

# Evolution of Management Thought

# Historical Back Ground of Management

- Since the very beginning of the human civilization , peoples have been using the concept of management as a very special tool to perform their tasks efficiently.
- In almost every ancient civilization , we can see the influence of management. It was impossible to make those well – equipped and advanced cities without proper management skills.

- Other examples of early management practices can be seen through assembly lines, accounting systems, and personnel functions as just a few of the processes and activities in organizations at that time that are also common to today's organizations.
- Adam Smith, author of the classical economics doctrine, *The Wealth of Nations*, argued brilliantly about the economic advantages that division of labour would bring to organizations and society.
- The Industrial Revolution can be thought of as possibly the most important pre-twentieth-century influence on management.

# Classical Approach to Management

Classical view point is divided into three types

- Scientific Management
- Administrative Management
- Bureaucratic Organization

# Scientific management approach

- The *scientific management approach* is based on the concept of planning of work to achieve efficiency, standardization, specialization and simplification.
- The approach to increased productivity is through mutual trust between management and workers.
- Frederick W. Taylor is known as the “father” of scientific management.

# **F.W.Taylor's Theory of Scientific Management (1856-1916)**

- He invented the concept of scientific management.
- Taylor stressed on the need for appropriate working condition.
- He distinguish planning from execution
- He believed that management should provide good wages to employees

# Taylor's Four Principles

- i) Breaking the job into **small** duties
- ii) **Carefully** select and train workers
- iii) Establishing a **clear** division of responsibility between management and workers.
- iv) Establishing controls where managers would **set objectives** to be achieved and subordinates would **co-operate** in achieving them.

# Administrative management Approach

- Administrative theory was propounded by Henry Fayol and is based on several principles of management.
- Management was considered as a set of planning, organizing, training, commanding and coordinating functions.
- Neoclassical theory emphasizes individual or group behaviour and human relations in determining productivity.



# Henri Fayol's Thought on Management (1841-1925)

- Fayol's emphasis was on the development of **managerial principles** rather than the **methods of operation**.
- Fayol believed that with scientific focusing and proper methods of management, satisfactory results were inevitable.
- Fayol believed that management was not an inborn behaviour or person talent, but a skill that could be learnt or taught.

# Fayol's 14 Principles of Management

- 1) Division of work
- 2) Authority and responsibility
- 3) Discipline
- 4) Unity of command
- 5) Unity of Direction
- 6) Alignment of individual interest to group interest
- 7) Employee wages and compensation

Cont....

8) Centralization

9) Scalar Chain

10) Order

11) Equity

12) Job Security

13) Initiative

14) Esprit de corps

# Bureaucratic theory (Max Weber Organizational structure)

- Weber stressed the need for a strictly defined hierarchy governed by clearly defined regulations and lines of authority.
- He emphasised the need for technical competence.
- He sought to improve the performance of socially important organizations by making their operations predictable and productive

# Weber's principles of bureaucracy

## i) Hierarchical structure

- Authority evolves from the top to the bottom in a pyramidal shape.
- Each manager or supervisor is responsible for those under him, thereby increasing accountability.

## ii) Division of labour

Each person in the organization should perform specific duties according to qualifications and training to ensure efficiency in production.

### iii) Control by rules

- There ought to be clearly written rules and regulations governing employee activities.

### iv) Impersonal relationships

- Employees must be subjected to strict and systematic discipline.
- There must be fairness in the application of the code of conduct.

# Neo-Classical Management School

## Human/ Behavioural Approach

- According to this approach Management is the process of getting things done by people and to understand human psychology.
- The two important factor in increasing productivity is **Motivation and Good Employee Relation.**
- Behavioural management emphasizes on individual attitudes, behaviour, and group process and importance of behavioural processes in the work place.
- Major contributor to this approach are Elton Mayo, Mary Follett, Douglas McGregor, Chris Argyris and Abraham Maslow.

