

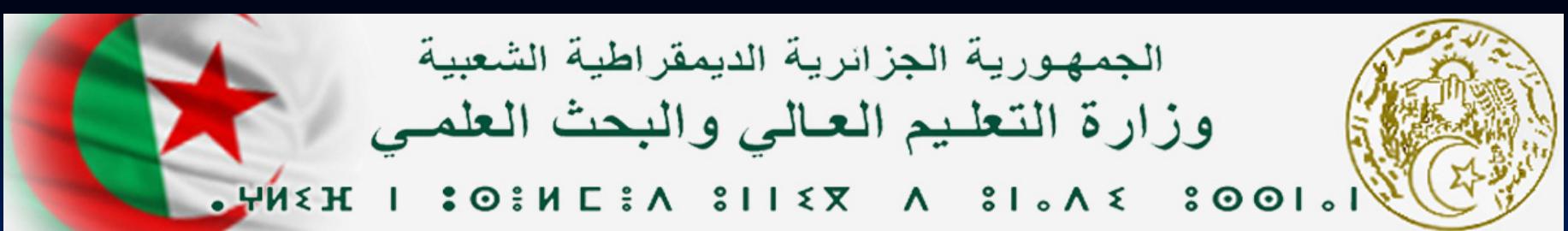


TOP OF  
LEARNING



**ensia** The National School of  
Artificial Intelligence  
المدرسة الوطنية العليا لذكاء الاصناعي

October 10, 2023



## المدرسة الوطنية العليا للذكاء الاصطناعي

National High School of Artificial Intelligence

(ENSIA)

Academic Year  
[2023-2024]  
Y2-S1

YOUR MANAGEMENT COURSE

**Introduction to  
BUSINESS**



# Claudia Goldin



Nobel Prize Economics (Oct. 2023)



## PART 1: OVERVIEW OF MANAGEMENT

### Chapter 2:

# **LEARNING FROM THE HISTORY OF MANAGEMENT THOUGHT**

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## Learning Goals



### > 0. *Picturing the evolution of Mgt thinking*

#### 1. Describing the 3 branches of the traditional viewpoint of management:

- 1.1-Bureaucratic;
- 1.2-Scientific, and
- 1.3-Administrative.



