instructions should be put up clearly at each work area for reference that will help staff to check periodically that their activities are being carried out as instructed.

In kitchens and service areas the staff is from different religious, cultural and educational backgrounds, therefore, communicating with them is not as simple as managers tend to think. People understand instructions according to their own abilities and experiences and a simple instruction may convey a different message to different people. An example given herewith will illustrate this point.

Example: A manager gives a simple instruction to her peon – *please bring me some coffee.* The message reaches the kitchen. Let us see how this instruction is acted upon by different staff according to their understanding.

- i) To a service staff it would mean the manager wants a cup of coffee.
- ii) To kitchen staff it may convey that the manager wants to see the new brand of coffee for sampling that may have just been received for use.
- iii) To the storekeeper it may mean issuing a fresh tin of coffee.
- iv) The manager herself might have meant that three cups of coffee be served as she had two visitors sitting with her. Obviously the instruction was not clear and left to staff who interpreted it differently.

So it must be evident from the example above, how confusion can be created if instructions are not clear. Where such a disparity of backgrounds, languages and skills occur, it is better to communicate to the head cook or dining room supervisor who would then pass the instruction to concerned staff in the language they understand. The instruction is also more likely to be received, understood and acted upon immediately because the chef and supervisors work with staff, speaking their language and constantly instructing them for various activities on a daily basis.

Guiding: The task of directing people involves guiding them in the performance of their jobs in a manner that standards of performance desired are achieved, and in the process the employee also develops himself. Guiding however, does not mean standing on a workers head all the time, but keeping a close watch on how tasks are being performed so that if improper methods are being used they can immediately be corrected and the employee guided to work more efficiently.

There are a number of occasions when a worker does not want to admit that he is finding a problem in his job, for fear of being under-rated by his colleagues or superiors. In such cases supervisors will not be able to guide in time if they wait for staff to ask for guidance. The result will be habitual use of incorrect methods being adopted that will affect productivity. Therefore an important component of good guidance is supervision. Let us understand this function next.

Supervising: Supervising means keeping a watch to detect discrepancies in work behaviour or improper use of equipment and materials, or maintenance needs, correction or modification of procedures that may need to be attended to for improving performance and results of the organization.

Supervision can be carried out effectively in many ways. These include:

- i) *Viewing people's work positively* that is, looking for things they are doing right and praising them. In this way keen observation of other people's work too can bring out areas where guidance and correction may be required.

- ii) *Taking regular rounds of activity areas* just to say hello to people and find out about their welfare. Observations or curiosity shown about the way work is being done can often produce a response from which judgment of methods being followed can be made.
- iii) *Maintaining records of production and sales.* States of costs, sales and profit margins achieved act as guides to the need for supervision. Areas that show variances from expected results indicate the need for attention.

Good supervision helps in maximizing resource use and checking pilferage especially in food services, since food is the most tempting commodity for those handling it, especially if it is expensive and not afforded by staff.

Teaching: The person responsible for motivating people to achieve goals has got to be able to demonstrate the work methods staff is expected to follow. Teaching people to organize their work so that it is evenly spread throughout the day is important in catering. This is because in food services there are periods of peak when activity at its highest. This coincides with mealtimes when customer rush is experienced. It is important to teach quicker methods for performing time consuming jobs to reduce stress and perform better. A relaxed work environment also develops good learning and working relations among staff and customers.

Reviewing: Reviewing the effect of every activity on individual and total performance is the job of every manager. There are a number of strategic points in the production and service cycle, which determine the quality of what is served to the customer. Reviewing activities therefore, and modifying them when necessary to conform to standards laid down, is essential for every food service small or large.

Leadership style, experience and ability to communicate with people, to a large extent determines the degree to which staff can or will take instruction, be guided, supervised and motivated to achieve and develop.

The discussion above focused on the directing function of management. Next, we shall review the coordinating function.

Coordinating

Apart from directing the activities of staff, it is important to link them together, if group efforts have to become meaningful. This process of linking is known as coordination. Coordination can therefore be defined *as the process of integrating the objectives with the activities of different units of an organization in order to achieve goals effectively.* In fact Koontz defines management as an exercise in coordination, and represents in a nutshell all the functions of management.

Constant coordination helps to tackle problems when they arise, gather ideas from various experiences, anticipate problems and take timely action to prevent them from recurring. The extent of a manager's responsibility for coordination depends on the organizations structure, policies and scope of his activity.