# George Elton Mayo's Principles

- A series of studies conducted at the Western Electric Company Works in Cicero, Illinois.
- They wanted to examine the effect of various illumination (lighting) levels on worker productivity.
- Control and experimental groups were set up with the experimental group being exposed to various lighting intensities, and the control group working under a constant intensity.
- They found that as the level of light was increased in the experimental group, output for both groups increased.



- As the light level was decreased the productivity decrease was observed in the experimental group only when the level of light was reduced to that of a moonlit night.
- RESULTS: Illumination intensity was not directly related to group productivity, and that something else must have contributed to the results. However, they weren't able to pinpoint what that "something else" was.

# Mary Follett's Management Principles

- Mary Follett was thought to be a pioneer in the field of HR management.
- She believed that human psychology played an important role in management.
- Mary Follett wrote several books on area such as business management, Dynamic administration.

# Follett's Principles

- Conflict Resolution
- Authority
- Group formation and member participation
- Leadership
- Coordination

# Douglas McGregor (1906-1964)

Theories of human motivation created and developed by Douglas McGregor at the MIT Sloan School of Management in the 1960s.

## THEORY X

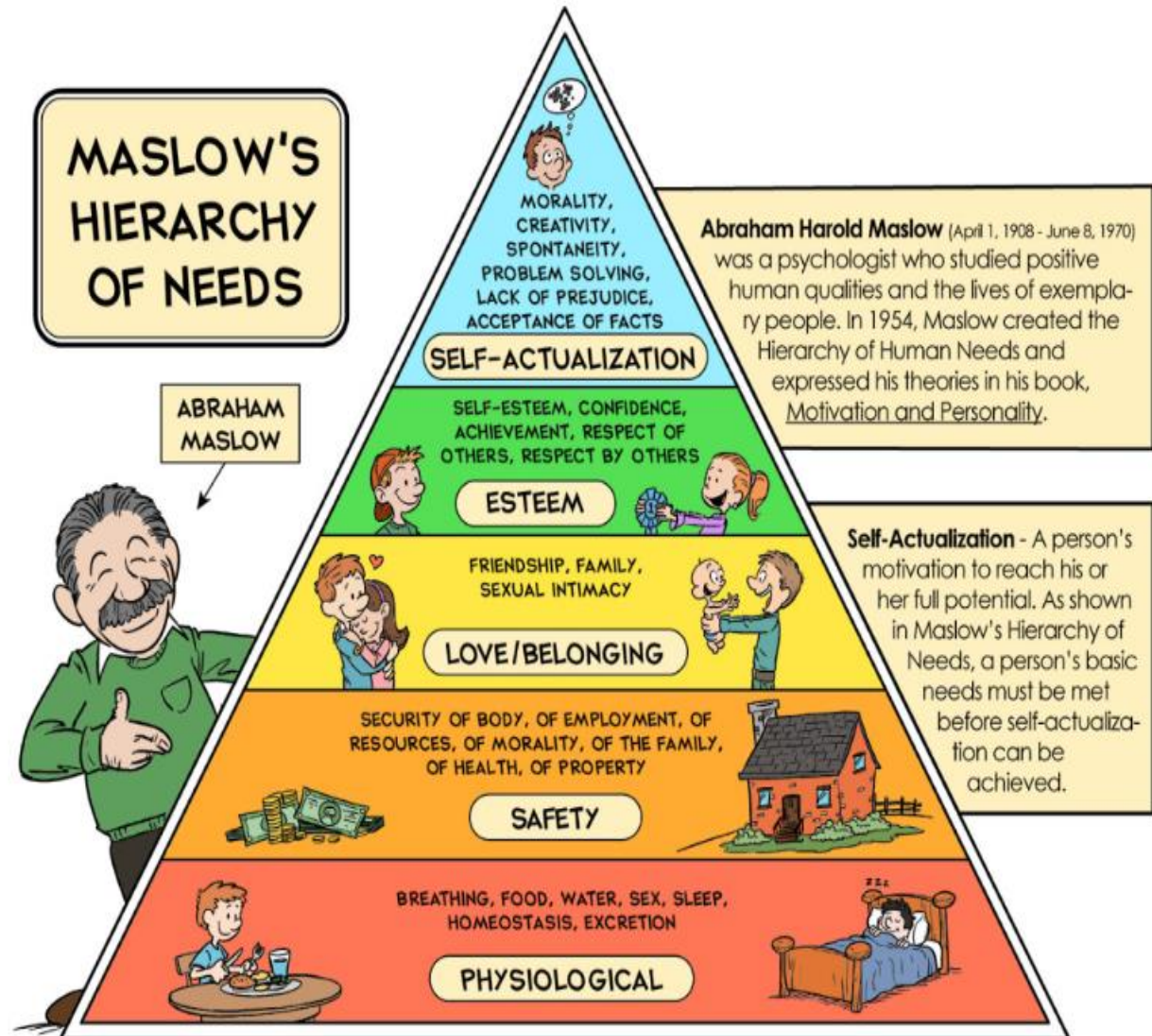
- Theory X managers tend to assume that workers are lazy, need to be coerced, have little ambition, and are focused on security needs. As a result of this, management believes that workers need to be closely supervised.

