

Principles of management

02_ History of Management

1. Classical Management Approaches

1. Scientific management
2. Administrative principles
3. Bureaucratic organization

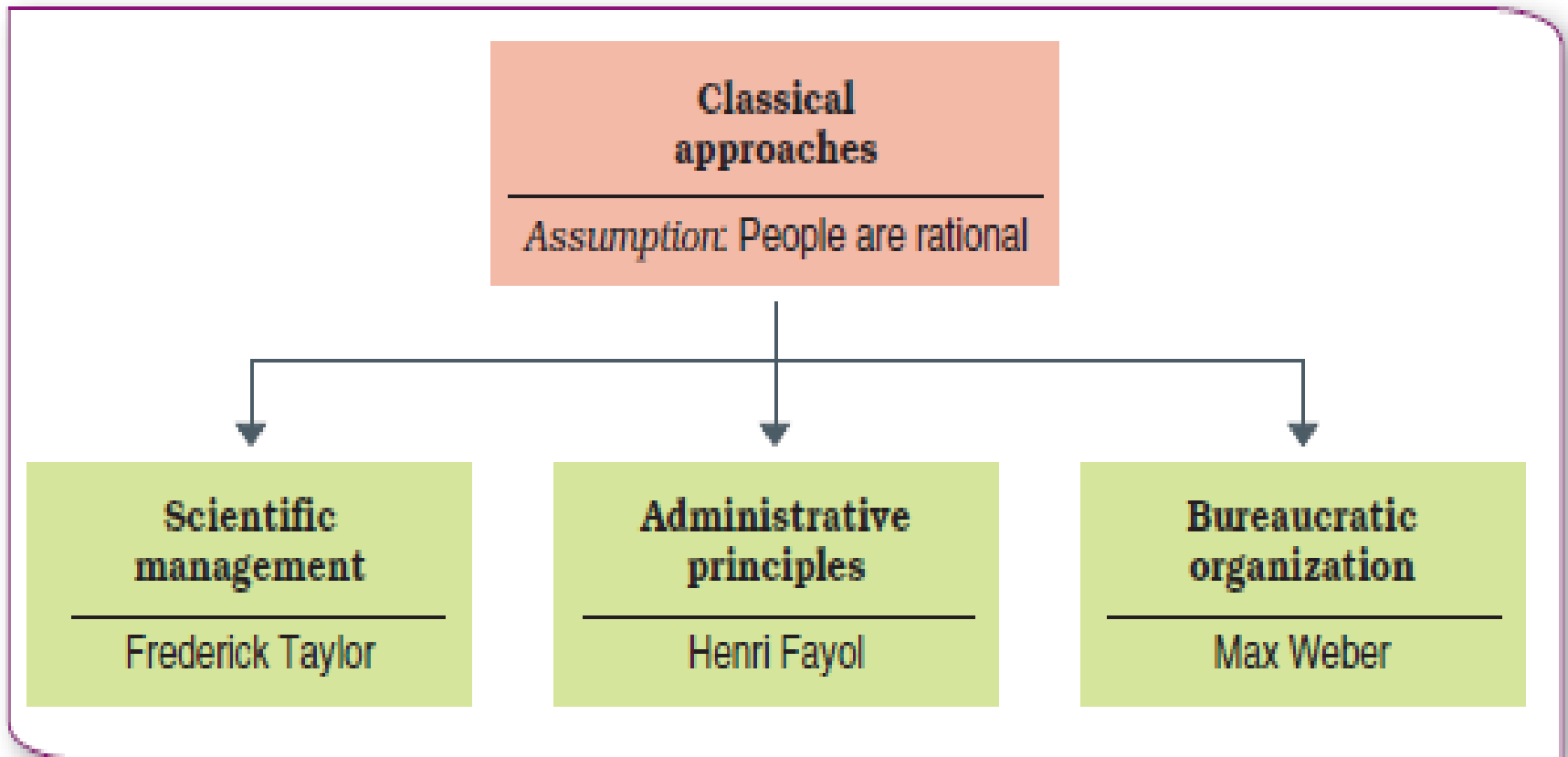
2. Behavioral Management Approaches

1. Follett's organizations as communities
2. The Hawthorne studies
3. Maslow's theory of human needs
4. McGregor's Theory X and Theory Y
5. Argyris's theory of adult personality

3. Modern Management Foundations

1. Quantitative analysis and tools
2. Organization as systems
3. Contingency thinking
4. Quality management
5. Knowledge management and organizational learning
6. Evidence-based management

Figure 2.1 Major branches in the classical approach to management



- **Four guiding principles of scientific management (Frederick Taylor)**

- 1. *Develop for every job*** a “science” : that includes rules of motion, standardized work implements, and working conditions.
- 2. *Carefully select workers***: with the right abilities for the job.
- 3. *Carefully train workers***: to do the job and give them the proper incentives to cooperate with the job “science.”
- 4. *Support workers*** :by carefully planning their work.