#### 2. Explaining the behavioural viewpoint's contribution to management.

#### 3. Showing how managers can use systems and quantitative techniques to improve employee performance.

#### 4. Stating the 2 major components of the contingency viewpoint.

#### 5. Explaining the impact of the need for quality on management practices, and the lean mgt trend .

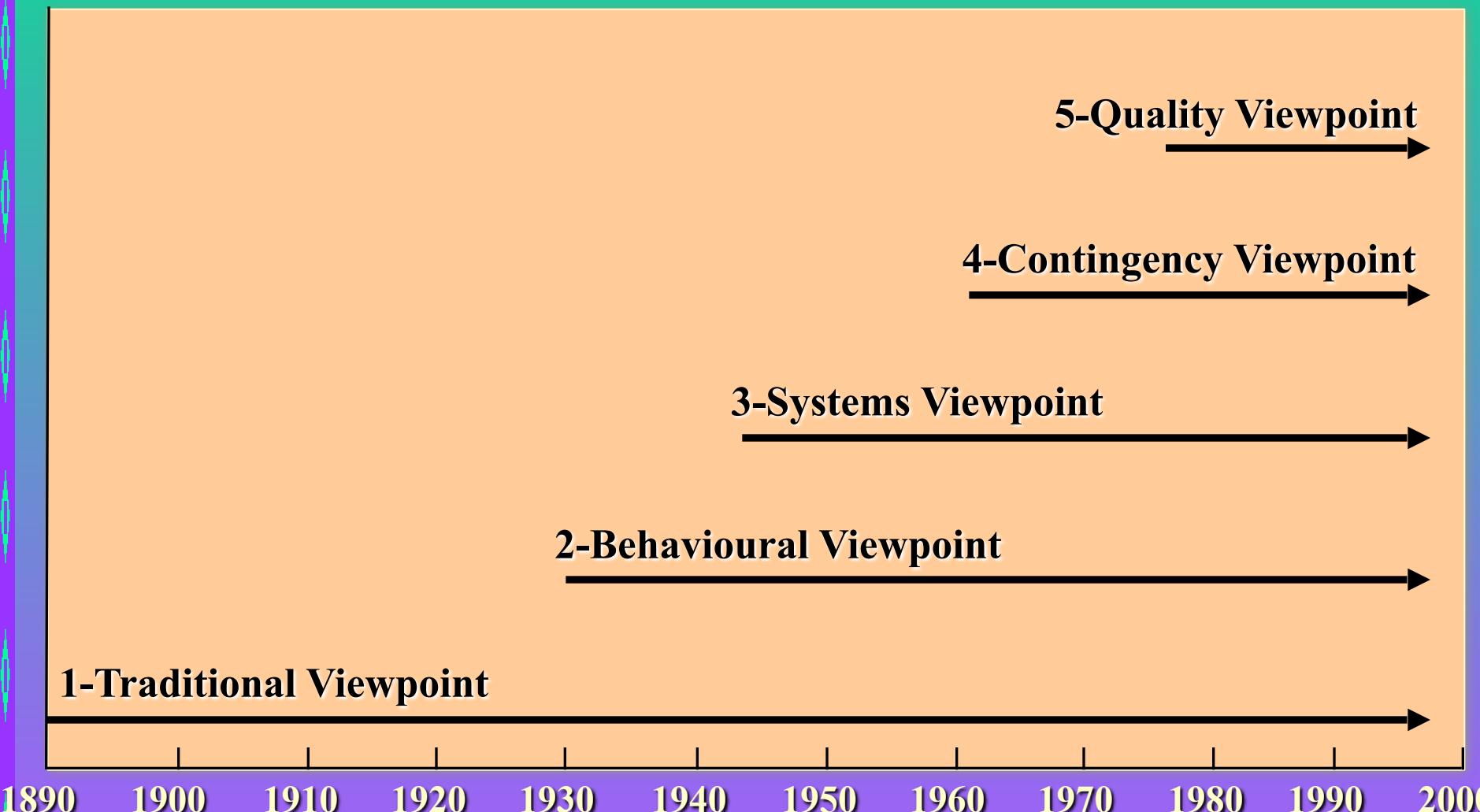


# *Picturing*

# *the evolution of Mgt thinking*



# History of Management Thought





LG -1-

Describing the 3 branches of the

TRADITIONAL VIEWPOINT

of management



# 1-Traditional Viewpoint





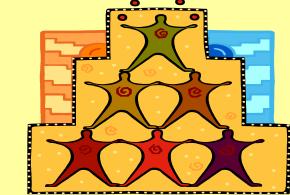
# 1-1- Bureaucratic Management

- Use of rules, hierarchy, a clear division of labor, and detailed procedures to guide employees' behaviours.
  
- 7 characteristics:
  - 1- Rules—**formal guidelines for the behaviour of employees on the job;**
  - 2- Impersonality—**employees are evaluated according to rules and objective data;**
  - 3 Division of Labor—**splitting work into specialised positions;**

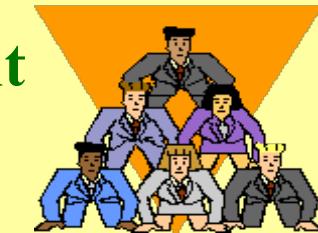


# Bureaucratic Management (cont'd)

**4- Hierarchical Structure**—ranks jobs according to the amount of authority in each job;



**5- Authority**—who has the right to make decisions of varying importance at different organisational levels:

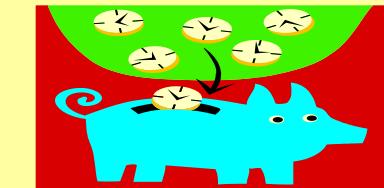


- ✓ Traditional authority,
- ✓ Charismatic authority,
- ✓ Rational, legal authority;

**6- Lifelong Career Commitment**—both the employee and the organisation view themselves committed to each other over the working life of the employee;



**7- Rationality**—the use of the most efficient means available to accomplish a goal.





# Potential Benefits of Bureaucracy

- ❑ Efficiency;
- ❑ Consistency;
- ❑ Functions best when routine tasks are performed;
- ❑ Performance based on objective criteria;
- ❑ Most effective when:
  - Large amounts of standard information have to be processed



# Potential Costs of Bureaucracy



Protection  
of  
authority.

**Slow  
decision  
making.**

Rigid rules  
and  
red tape

Incompatible  
with  
changing  
technology.

**Incompatible with  
21<sup>st</sup> century  
workers' values for  
freedom and  
participative  
management.**



## 1.2- Scientific Management (model)

- A philosophy and set of management practices that are based on fact and observation, not on hearsay or guesswork.
- Frederick W. Taylor:

- ✓ Belief that increased productivity depends on finding ways to make workers more efficient;
- ✓ Used time-and-motion studies to analyse work flows, supervisory techniques, and worker fatigue;
- ✓ Used functional foremanship, a division of labor that assigned eight foremen to each work area;
- ✓ Assumed workers motivated by money.



## 1.2- Scientific Management (model)

### Prominent authors

#### ❖ The Gilbreths (husband & wife):

- Frank used motion pictures to analyse workers' motions.
- Lillian championed protecting workers from unsafe working conditions.



#### ❖ Henry Gantt:

- Focused on control systems for production scheduling.

(Gantt Chart: visual plan and progress report).





