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**Fundamentals of management**

**SUMMARY OF CHAPTER # 2**

**Management History**

In this chapter we will briefly discuss the historical background of management and different approaches of management.

Management has been practiced a long time. Organized endeavors directed by people responsible

for planning, organizing, leading, and controlling activities have existed for thousands of

years. One important historical event was the publication of Adam Smith’s *Wealth of*

*Nations*, in which he argued the benefits of division of labor

Scientific management is a theory of management that analyzes and synthesizes workflows. Its main objective is improving economic efficiency, especially labor productivity. It was one of the earliest attempts to apply science to the engineering of processes and to management.

General administrative, is an approach to management that focuses on describing what   
managers do and what constitutes good management practice

The classical management approach is the theory of management that focuses on the productivity, output and efficiency of workers, rather than the differences in behavior that exist among them. This approach merges bureaucratic, administrative and scientific theories of management.

The quantitative approach to management involves the use of quantitative techniques, such as statistics, information models, and computer simulations, to improve decision making.

Behavioral management theory relies on the notion that managers will better understand the human aspect to workers and treat employees as important assets to achieve goals. Management taking a special interest in workers makes them feel like part of a special group.

System approach is a line of thought which stresses the interactive nature and interdependence of external and internal factors in an organization. It is commonly used to evaluate market elements which affect the profitability of a business.

Contingency approach, also known as situational approach, is a concept in management stating that there is no one universally applicable set of management principles (rules) by which to manage organizations. It suggests the most appropriate style of management is dependent on the context of the situation and that adopting a single, rigid style is inefficient in the long term