- ***Administrative principles (Henri Fayol)***

- **Scalar chain**

- there should be a clear and unbroken line of communication from the top to the bottom of the organization

- **Unity of command**

- each person should receive orders from only one boss

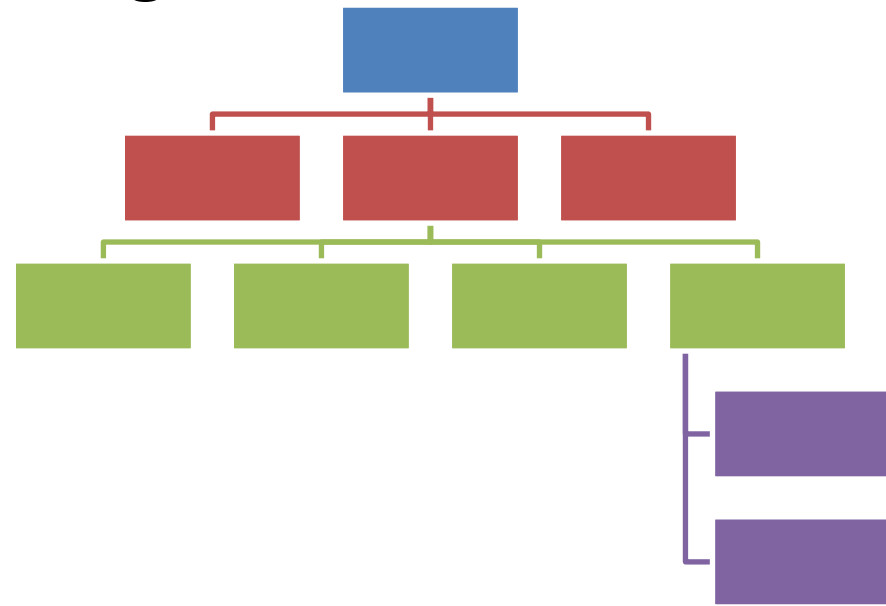
- **Unity of direction**

- one person should be in charge of all activities with the same performance objective

- ***Bureaucratic organization (Max Weber)***

- ***Bureaucracy***

- An ideal, intentionally rational, and very efficient form of organization
- Based on principles of logic, , and authority



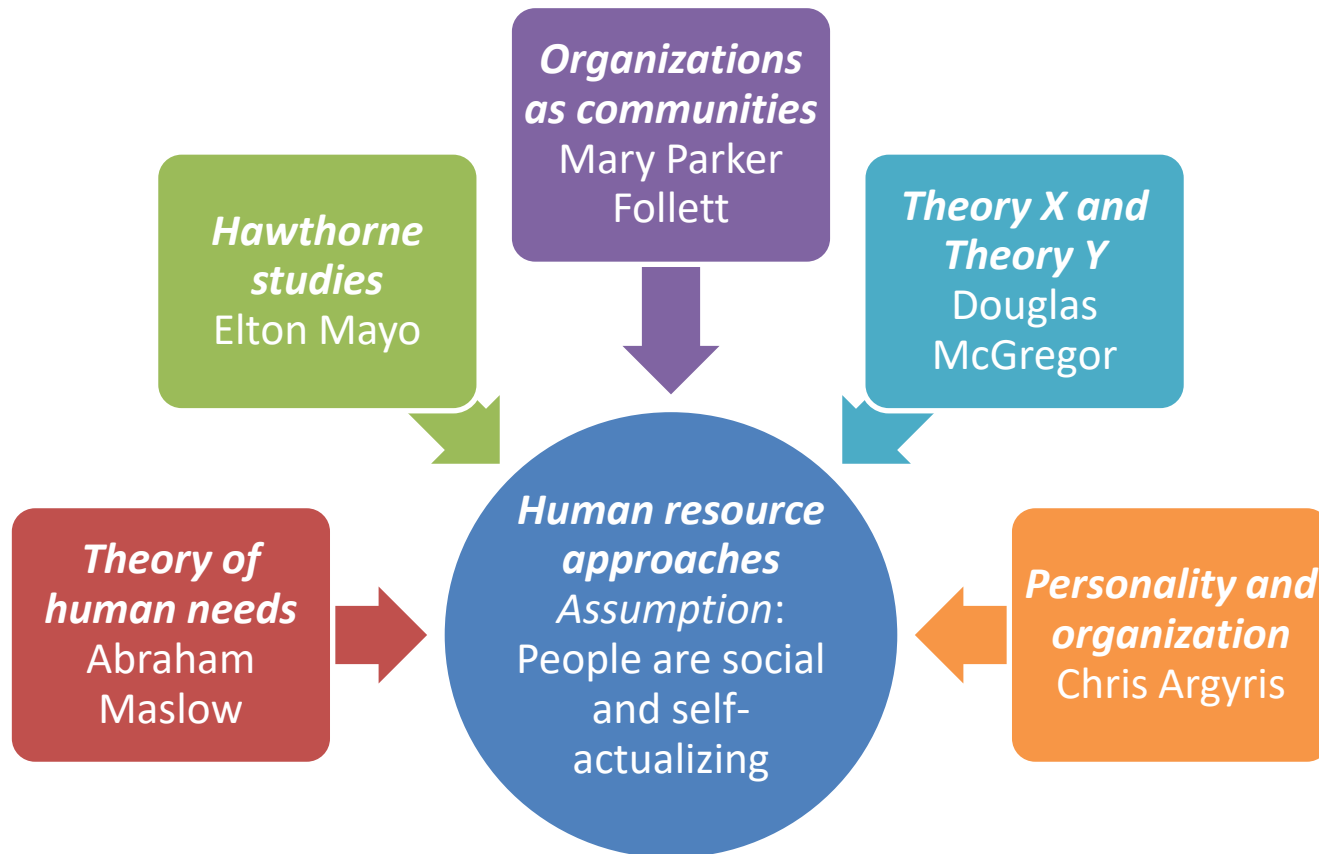
- *Characteristics of **bureaucratic organizations**:*

