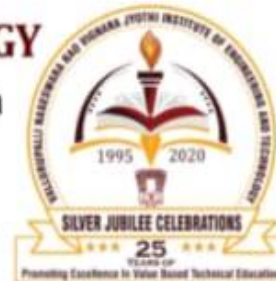




**VNR VIGNANA JYOTHI INSTITUTE OF ENGINEERING AND TECHNOLOGY**

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# FUNDAMENTALS OF MANAGEMENT

## *UNIT-I: Management Theories*

By

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# COURSE OBJECTIVES

- To understand the theories, functions, and practices of management and to provide them with practical exposure to cases of success/failure in business
- To expose with a systematic and critical understanding of organizational theory, structures, and design
- To comprehend the conceptual knowledge relating to Organizational Behavior and to provide a basic understanding of the behavior of individuals and groups in the organizations
- To apply business ethics and corporate social responsibility for business success and growth

# COURSE OUTCOMES

- CO-1: Apply theories to improve the practice of management
- CO-2: Describe and assess the basic design elements of organizational structure and design
- CO-3: analyze the behavior of individuals and groups in organizations in terms of the key factors that influence organizational behavior
- CO-4: Evaluate ethical issues that face organizations in the fields finance, sales, and marketing

# UNIT - I

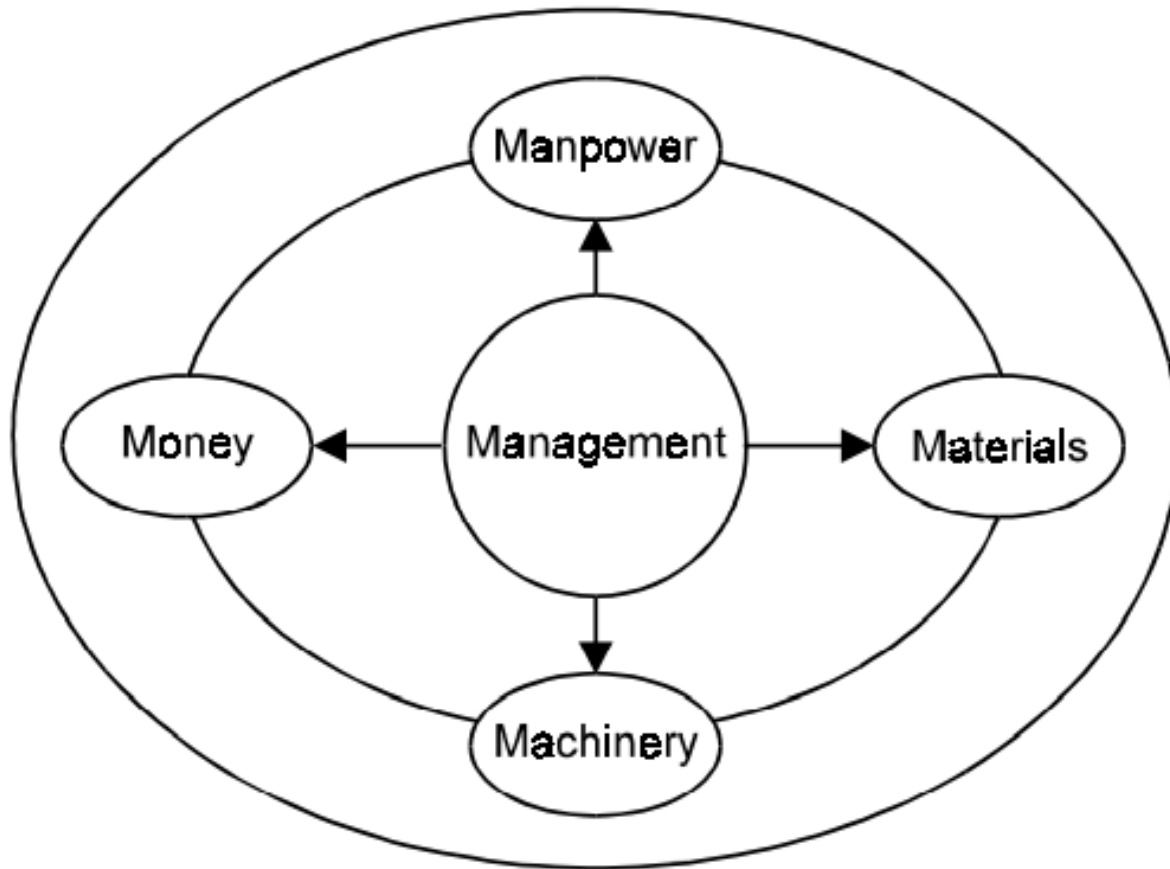
- Concept and Foundations of Management
- Evolution of Management Thoughts
  - Pre-Scientific Management Era (before 1880),
  - Classical management Era (1880-1930),
  - Neo-classical Management Era (1930-1950),
  - Modern Management era (1950-on word).
- Contribution of Management Thinkers:
  - Taylor,
  - Fayol,
  - Elton Mayo etc.

# CONCEPT AND FOUNDATIONS OF MANAGEMENT

“Management is the social process, which is helpful to achieve institutional goals in a dynamic environment.”