Henri Fayol considered coordination as the binding together, unifying and harmonizing of all activities and efforts. The larger the organization the greater becomes the degree of coordination required to keep individual departments together instead of alienating their activities. Coordination results in establishing better interaction between subunits and work is performed successfully under a single command. Good coordination strengthens staff loyalty and a feeling of oneness permeates through the organization resulting in greater understanding.

From coordinating we move on to the control function of management.

Controlling

Using all the functions of management discussed so far, there is no certainty that the targets laid down will be consistently achieved, therefore control is necessary to give the right direction to activities. This is because achieving is not a simple process that takes place under stable conditions. The food service establishment is constantly surrounded by a changing environment consisting of *helping and hindering* forces some of which are indicated in Figure 1.6.

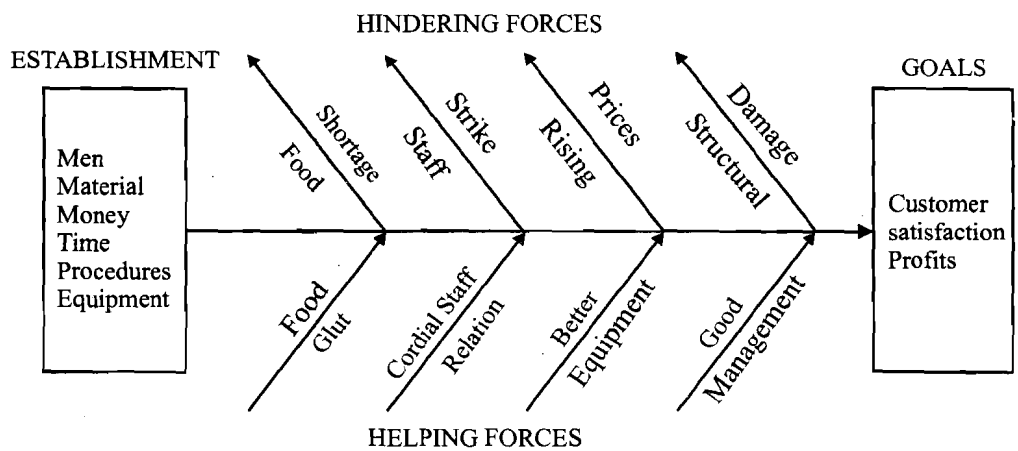


Figure 1.6: Some helping and hindering forces

In Figure 1.6, you may have noticed, that helping forces move the establishment towards goals, assisting in maximizing profits through accelerating the speed of work, whereas, the hindering forces inhibit timely achievement of goals even though their effects are not immediately noticeable. Constant monitoring of the changes is therefore necessary in order to use opportunities creatively to achieve goals.

The controlling function in management is expected to increase the impact of the helping rather than the hindering forces impacting on the environment. This can only be done if managers make the best use of natural forces like a favourable crop, good weather and holiday time to attract customers, motivate staff, invest on better equipment, and provide a safe, healthy and happy working environment. At the same time every hindering force needs to be counteracted as soon as it arises in order to ensure that activities proceed towards their original goals.

The control process, therefore, involves:

- Measuring actual performance
- Comparing results with standards expected
- Pinpointing areas of deviation
- Determining reasons for deviations
- Taking corrective action

Controlling is a very specialized multifaceted function involving control of costs, methods and procedures, behaviour of people at work both individual and in groups all of which have been dealt with in greater details in the next unit.

Finally, the last function of management is evaluation, which is elaborated next.

Evaluation

Evaluation is a process of *determining how well people have performed their functions* over time. Efficiency of production or service or of managerial effectiveness is judged through evaluation, a process that measures how far set targets have been achieved.

Evaluation procedures should be set up to monitor progress periodically to ensure success. If it is done at the end of a project, deviations cannot be detected in time to correct procedures or guide activities better. In addition, the use of resources becomes inefficient if people have to search for what went wrong where and when on the way to the goal.

The areas of evaluation in food service establishments are:

- Staff appraisal
- Work environment
- Work conditions
- Procedures
- Equipment and maintenance
- Food product evaluation
- Profitability

For evaluating all the above periodically it is important to establish evaluation forms designed for use in every establishment according to its goal requirements.