- Clear division of labor
- Clear hierarchy of authority
- Formal rules and procedures
- Careers based on merit

- ***Possible disadvantages of bureaucracy:***

- Excessive paperwork or “red tape”
- Slowness in handling problems
- Rigidity in the face of shifting needs
- Resistance to change
- Employee disinterest

Figure 2.2 Foundations in the behavioral or human resource approaches to management



- ***Organizations as communities***
 - **Mary Parker Follett**

- Groups and human cooperation:

- Groups allow individuals to combine their talents for a greater good
- Organizations are cooperating “communities” of managers and workers
- Manager’s job is to help people cooperate and achieve an integration of interests

- ***Hawthorne Studies:***

- Social and human concerns are keys to productivity
- Hawthorne effect — people who are singled out for special attention perform as expected

- ***Maslow's theory of human needs***

- Need levels:

- Physiological
 - Safety
 - Social
 - Esteem
 - Self-actualization

- ***McGregor's Theory Y*** *assumes that workers are:*

- Willing to work
- Capable of self control
- Willing to accept responsibility
- Imaginative and creative
- Capable of self-direction

- *Quantitative Analysis and Tools*
- Analytics – the use of large data bases and mathematics to solve problems and make informed decisions using systematic analysis
- Typical quantitative approach to managerial problem-solving
 - Problem encountered, it is systematically analyzed, appropriate mathematical models and computations applied, optimal solution identified

- ***Organizations as Systems***

- System

- Collection of interrelated parts that function together to achieve a common purpose

- Subsystem

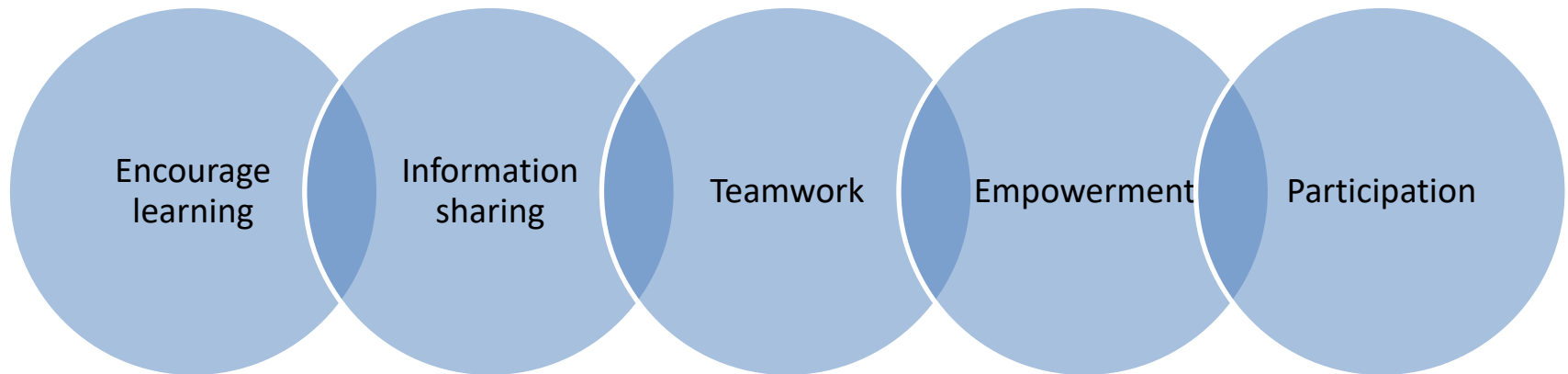
- A smaller component of a larger system

- Open systems

- Organizations that interact with their environments in the continual process of transforming resource inputs into outputs

- Knowledge Management and Organizational Learning
 - Knowledge management is the process of using intellectual capital for competitive advantage
 - Portfolio of intellectual assets include patents, intellectual property rights, trade secrets, and accumulated knowledge of the entire workforce

- Learning organizations
 - Organizations that are able to continually learn and adapt to new circumstances
 - Core ingredients include:



1. What can be learned from classical management thinking?
2. What insights come from behavioral management approaches?
3. What are the foundations of modern management thinking?