# THEORY Y

- Theory Y managers tend to assume that workers do not inherently dislike work, are capable of self-control, have the capacity to be creative and innovative. In this theory, management assumes employees may be ambitious and self-motivated and exercise self-control. It is believed that employees enjoy their mental and physical work duties.

# Maslow's Hierarchy of Need

Abraham Harold Maslow was an American psychologist who was best known for creating Maslow's hierarchy of needs, a theory of psychological health predicated on fulfilling innate human needs in priority, culminating in self-actualization.



## Features

- Managers present the objective and prepare strategies, formulate organizations.
- Managers should have adequate human relations skill and leadership styles.

## Impact

- Cannot be considered a practice-based approach.
- The management of the organization is more creative than being mechanistic.

# PETER F. DRUCKER PRINCIPLES

Peter F. Drucker laid down certain management principles and was never a staunch supporter of scientific management.

- I. Management encompasses the concept of innovation, which includes development of new ideas, adoption of ideas from various domain
- II. Drucker stated that management has no existence of its own and starts with an institution or an organization.
- III. He emphasizes on effective organizational structure.
- IV. He also emphasizes a hybrid of centralization and decentralization process followed by top and middle level management.
- V. He introduced the concept of management by objectives



# PETER F. DRUCKER PRINCIPLES



# PETER F. DRUCKER PRINCIPLES

## ❑ Matching Goals and Resources

- It is a concept in which knowledge- and information-related work is performed by employees working in the subsidiary of a parent organization either in the same state or in a different state and is focused more on knowledge-intensive business processes catering to business expertise more.

## ❑ Retail Management

- Retail Management aims at bringing customers to the stores to fulfil their buying needs.

# RECENT TRENDS IN MANAGEMENT

## ❑ Six Sigma

- Six Sigma is an approach to better quality of process output by recognizing and eliminating the causes of faults and to reduce inconsistency in manufacturing and business processes.

## ❑ Knowledge Management

- Knowledge management is all about capturing, storing, and sharing expertise across organizations which revolves around a specific lifecycle comprising of the following: create, store, find, acquire, use, and learn.

# Modern Approach's

Modern theories tend to be based on the concept that the organization is a system which has to adapt to changes in its environment. In modern theory, an organization is defined as a designed and structured process in which individuals interact for objectives.

- The systems approach
- Operational approach
- The contingency or situational approach
- Mathematical/ Quantitative approach
- Socio-Technical Approach

# System Approach

- System approach helps in studying the functions of complex organization.
- The systems approach views organization as a system composed of interconnected - and thus mutually dependent - sub-systems.
- These sub-systems can have their own sub-sub-systems.
- A system can be perceived as composed of some components, functions and processes

# CONTRIBUTIONS OF SYSTEM APPROACH TO MANAGEMENT

- Under systems approach, managers have a good view of the organisation.
- It gives importance to interdependence of the different parts of an organisation and its environment.
- It foretastes consequences and plans actions.
- Systems thinking warns managers against adopting piecemeal approach to the problem-solving.