With evaluation we end our brief study on the functions of management here. Let us recapitulate what we have learnt on this topic by answering the check your progress exercise 3.

Check Your Progress Exercise 3

1) a) How did George Terry define a principle of management?

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b) List ten important principles used by a manager to guide him/her to make decisions for his food service establishment.

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2) a) What are the functions of management?

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.....
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b) Name the six functions of management and write against each at least one activity that a manager performs using the function. For example, menu planning. Give another activity for planning not used in this example.

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.....
.....

- 3) What are the five elements for directing the activities in a food service institution?
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-
-
- 4) Fill in the blanks:
- a) According to Koontz management is an in
- b) means keeping a
- c) The ability to establish smooth in any production or service area is termed as
- d) The process of determining how people have performed their functions is called
- 5) With which approach of management are the following people associated.
- a) Juran
- b) Japanese
- c) Drucker
- d) McGregor
- e) Owen
- f) Chinese
- 6) State whether the following statements are True or False by putting 'T' for True and 'F' for False in the brackets provided against each.
- a) Guiding means watching staff while they are performing their activities. ()
- b) Principles of management are prescriptive. ()
- c) McGregor is associated with theories X and Y. ()
- d) Controlling increases the influence of hindering forces on the organizational environment. ()
- e) The leadership style, experience and ability to communicate with people determine the degree to which staff will take direction/instruction from managers. ()

1.7 LET US SUM UP

This is the first unit of the course on Entrepreneurship and Food Service Management. It introduces the course by defining food service establishments and discusses their history and development, in the light of changes that have affected our living, eating, working and socializing patterns that have taken place over time. The factors that have brought about the development of various types of establishments have been highlighted along with recent and expected trends.

Food service establishments are basically set up to plan, produce and serve food to a large number of people, who may come from different regions, religious and cultural backgrounds and socio-economic levels of society all of whom may not have the same purchasing or paying power.

In this unit we learnt that there are basically two types of food service or catering establishments, commercial and noncommercial. The former are setup with the explicit aim of making profits by selling food to customers, while the latter function for the benefit of those who are challenged in some way and receive food as part of a package of welfare and rehabilitation activities. The noncommercial establishments provide the catering service as a supplement to welfare and are therefore only expected to plan meals, so that expenses incurred are covered directly by customers or donations from the public or subsidized by the government.

The evolution of management approaches has been traced right from traditional to modern day approaches, and how they have affected management thought in India after independence. Managers have followed some of these approaches either singly or in combination to manage their food services, according to their personality traits, position in the establishment and leadership and decision making qualities. Further, the science of management has changed through the decades to suit the changing needs and challenges of organizations.

A mention has been made of people who influenced management thought from time to time and introduced theories that formed the basis of improvement in managing abilities within organizations, according to their size, location and other factors that may help to achieve goals as planned or hinder them. The advantages and disadvantages of certain approaches have also been outlined to help managers to use their judgment appropriately while making important decisions on behalf of the establishment.

The principles and functions of management have been discussed in detail with suitable examples of actual situations that can arise in food establishments to warrant the use of judgment of managers' to make decisions. The importance of planning, organizing, directing, coordinating, controlling and evaluation has been stressed for improving efficiency of units and achievement of preset goals, whether, short term, medium term or long term.

1.8 GLOSSARY

Abbey	:	a term usually used in England, for a religious place in which missionaries or priests stay. However, in ancient times travelers were given permission to spend a night if they needed help, and were looked after.
Bhatura	:	a type of Indian fried bread made from fermented refined wheat flour dough.
Chaat	:	a sour and spicy preparation in which a number of ready to use ingredients are mixed together just prior to consumption. The dish is spicy and makes a good appetizer or an in-between meal snack.
Chai	:	hindi term for tea.
Chana	:	hindi word for Bengal gram, often used de-husked and boiled in chaat and curries.
Dal	:	pulse preparation served with meals in India.
Dhaba	:	a traditional roadside food service establishment which usually prepares and serves main meals commonly eaten in the region.
Dharamshala	:	resting place for pilgrims in India. Usually built near places of worship.

