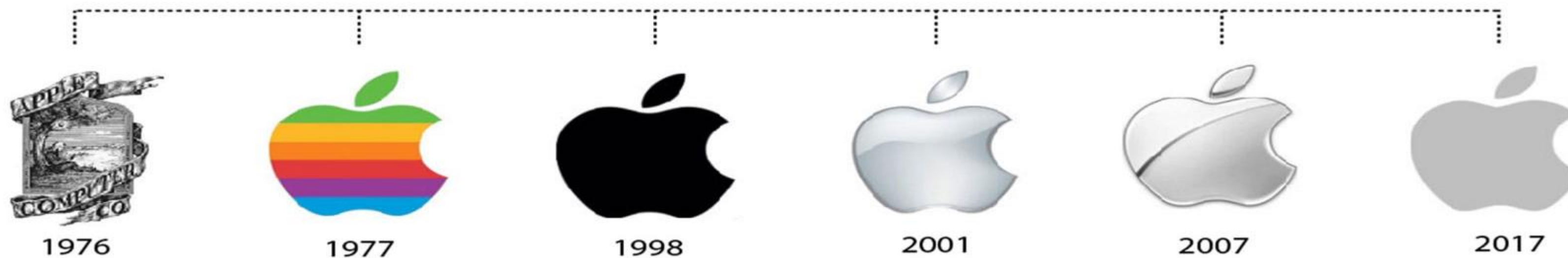


Management History *and* *Theories*



Apple Logo History



Early Management

- Ancient Management
 - Egypt (pyramids)
 - China (Great Wall)



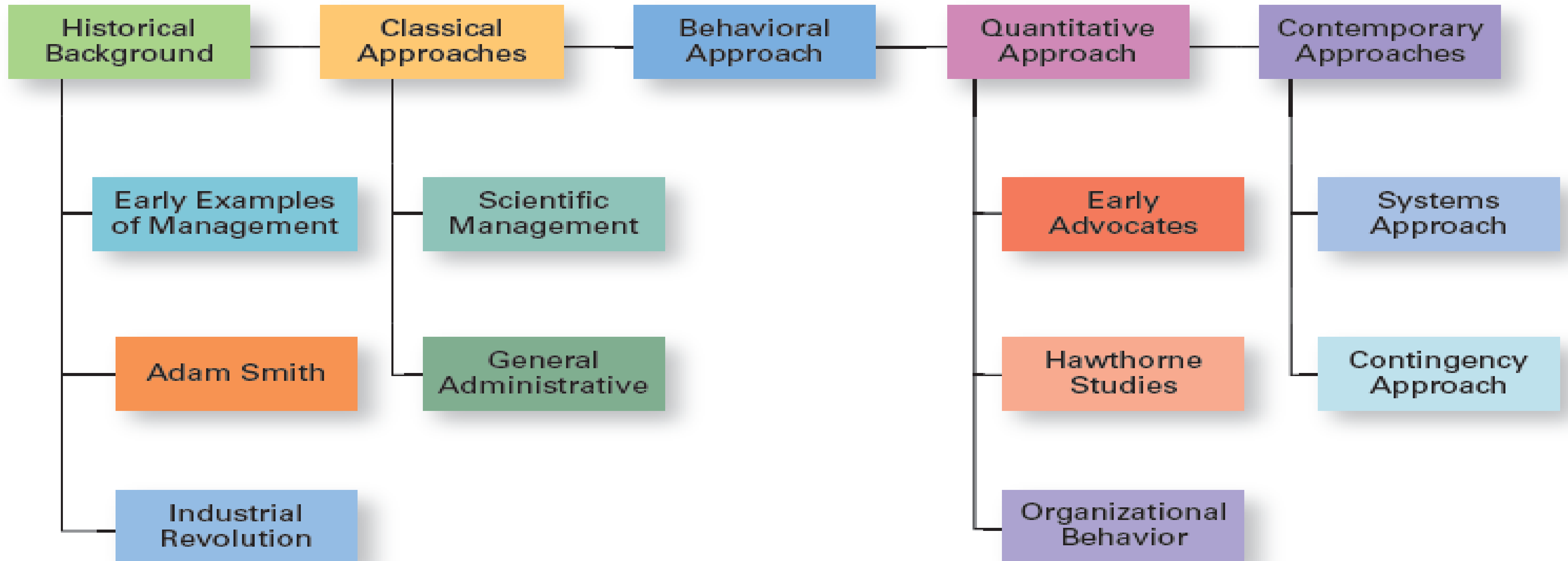
Konark Sun Temple



Early Management

- Adam Smith *The Wealth of Nations* in 1776
 - **Division of labor (job specialization)** – the breakdown of jobs into narrow and repetitive tasks.
 - Supply creates its own demand
- Industrial Revolution
 - Substituted machine power for human labor
 - Created large organizations in need of management