- Management as an Activity
  - Interpersonal activities
  - Decisional activities
  - Informative activities
- Management as a Process
  - (i) Social Process
  - (ii) Integrated Process
  - (iii) Continuous Process

- Management as an **Economic Resource**



**Fig. I.1 Management as resource**

- Management as a Team
- Management as an Academic Discipline
- Management as a Group
- Nature and Characteristics of Management
  - (i) Management is goal-oriented
  - (ii) Management is universal
  - (iii) Management is an Integrative Force
  - (iv) Management is a Social Process
  - (v) Management is multidisciplinary
  - (vi) Management is a continuous Process
  - (vii) Management is Intangible
  - (viii) Management is an Art as well as Science

# ➤ Objectives Of Management

- (i) Organisational objectives:
  - (a) Reasonable profits so as to give a fair return on the capital invested in business
  - (b) Survival and solvency of the business, i.e., continuity.
  - (c) Growth and expansion of the enterprise
  - (d) Improving the goodwill or reputation of the enterprise.
- (ii) Personal objectives:
  - (a) Fair remuneration for work performed
  - (b) Reasonable working conditions
  - (c) Opportunities for training and development
  - (d) Participation in management and prosperity of the enterprise
  - (e) Reasonable security of service.

- (iii) **Social objectives:**
  - (a) **Quality of goods and services at fair price to consumers.**
  - (b) **Honest and prompt payment of taxes to the Government.**
  - (c) **Conservation of environment and natural resources.**
  - (d) **Fair dealings with suppliers, dealers and competitors.**
  - (e) **Preservation of ethical values of the society.**

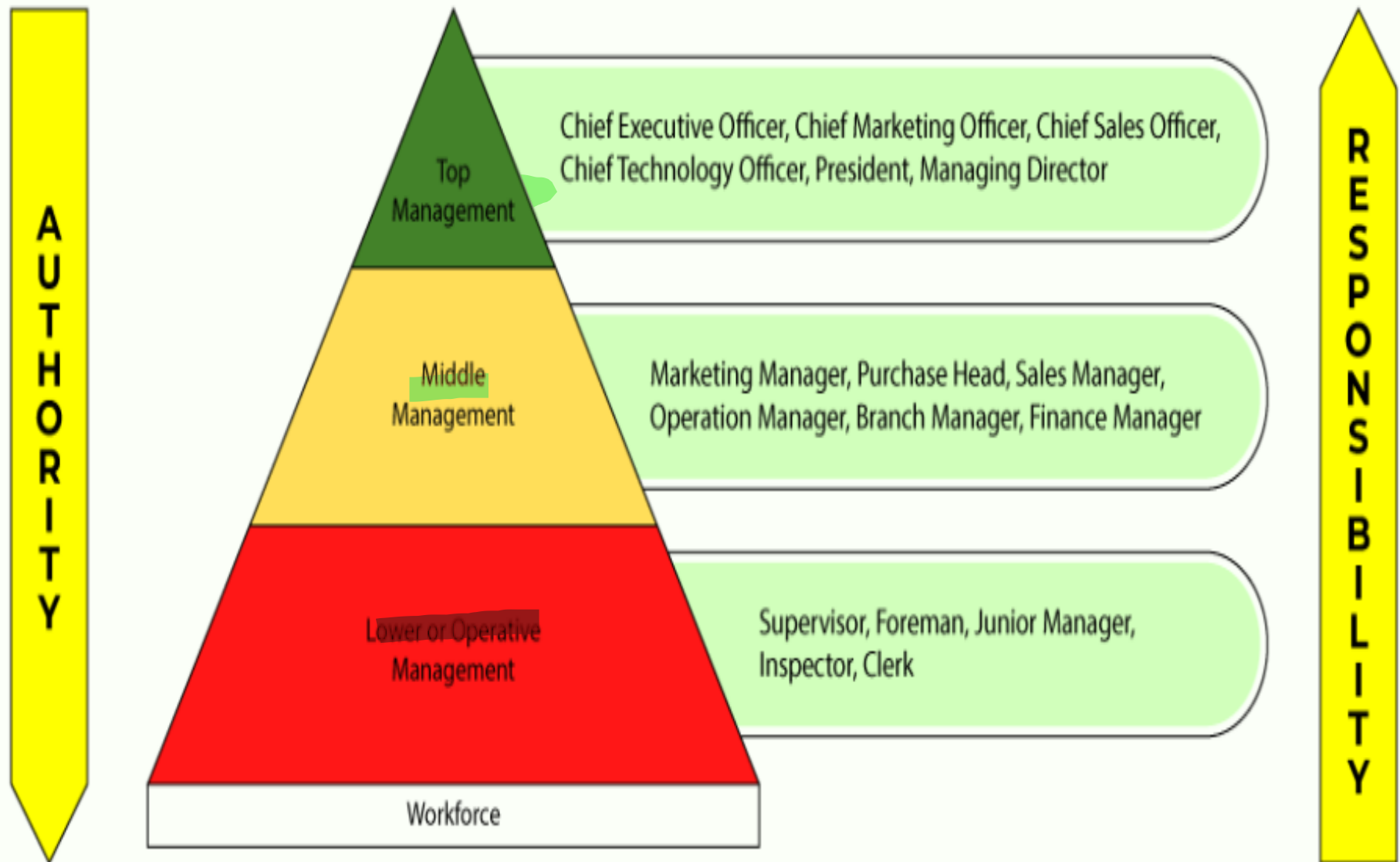
## ➤ **IMPORTANCE OF MANAGEMENT**

- (i) **Achievement of group goals**
- (ii) **Optimum utilization of resources**
- (iii) **Minimisation of cost**
- (iv) **Survival and growth**
- (v) **Generation of employment**