## Insights from Scientific Management

- ❖ Many companies have used scientific management principles to improve efficiency, employee selection and training;
  
- ❖ However, scientific management **failed** to recognise the **social needs** of workers and the importance of **working conditions** and **job satisfaction**.



## 1.3- Administrative Management (model)



- ❑ Focuses on the manager and 4 basic managerial functions of planning, organising, controlling and leading:



➤ Unity of Command Principle: an employee should report to only one manager.



➤ Authority Principle: managers have the right to give orders to get things done.



**LG -2-**

# **Explaining the BEHAVIOURAL VIEWPOINT's contribution to management**



# The Behavioural Viewpoint

- ❖ Focuses on dealing effectively with the human aspects of organisations;
- ❖ Emphasises on working conditions;
- ❖ Stresses on workers's respect;
- ❖ *In this viewpoint, workers find it important to form unions to bargain with management.*





# Prominent authors

## a) Mary Parker Follett's Contributions





# Prominent authors

## b) Chester Barnard's Contributions

- ❖ People should continuously communicate and cooperate with one another.
- ❖ Acceptance theory of authority holds that employees have free wills and, thus, choose whether to follow management's orders.



> Employees will follow orders if they:

- Understand what is required.
- Believe the orders are consistent with organisation goals.
- See positive benefits to themselves in carrying out the orders.



# Prominent authors

## c) Hawthorne's Contributions

Productivity increases occur when managers recognise employee feelings

Informal work groups control productivity

Hawthorne effect: when employees are given special attention, productivity changes or increases

Peer pressure to conform to norms is important



# Important Lessons

## from the Behavioural Viewpoint

**Employees are motivated by social needs and association with others**

**Employees' performance is more a result of peer pressure than management's incentives and rules**

**Employees want to participate in decisions that affect them**

**Managers need to involve subordinates in coordinating their work to improve efficiency**



LG -3-

**Showing how managers can use  
SYSTEMS AND QUANTITATIVE TECHNIQUES  
to improve employee performance**

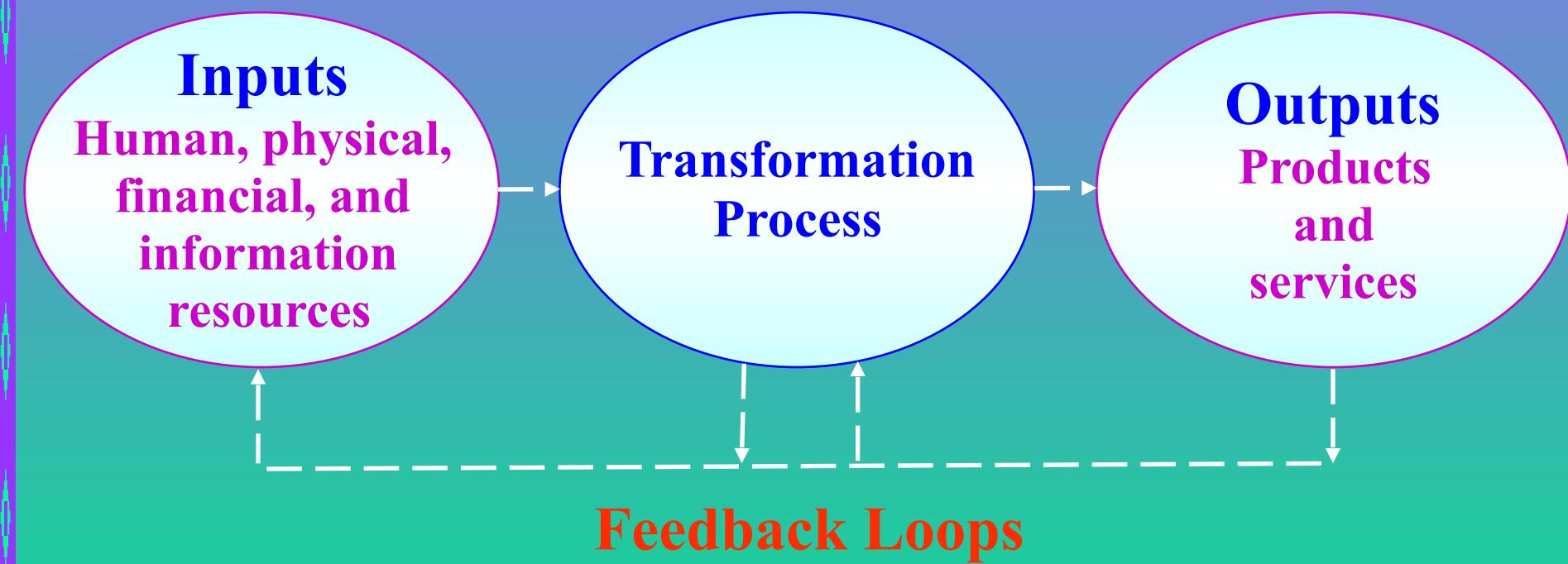


# Systems Viewpoint

- **System: an association of inter-related and interdependent parts.**
  
- **Systems viewpoint: an approach to solving problems by diagnosing them within a framework of transformation processes, outputs, and feedback.**



# Basic Systems View of Organisations





# Types of systems

- **Closed system:** limits its interactions with the environment (other organisations / parties).
- **Open system:** interacts with the external environment (e.g., internal marketing department) / external > clients.