# Socio-Technical Approach

- The socio-technical systems approach is based on the premise that every organization consists of the people, the technical system and the environment.
- People (the social system) use tools, techniques and knowledge to produce goods or services valued by consumers or users.
- the social system, the technical system and the environment is necessary to make the organization more effective.

# Contingency / Situational Approach

- This approach explore the optimal ways of doing things.
- The subunits is reliant on its surrounding and has direct and indirect effect with other units.
- There is no single best way to manage an organization.
- Contingency approaches are framed to depict organizational design situations.



# Operational Approach

- The operational approach to management emphasize on management functions and principles involved in performing these functions.
- The emphasis on several management functions changes from organization to organization and from level to level.
- The operational approach to management focuses mainly on planning, directing, organizing, staffing and controlling
- This approach also known as the management process approach, view management as a social process where actions are initiated to accomplish objectives

# Operational Approach

- i) Operational approach offers a broader scope of management across organization levels and types.
- ii) This approach suggests that management is a universal phenomenon irrespective of the types/ level of organization.
- iii) Operational approach gives a practical perspective by providing classification of managerial functions at the first level into planning, organizing, staffing, directing and controlling.

# Mathematical/ Quantitative Approach

- This type of approach gives a basis for decision-making and believes that management consists of mathematical models and processes. This discipline is called operation research.
- It uses scientific techniques for providing quantitative base for managerial decisions.
- The mathematical approach has imbibed a culture of critical thinking amongst managers and can only be treated as an analytical tool in managerial practice.

# CURRENT TRENDS IN MANAGEMENT

## ❑ Globalization

- Rising expectations from business and society with global competencies, combined with the increasing complexity, command the attention of business organizations around the world.

## ❑ Technology

- In most innovative companies, businesses are technology driven, customers are courted, and supply chains are managed via websites, social media, and email; marketing, manufacturing, and many distribution processes are managed by information systems.

## ❑ Sustainability and Corporate Social Responsibility

- Along with good and profitable business, our planet has to be sustainable. Businesses have realized this need and have taken this responsibility in recent times.

# CURRENT TRENDS IN MANAGEMENT

## ❑ The Study of Psychology

- The impact of technology and globalization on business and the study of human psychology—coming into cognition, motivation, behaviour, and performance.

## ❑ Business Ecosystems

- The most prominent trends in management have been the rise of business ecosystems. The key focus areas of modern management are working knowledge and experience, creativity in ecosystems, cross-organization knowledge flows, modular architectures, and good support for legacy systems.

# NEWS

## Flipkart aims to expand into new categories

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**BENGALURU:** Flipkart plans to expand its biggest private label SmartBuy across at least 100 categories by the end of the year, a top company executive said, as India's largest online retailer aims to generate roughly one-fifth of its overall sales from private labels over the next three years.

New businesses such as sports and fitness accessories, stationery and general merchandise will sport the SmartBuy brand, which was launched in 2016.

The brand is currently present in 65 categories such as home appliances and



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mobile accessories.

"The first big range that you'll see coming under SmartBuy very soon is actually sports and fitness accessories... The other new range that the brand will get into is

stationery and general merchandise, like keychains, notebooks, pens, diaries, etc. And then we'll expand further into categories where we are already present in. For instance, home appliances is

big business as a category and so is mobile accessories," said Adarsh Menon, vice-president and head of Flipkart's private label business.

Private labels are a key asset for online retailers, since they typically fetch higher margins than third-party brands.

For Flipkart, the launch of SmartBuy and other private brands was part of a strategy to reduce its dependence on its flagship smartphone business and also improve margins.

Flipkart currently has at least eight private label brands including Billion, which was co-founder Sachin Bansal's personal project at the company.

**Thank You...**

**Any Queries ?**

# Social Media and Poor Sleep

International Research on  
Individual Behaviour



- Did you ever wonder if social media use at night resulting in poor sleep? Do you know the researchers have coined a new term Social media sleep hygiene? Well here is an excellent opportunity to share your experiences concerning sleep and social media.
- Find out by participating in the research by using the following link

<https://www.shortto.com/J9>