Major Approaches to Management



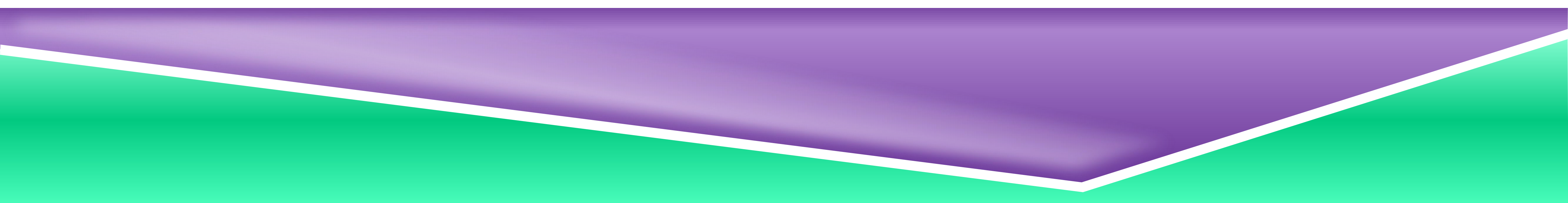
Classical Approach

- **Classical approach** – first studies of management, which emphasized **rationality** and making organizations and workers as efficient as possible.

Scientific Management

- Fredrick Winslow Taylor
- Productivity of worker-on a shop floor
- Worker –Train/specialised/
 - The “father” of scientific management
- **Scientific management** – an approach that involves using the scientific method to find the “one best way” for a job to be done.

Taylor's Scientific Management Principles

1. Develop a science for each element of an individual's work to replace the old rule-of-thumb method.
 2. Scientifically select and then train, teach, and develop the worker.
 3. Heartily cooperate with the workers to ensure that all work is done in accordance with the principles of the science that has been developed.
 4. Divide work and responsibility almost equally between management and workers. Management does all work for which it is better suited than the workers.
- 

General Administrative Theory

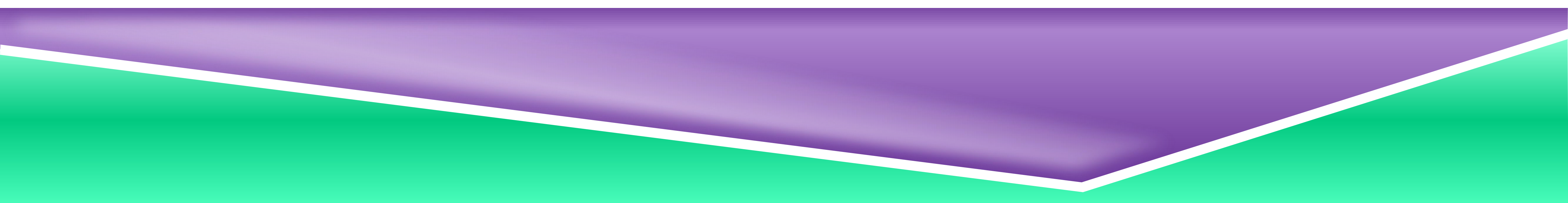
- **General administrative theory** – an approach to management that focuses on describing what managers do and what constitutes good management practice.

Henri Fayol

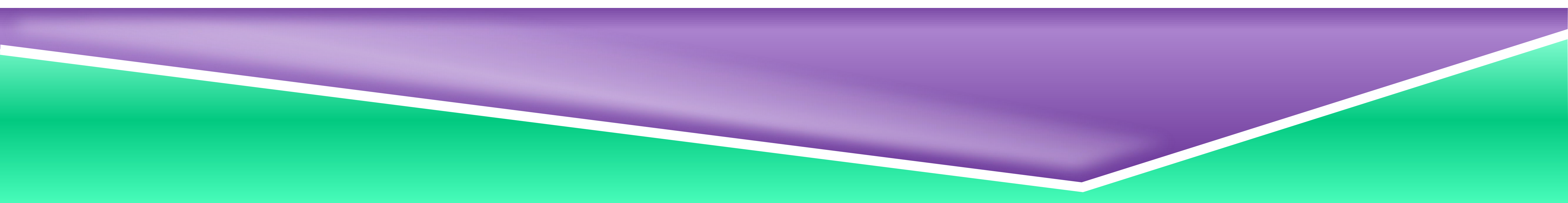
- **Principles of management** –
Fundamental rules of
management that could be
applied in all organizational
situations and taught in schools.