# DEFINITION OF MANAGEMENT

- Management is the art of knowing what you want to do and then seeing that it is done in the best and cheapest way. — F.W. Taylor
- To manage is to forecast and to plan, to organise to command, to coordinate and to control. —Henry Fayol
- Management is guiding human and physical resources into dynamic organisational units which attain their objectives to the satisfaction of those served and with a high degree of morale and sense of attainment on the part of those rendering service. —American Management Association
- Management is a multipurpose organ that manage a business and manages Managers and manages Workers and work. — Peter Drucker

# LEVELS OF MANAGEMENT



LEVELS OF MANAGEMENT

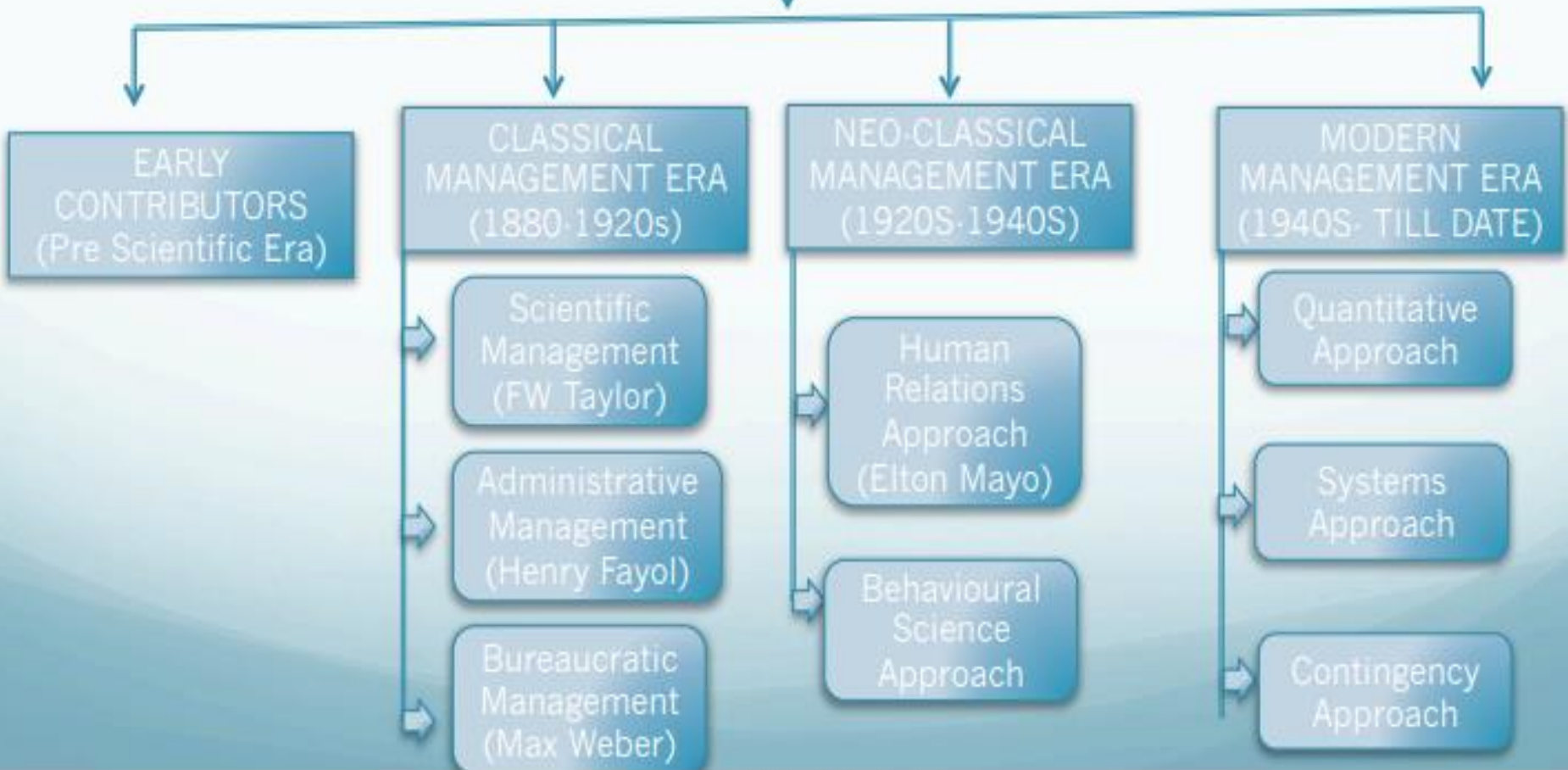
# EVOLUTION OF MANAGEMENT THOUGHTS

- The need to study management arose with the industrial revolution in Europe (more specifically, England).
- The industrial revolution and the systematic study of management are the result of a remarkable confluence of ideas and events.
- Management and organizations are products of their historical and social times and places.
- This evolution of management thought can be studied in the following broad stages:
  - a. Classical School/thought: 1900 to 1930
  - b. Neo-classical School/thought: 1930 to 1960.
  - c. Modern School/thought: 1960 onwards

- **A. The Classical Theory of Management (Classical Approach):** It includes the following three streams of thought: (i) Bureaucracy, (ii) Scientific Management; and (iii) Administrative Management
- **B. The Neo-classical theory of Management:** It includes the following two streams: (i) Human Relations Approach (ii) Behavioral Sciences Approach.
- **C. The Modern Theory of Management:** It includes the following three streams of thought: (i) Quantitative Approach to Management (Operations Research); (ii) Systems Approach to Management and (iii) Contingency Approach to Management.