Franchising	:	this is a process of leasing out the management expertise of an establishment to the buyer who then pays a fixed royalty to the parent organization. Examples are fast food services like MacDonalds, Wimpy, Pizza hut, Dominoes etc.
Gurudwara	:	place of worship of Sikhs.
Langar	:	the food distributed to all present at mealtimes at places of worship of the Hindus.
Paan	:	betel-nut leaf used in India, filled with a mixture of digestives, usually eaten after main meals. Customers choose the type of fillings they want, sweet or plain. The leaf is then folded over and handed over to the buyer for immediate consumption. In some regions households offer it to their guests on arrival as a sign of hospitality.
Prasada	:	food offered to the Lord in places of worship and then distributed to all present as a token of His blessings in temples and gurudwaras.
Ramadaan	:	is the holy month of the Muslims during which they fast religiously. Roti : A type of chappati or Indian bread rolled from wheat flour dough and cooked on a hot griddle.
Tikki	:	name for a type of potato cutlet plain or stuffed, which is shallow fried on a hot griddle.

1.9 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress Exercise 1

- 1) Food service establishments may be described as places set up primarily to plan, prepare and serve food to a large number of people, who may be from different religions, cultural backgrounds and represent various socio-economic levels of the society. The factors influencing its development are tradition and culture, religious fervour, economic status, industrial development, social changes, technological advancement and globalization.
- 2) Restaurant — Commercial
Coffee shop — Semi commercial/commercial
School canteen — Commercial
Vendor/ tea stall — Semi commercial

Orphanage/old age home/residential blind school — Non commercial
You may give other examples based on your experience.
- 3) Answer on your own. A sample answer is given for your consideration.
Reasons for eating out in:
College canteen — to satisfy hunger
Fast Food Joint — for fun/socialize
Temple/place of worship — religious reasons
Roadside café — while traveling

- 4) (a) – iii; (b) – iv; (c) – i; (d) –ii; (e) – v
- 5) Specialty food service establishment is one which specializes in the production and service of foods typical of a region or country. Examples include: (i) Chinese (ii) South Indian (iii) Italian.

Check Your Progress Exercise 2

- 1) The different approaches to management include: Traditional, Classical, Scientific, Management by Objectives (MBO), Systems Approach, Quantitative, Behavioural and Human Relations, Contingency, Just-in-Time (JIT) and Total Quality Management (TQM).
- 2) i) rule, thumb
ii) Taylorism, F.W.Taylor
iii) three, workforce, organization
iv) Human relations
v) Human relations; behavioural
- 3) i) Master-subject: Coffee shop/dhaba/tea stall
ii) Husband-wife: Bakery/takeaway/home delivery service
iii) Parent-sibling: cafeteria/restaurant/contract catering business
iv) Self-friends:motel/hotel/lodge/hostel/restaurant
v) Franchiser-Franchisee: Macdonald's/Nirulas/Udipi/Sagar/Pizza Hut
- 4) i) Management by Objectives (Refer to sub-section 1.5.4 and write the definition on your own)
ii) Just in Time (Refer to sub-section 1.5.9 and write the definition on your own)
iii) Total Quality Management (Refer to sub-section 1.5.10 and write the definition on your own)
iv) Operations Research (Refer to sub-section 1.5.6 and write the definition on your own)

Check Your Progress Exercise 3

- 1) a) Terry defined a principle as a fundamental truth providing a guide to thought and action.
b) The important principles used by a manager to guide him/her to make decisions include: Division of work, Authority and responsibility, Unitary command, Payment for work, Discipline, Orderliness, Loyalty and devotion, Unity, Initiative and Work stability.
- 2) a) Functions of management are the activities that a manager performs to make people work harmoniously towards the goals of the establishment.
b) The six functions of management are:
- | | | | |
|------|--------------|---|-----------------------|
| i) | Planning | — | menus/spaces/policies |
| ii) | Organizing | — | work areas |
| iii) | Directing | — | staff |
| iv) | Coordinating | — | activities |
| v) | Controlling | — | resource use |
| vi) | Evaluating | — | performance/profits |

- 3) The five elements used for directing the activities of a food service establishment are: Instructing, Guiding, Supervising, Teaching and Reviewing.
- 4) i) exercise, coordination
ii) Supervising, watch
iii) work-flow, organizing
iv) well, evaluating
- 5) i) Juran — TQM
ii) Japanese — JIT
iii) Drucker — MBO
iv) McGregor — Neoclassical
v) Owen — Classical
vi) Chinese — Traditional
- 6) a) False, b) False, c) True, d) False, e) True.