# Quantitative Techniques

## Four basic characteristics

Primary focus is on decision making.

**Alternatives are based on economic criteria.**

Mathematical models are used to simulate changes.

**Computers are essential.**



LG -4-

**Stating**

**the 2 major components of the**

**CONTINGENCY VIEWPOINT**



## 4- Contingency Viewpoint

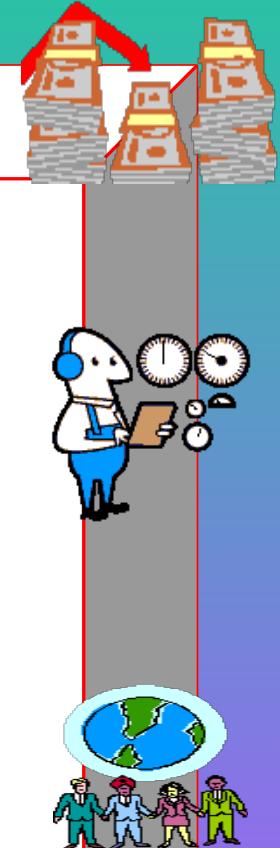
- Management practices should be consistent with the requirements of the external environment, the technology used to make a product or provide a service, and capabilities of the people who work for the organisation.





# Contingency Variables

- External environment—**stable OR changing.**
- Technology—**simple OR complex.**
- People—**ways they are similar and different from each other.**





## LG -5-

Explaining the impact of the need for  
**QUALITY MANAGEMENT**  
practices, and the LEAN mgt trend



## 5- Quality Viewpoint

➤ **Quality:** how well a product or service does what it is supposed to do—how closely and reliably it satisfies the specifications to which it is built or provided.



➤ **Total Quality Management (TQM):** a philosophy that makes **quality values the driving force** behind leadership, design, planning, and improvement initiatives.





# Learning from the Quality Viewpoint

**Positive  
Company  
Image**

**Lower Costs  
and Higher  
Market  
Share**

**Decreased  
Product/Service  
Liability**

**Quality**



## Lean Management

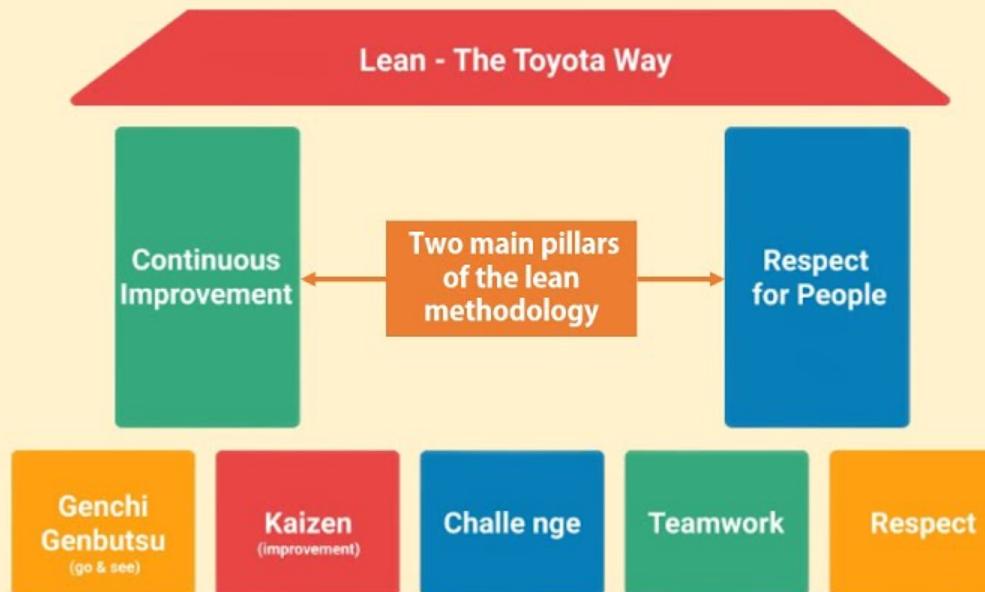
# Lean Management

Lean methodology relies on 3 simple ideas:

- Deliver value
- Eliminate waste
- Continuous improvement

### How Did Lean Management Start?

Continuously improving work processes, purposes, and people.





# THANK YOU

# Q&A



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