The development of management thought is the result of contributions made by pioneering management thinkers and experts from other social sciences such as economics and psychology.

# Evolution of Management Thought



# PRE-SCIENTIFIC MANAGEMENT ERA

- The advent of industrial revolution in the middle of the 18th century had its impact on management. Industrial revolution brought about a complete change in the methods of production, tools and equipments, organization of labour and methods of raising capital.
- Employees went to their work instead of receiving it, and so, the factory system, as it is known today, become a dominant feature of the economy. Under this system, land and buildings, hired labour and capital are made available to the entrepreneur, who strives to combine these factors in the efficient achievement of a particular goal.
- All these changes, in turn, brought about changes in the field of management. Traditional, conventional or customary ideas of management were slowly given up and management came to be based on scientific principles.

- During the period following the industrial revolution, certain pioneers tried to challenge the traditional character of management by introducing new ideas and character of management by introducing new ideas and approaches. The notable contributors of this period are:

- **(A) Professor Charles Babbage (UK 1729 -1871):**

He was a Professor of Mathematics at Cambridge University. Prof Babbage found that manufacturers made little use of science and mathematics, and that they (manufacturers) relied upon opinions instead of investigations and accurate knowledge. He felt that the methods of science and mathematics could be applied to the solution of methods in the place of guess work for the solution of business problems. He advocated the use of accurate observations, measurement and precise knowledge for taking business decisions.

He urged the management of an enterprise, on the basis of accurate data obtained through rigid investigation, the desirability of finding out the number of times each operation is repeated each hour, the dividing of work into mental and physical efforts, the determining of the precise cost for every process and the paying of a bonus to the workers in proportion to his own efficiency and the success of enterprise.

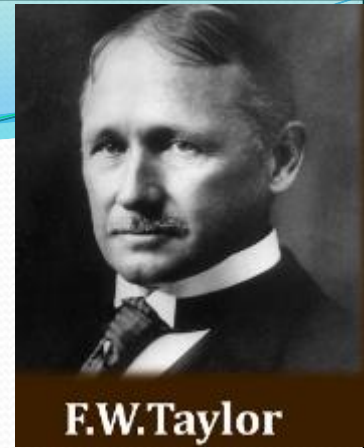
- (B) **James Watt Junior** (UK 1796 – 1848) and **Mathew Robinson Boulton** (1770 – 1842): Both are contributed to the development of management thought by following certain management techniques in their engineering factory at Soho in Birmingham. They are: Production Planning, Standardization of Components, Maintenance, Planned machine layout, Provision of welfare for personnel, Scheme for executive development, Marketing Research and forecasting and Elaborate statistical records.

- **(C) Robert Owens (UK 1771 – 1858):** Robert Owens, the promoter of co-operative and trade union movement in England, emphasized the recognition of human element in industry. He firmly believed that workers' performance in industry was influenced by the working conditions and treatment of workers. He introduced new ideas of human relations – shorter working hours, housing facilities, training of workers in hygiene, education of their children, provision of canteen etc. Robert Owen, managed a group of textile mills in Lanark, Scotland, where he used his ideas of human relations. Though his approach was paternalistic, he came to be regarded as the father of Personnel Management.

- **(D) Henry Robinson Towne (USA 1844 -1924):** H.R Towne was the president of the famous lock manufacturing company “Yale and Town”. He urged the combination of engineers and economists as industrial managers. This combination of qualities, together with at least some skill as an accountant, is essential to the successful management of industrial workers. He favoured organized exchange of experience among managers and pleaded for an organized effort to pool the great fund of accumulated knowledge in the art of workshop management.
- **(E) Seebohm Rowntree (UK 1871- 1954):** Rowntree created a public opinion on the need of labour welfare scheme and improvement in industrial relations. The Industrial Welfare Society, The Management Research Groups and the Oxford Lecture Conferences in the U.K owed their origin and progress to the interest and zeal of Rowntree.

# CLASSICAL THEORIES

## • Scientific Management:



F.W.Taylor

Scientific management is almost synonymous with the teachings and practices of **Frederick Winslow Taylor (1850-1915)**. Throughout his life Taylor struggled to

increase efficiency in production, not only to lower costs and raise profits but also to make possible increased pay for workers through higher productivity.

emphasizes scientifically determined jobs and management practices as the way to improve efficiency and labor productivity. Taylor proposed that workers “could be retooled like machines, their physical and mental gears recalibrated for better productivity.”

He insisted that management itself would have to change and emphasized that decisions based on rules of thumb and tradition should be replaced with precise procedures developed after careful study of individual situations.

- To use this approach, managers develop precise, standard procedures for doing each job, select workers with appropriate abilities, train workers in the standard procedures, carefully plan work, and provide wage incentives to increase output.
- Taylor's approach is illustrated by the unloading of iron from railcars and reloading finished steel for the Bethlehem Steel plant in 1898. Taylor calculated that with correct movements, tools, and sequencing, each man was capable of loading 47.5 tons per day instead of the typical 12.5 tons.
- He also worked out an incentive system that paid each man \$1.85 per day for meeting the new standard, an increase from the previous rate of \$1.15. Productivity at Bethlehem Steel shot up overnight.
- These insights helped to establish organizational assumptions that the role of management is to maintain stability and efficiency, with top managers doing the thinking and workers doing what they are told.

- **Administrative management:**

Henri Fayol pioneered the concept of management as coordinated functions and a comprehensive framework from which management could be studied and developed.



As one of the oldest and most popular approaches to management thought; Henri Fayol's (29 July 1841–19 November 1925) theory holds that administration of all organizations—whether “public or private”, or “large or small” requires the same rational process or functions.

This school is based on two assumptions; first, although the objective of an organization may differ; for example, business, government, education, or religion, yet there is a core management process that remains the same for all institutions. Successful managers, therefore, are interchangeable among organizations of differing purposes.

Second, the Administrative management process can be reduced to a set of separate functions and related principles.

- Fayol identifies the following six major activities of any industrial or business organization:

1. Technical (production and manufacturing);
2. Commercial (buying, selling and exchanging);
3. Financial (search for optimum use of capital);
4. Security (safeguarding property and people);
5. Accounting (including statistics); and
6. Managerial.

# Henry Fayol's 14 Principles of Management

1. Division of work	<ul style="list-style-type: none"><li>• Work should be divided among individuals and groups so that they can focus on their portion of the task, build up skills, and become more productive. ( Specialization)</li></ul>
2. Authority	<ul style="list-style-type: none"><li>• Fayol defined it as the right to give orders and the power to exert obedience.</li><li>• With authority comes responsibility and accountability.</li></ul>
3. Discipline	<ul style="list-style-type: none"><li>• For the best interest of an organization there should be complete obedience, diligence, effort and outward marks of respect which are equally applicable to everybody regardless of rank. To establish and maintain discipline there must be clearly defined roles, rules and regulations for individuals and groups e.g code of conduct and ethics.</li></ul>
4. Unity of Command	<ul style="list-style-type: none"><li>• An employee should only receive commands from one superior. Violation of this principle creates confusion in reporting lines.</li></ul>

# Henry Fayol's 14 Principles of Management

5. Unity of Direction	<ul style="list-style-type: none"><li>• An organization should be moving towards a common objective . This brings about harmony of effort towards the mission and vision .</li></ul>
6. Subordination of individual interests to the General interests	<ul style="list-style-type: none"><li>• The interests of one employee should not be allowed to become more important than those of the organization. An organization should come up with approaches that ensure personal interests and organizational interests are aligned as closely as possible.</li></ul>
7. Remuneration	<ul style="list-style-type: none"><li>• Payment should be fair proper and satisfactory to the employee. This in turn creates a harmonious relationship and a pleasing atmosphere for work.</li><li>• It should include financial and non financial compensation.</li></ul>
8. Centralization	<ul style="list-style-type: none"><li>• Decision making is made at top management level while in decentralization decision making is distributed downwards among all levels of an organization.</li><li>• Fayol recommended an appropriate balance of the two depending on size, nature of work, situation and weight of decision.</li></ul>

# Henry Fayol's 14 Principles of Management

9. Scalar chain	<ul style="list-style-type: none"><li>• Every organization has a hierarchy and employees should be aware of where they stand in the organization's hierarchy or chain of command. E.g. Subordinates report to superiors</li></ul>
10. Order	<ul style="list-style-type: none"><li>• Systematic ,orderly , equal management and distribution of people , places and materials. Everything should have its place.</li></ul>
11. Equity	<ul style="list-style-type: none"><li>• Management should treat all its employees in a fair and just manner at all levels.</li></ul>
12. Stability of tenure of personnel	<ul style="list-style-type: none"><li>• The principle states that an organization cannot run smoothly if it suffers from constant employee attrition, and organizations should make an effort to retain employees. A high attrition rate will cost an organization time, resources and perhaps some crucial organizational memory.</li></ul>

# Henry Fayol's 14 Principles of Management

13. Initiative	<ul style="list-style-type: none"><li>• Management should provide opportunity or freedom to employees to suggest new ideas , experiences and more convenient methods of work to ensure effectiveness in the organization.</li></ul>
14. Esprit De Corps (Team work)	<ul style="list-style-type: none"><li>• Organizations should harness harmony, team spirit and unity among personnel.</li></ul>

# MAX WEBER'S THEORY OF BUREAUCRATIC MANAGEMENT



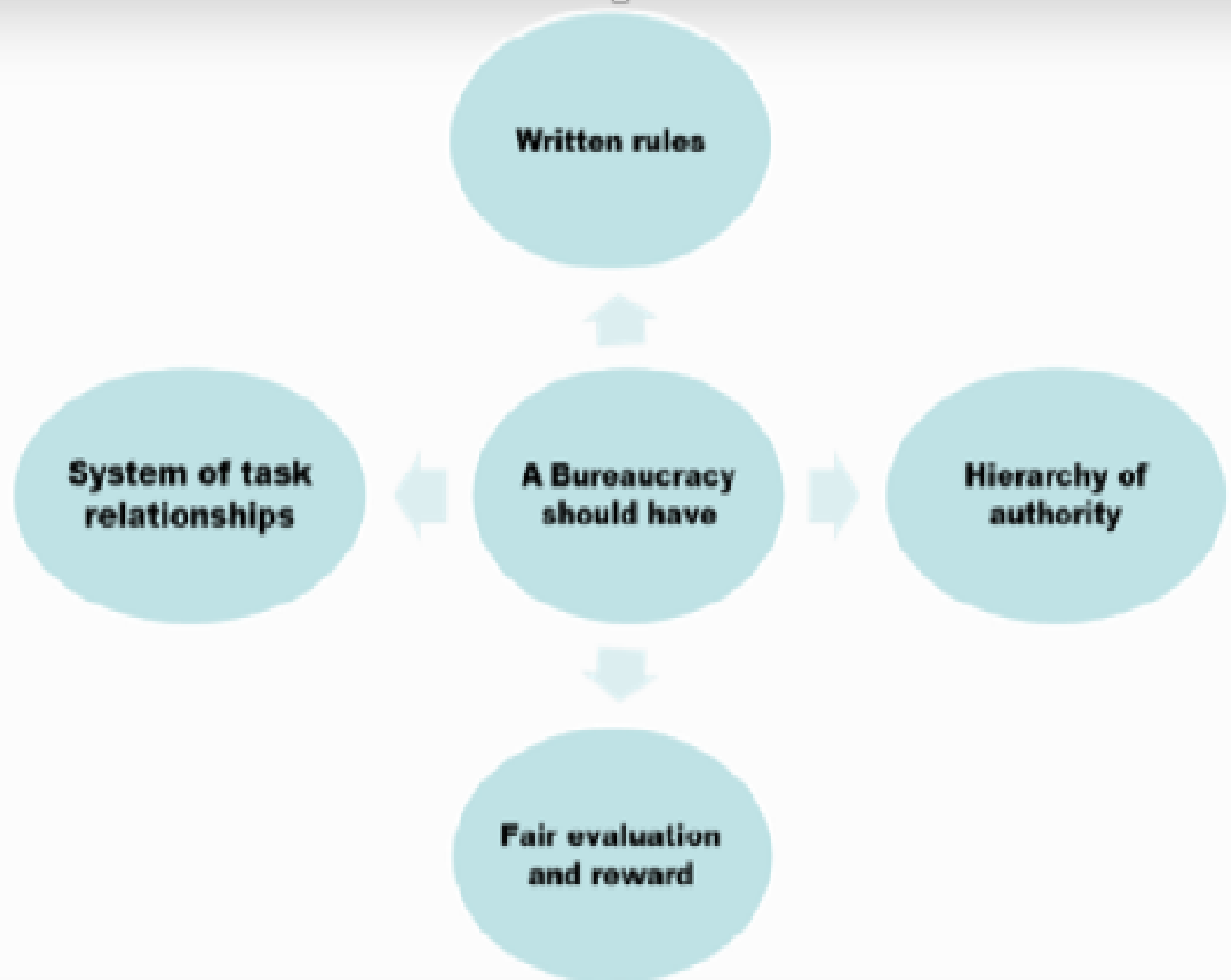
Maximilian Karl Emil Weber was a German sociologist, historian, jurist, and political economist regarded as among the most important theorists of the development of modern Western society.

He was the first person to use the term “**bureaucracy**” towards the end of the 19th. Max did not only use the word; he also believed that the bureaucratic management system is the most effective system to set up and run an organization. Hence, the bureaucratic management system was formulated to help achieve the goal of an organization and run the business efficiently.

Max Weber was able to discuss bureaucratic management from two different angles which are behavioral and structural.

From the behavioral angle, Max tried to establish that there is a hierarchy of division of authority and labor within an organization. But then, one thing that needs to understand is that such systems, according to Max, function based on laid down rules.

- Max's structural point of view regarding management is another angle by which one can understand the bureaucratic management system. He established that the bureaucratic management system is an organized structure of the human relationship.
- Authority is the power to hold people accountable for their actions.
- Positions in the firm should be held based on performance not social contacts.
- Position duties are clearly identified.
- People should know what is expected of them.



# ● Bureaucratic Principles

- Division of work
- Hierarchy of position
- Rules and regulations
- Impersonal conduct
- Staffing
- Technical competence
- Official records

Low  
Bureaucratic  
structure

- Private business
- Voluntary organisation

Mid range  
Bureaucratic  
structure

- Joint sectors
- Statutory cooperation

High  
Bureaucratic  
structure

- Government departments
- Military departments

## **Hierarchy of position**

# NEO CLASSICAL THEORIES

- theory X and theory Y:

In the 1960s, social psychologist Douglas McGregor developed two contrasting theories that explained how managers' beliefs about what motivates their people can affect their management style. He labelled these Theory X and Theory Y. These theories continue to be important even today.

Theory X and Theory Y were first explained by McGregor in his book, "The Human Side of Enterprise," and they refer to two styles of management — authoritarian (Theory X) and participative (Theory Y).

## • Theory X

Theory X managers tend to take a pessimistic view of their people, and assume that they are naturally unmotivated and dislike work. As a result, they think that team members need to be prompted, rewarded or punished constantly to make sure that they complete their tasks.

Work in organizations that are managed like this can be repetitive, and people are often motivated with a "carrot and stick" approach.

Performance appraisals and remuneration are usually based on tangible results, such as sales figures or product output, and are used to control staff and "keep tabs" on them.

- This style of management assumes that workers:
  - Dislike their work.
  - Avoid responsibility and need constant direction.
  - Have to be controlled, forced, and threatened to deliver work.
  - Need to be supervised at every step.
  - Have no incentive to work or ambition, and therefore need to be enticed by rewards to achieve goals.

According to McGregor, organizations with a Theory X approach tend to have several tiers of managers and supervisors to oversee and direct workers. Authority is rarely delegated, and control remains firmly centralized. Managers are more authoritarian and actively intervene to get things done.

Although Theory X management has largely fallen out of fashion in recent times, big organizations may find that adopting it is unavoidable due to the sheer number of people that they employ and the tight deadlines that they have to meet.

- **Theory Y**
- Theory Y managers have an optimistic, positive opinion of their people, and they use a decentralized, participative management style.
- This encourages a more collaborative, trust-based relationship between managers and their team members.
- People have greater responsibility, and managers encourage them to develop their skills and suggest improvements. Appraisals are regular but, unlike in Theory X organizations, they are used to encourage open communication rather than control staff.
- Theory Y organizations also give employees frequent opportunities for promotion.

- This style of management assumes that workers are:
  - Happy to work on their own initiative.
  - More involved in decision-making.
  - Self-motivated to complete their tasks.
  - Enjoy taking ownership of their work.
  - Seek and accept responsibility, and need a little direction.
  - View work as fulfilling and challenging.
  - Solve problems creatively and imaginatively.

Theory Y has become more popular among organizations. This reflects workers' increasing desire for more meaningful careers that provide them with more than just money. It's also viewed by McGregor as superior to Theory X, which, he says, reduces workers to "cogs in a machine," and likely demotivates people in the long term.

# MASLOW'S HIERARCHY OF NEEDS

- Maslow first introduced his concept of a hierarchy of needs in his 1943 paper "A Theory of Human Motivation" and his subsequent book Motivation and Personality. This hierarchy suggests that people are motivated to fulfill basic needs before moving on to other, more advanced needs.
- There are five different levels of Maslow's hierarchy of needs. Let's take a closer look at Maslow's needs starting at the lowest level, known as physiological needs.

# Abraham Maslow's Hierarchy of Needs



## ● **HAWTHORNE STUDIES**

In 1927, a group of researchers led by George Elton Mayo and Fritz J. Roethlisberger at the Harvard Business School were invited to join in the studies at the Hawthorne Works of Western Electric Company, Chicago. The experiment lasted upto 1932. Earlier, from 1924 to 1927, the Notes National Research Council made a study in collaboration with the Western Electric Company to determine the effect of illumination and other conditions upon workers and their productivity.

## ● 4 Phases of Hawthorne Experiments

- 1. Experiments to determine the effects of changes in illumination on productivity, illumination experiments, 1924-27.
- 2. Experiments to determine the effects of changes in hours and other working conditions on productivity, relay assembly test room experiments, 1927-28.
- 3. Conducting plant-wide interviews to determine worker attitudes and sentiments, mass interviewing programme, 1928-30.
- 4. Determination and analysis of social organisation at work, bank wiring observation room experiments, 1931-32.

- **1. Illumination Experiment:** This experiment was conducted to establish relationship between output and illumination. The output tended to increase every time as the intensity of light was improved. But the output again showed an upward trend when the illumination was brought down gradually from the normal level. Thus, it was found that there is no consistent relationship between output of workers and illumination in the factory. There were some other factors which influenced the productivity of workers when the intensity of light was increased or decreased.

- **2. Relay Assembly Room Experiment:** In this experiment, a small homogeneous workgroup of girls was constituted. Several new elements were introduced in the work atmosphere of this group. These included shorter working hours, rest pauses, improved physical conditions, friendly and informal supervision, free social interaction among group members, etc. Productivity and morale increased considerably during the period of the experiment. Morale and productivity were maintained even if improvements in working conditions were withdrawn. The researches concluded that socio-psychological factors such as feeling of being important, recognition, attention, participation, cohesive workgroup, and non-directive supervision held the key for higher productivity.

- **3. Mass Interview Programme:** The researchers interviewed a large number of workers with regard to their opinions on work, working conditions and supervision. Initially, a direct approach was used whereby interviewers asked questions considered important by managers and researchers. Later, this approach was replaced by an indirect technique where the interviewer simply listed to what the employees had to say. The findings confirmed the importance of social factors at work in the total work environment.

- **4. Bank Wiring Observation Room Experiment:** This experiment was conducted to study a group of workers under conditions which were as close as possible to normal. This group comprised of 14 workers. After the experiment, the production records of this group were compared with their earlier production records. There were no significant changes in the two because of the maintenance of ‘normal conditions’. However, existence of informal cliques in the group and informal production norms were observed by the researchers. The Bank Wiring Experiment led to the following observations: (a) Each individual was restricting output. (b) The group had its own “unofficial” standards of performance. (c) Individual output remained fairly constant over a period of time. (d) Departmental records were distorted due to differences between actual and reported output or between standard and reported working time.

- **HERZBERG'S TWO-FACTOR THEORY OF MOTIVATION**
- In 1959, Frederick Herzberg, a behavioural scientist proposed a two-factor theory or the motivator-hygiene theory. According to Herzberg, there are some job factors that result in satisfaction while there are other job factors that prevent dissatisfaction. According to Herzberg, the opposite of "Satisfaction" is "No satisfaction" and the opposite of "Dissatisfaction" is "No Dissatisfaction".

**a. Hygiene factors-** Hygiene factors are those job factors that are essential for the existence of motivation at the workplace. These do not lead to positive satisfaction in long term. But if these factors are absent / if these factors are non-existent at the workplace, then they lead to dissatisfaction. In other words, hygiene factors are those factors that when adequate/reasonable in a job, pacify the employees and do not make them dissatisfied. These factors are extrinsic to work. Hygiene factors are also called dissatisfiers or maintenance factors as they are required to avoid dissatisfaction. These factors describe the job environment/scenario. The hygiene factors symbolized the physiological needs that the individuals wanted and expected to be fulfilled.

- **b. Motivational factors-** According to Herzberg, the hygiene factors cannot be regarded as motivators. The motivational factors yield positive satisfaction. These factors are inherent to work. These factors motivate the employees for a superior performance. These factors are called satisfiers. These are factors involved in performing the job. Employees find these factors intrinsically rewarding. The motivators symbolized the psychological needs that were perceived as an additional benefit.

## Satisfiers (Motivators)

- ↑ Performance and achievement
- ↑ Recognition
- ↑ Job status
- ↑ Responsibility
- ↑ Opportunities for advancement
- ↑ Personal growth
- ↑ The work itself



*Improving these factors helps to increase job satisfaction.*

## Dissatisfiers (Hygiene Factors)

- ↓ Salary
- ↓ Working conditions
- ↓ The physical workspace
- ↓ Relationship with colleagues
- ↓ Relationship with supervisor
- ↓ Quality of supervisor
- ↓ Policies and rules



*Improving these factors helps to decrease job dissatisfaction.*

# MODERN MANAGEMENT THEORIES

The **CONTINGENCY APPROACH** to management emerged from the real-life experience of managers who found that no single approach worked consistently in every situation.

The basic idea of this approach is that the number of management techniques or theories are not appropriate in all situations.

The main determinants of a contingency are related to the external and internal environment of an organisation.

The process, quantitative, behavioral, and systems approach to management did not integrate the environment. They often assumed that their concepts and techniques have universal applicability.

For example the process theorists often assumes that strategic planning applies to all situations; the quantitative experts generally feel that linear programming can be used under all conditions.

- The theorists accuse practitioners of not applying the technique properly, and the practitioners accuse the theorists of being unrealistic. The contingency approach does incorporate the environment and attempts to bridge this existing theory-practice gap.
- Contingency approach to management advocates that managerial actions and organisational design must be appropriate to the given situation and a particular action is valid only under certain conditions.
- There is no one best approach to management and it all depends on the situation.
- In other words, managerial action is contingent upon external environment. There is no one best approach for all situations.
- Contingency theory attempts to analyse and understand these interrelationships with a view towards taking the specific managerial actions necessary to deal with the issue.

- Contingency approach is both analytical and situational, with the purpose of developing a practical answer to the question at hand.
- There are three major elements of the overall conceptual framework for contingency approach to management; the environment, management concepts and techniques and the contingent relationship between them.

- Features of Contingency Approach to Management
  - Management is entirely situational.
  - There is no best way of doing anything.
  - One needs to adapt himself to the circumstances.
  - It is a kind of “if” “then” approach.
  - It is a practically suited.
  - Management policies and procedures should respond to environment.
  - Managers should understand that there is no best way of managing. It dispels the universal validity of principles.

# SYSTEM THEORY:

- A system is a set of interrelated but separate parts working towards a common purpose. The arrangement of elements must be orderly and there must be proper communication facilitating interaction between the elements and finally this interaction should lead to achieve a common goal.
- Churchman west is one of the pioneers of system approach of management. Systems-oriented managers would make decision only after they have identified impact of these decisions on another department and the entire organization. The essence of the system approach is that each manager cannot function in isolated and within his organizational boundary of authority and responsibility of the traditional organizational chart.

- They must interlink their departments with the total organization and communicate with all other departments and employees and also with other organizations. Many of the concepts of general systems theory are finding their way into the language of management.
- Managers need to be familiar with the system's vocabulary so they can keep pace with current development:
  - 1) Sub-System
  - 2) Synergy
  - 3) Open and closed system
  - 4) System Boundary
  - 5) Flow
  - 6) Feedback

# Review Questions:

1. Define management. Explain levels of management.
2. Discuss the evolution of the management brief.
3. According to Herzberg, what are the two types of factors that influence motivation in any organization?
4. Explain, with suitable diagram and examples, Abraham Maslow's Hierarchy of Needs in a business organization.
5. Explain the contribution of Henry Fayol to administrative management thought.
6. Explain the contribution of F.W. Taylor to scientific management thought.
7. Explain Max Weber's theory of bureaucratic management.
8. Explain Douglas McGregor's theory of X & Y.
9. Explain phases of Hawthorne studies.



# **End of UNIT – I**

# **Thank You**