Fayol's 14 Principles of Management

1. **Division of work.** Specialization increases output by making employees more efficient.
 2. **Authority.** Managers must be able to give orders, and authority gives them this right.
 3. **Discipline.** Employees must obey and respect the rules that govern the organization.
 4. **Unity of command.** Every employee should receive orders from only one superior.
 5. **Unity of direction.** The organization should have a single plan of action to guide managers and workers.
 6. **Subordination of individual interests to the general interest.** The interests of any one employee or group of employees should not take precedence over the interests of the organization as a whole.
 7. **Remuneration.** Workers must be paid a fair wage for their services.
- 

Fayol's 14 Principles of Management (cont.)

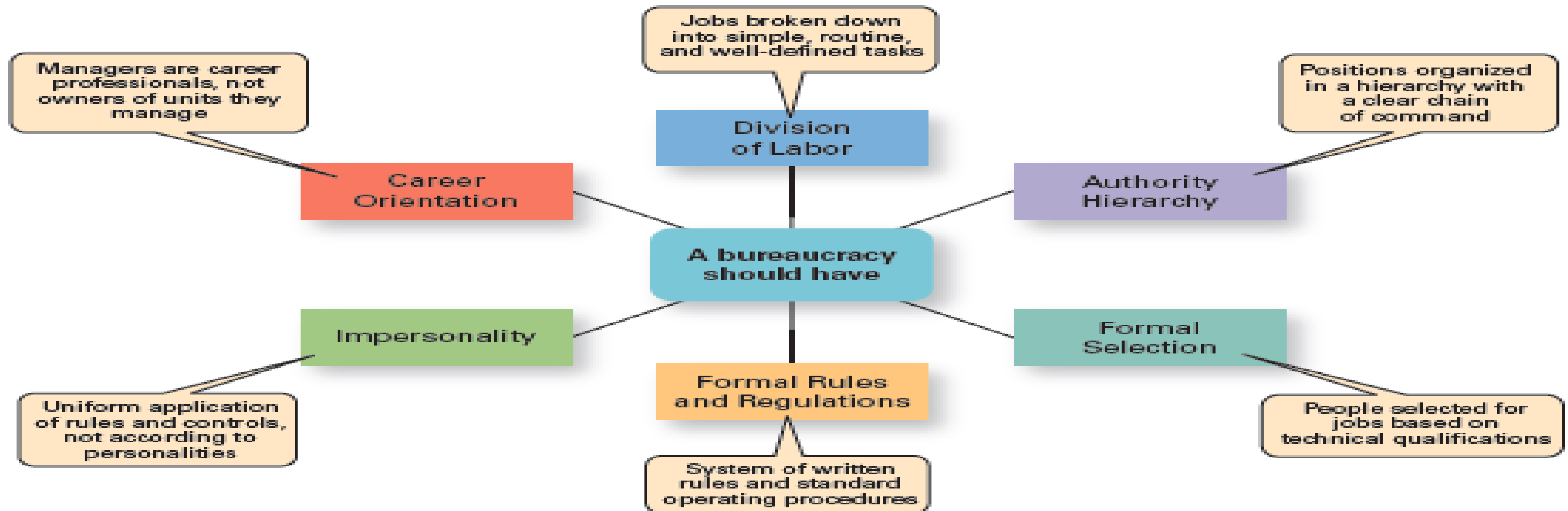
- 8. **Centralization.** This term refers to the degree to which subordinates are involved in decision making.
 - 9. **Scalar chain.** The line of authority from top management to the lowest ranks is the scalar chain.
 - 10. **Order.** People and materials should be in the right place at the right time.
 - 11. **Equity.** Managers should be kind and fair to their subordinates.
 - 12. **Stability of tenure of personnel.** Management should provide orderly personnel planning and ensure that replacements are available to fill vacancies.
 - 13. **Initiative.** Employees allowed to originate and carry out plans will exert high levels of effort.
 - 14. **Esprit de corps.** Promoting team spirit will build harmony and unity within the organization.
- 

General Administrative Theory

- **Bureaucracy** –
a form of organization
characterized by division of
labor, a clearly defined
hierarchy, detailed rules and
regulations, and impersonal
relationships.



Characteristics of Weber's Bureaucracy



Elton Mayo

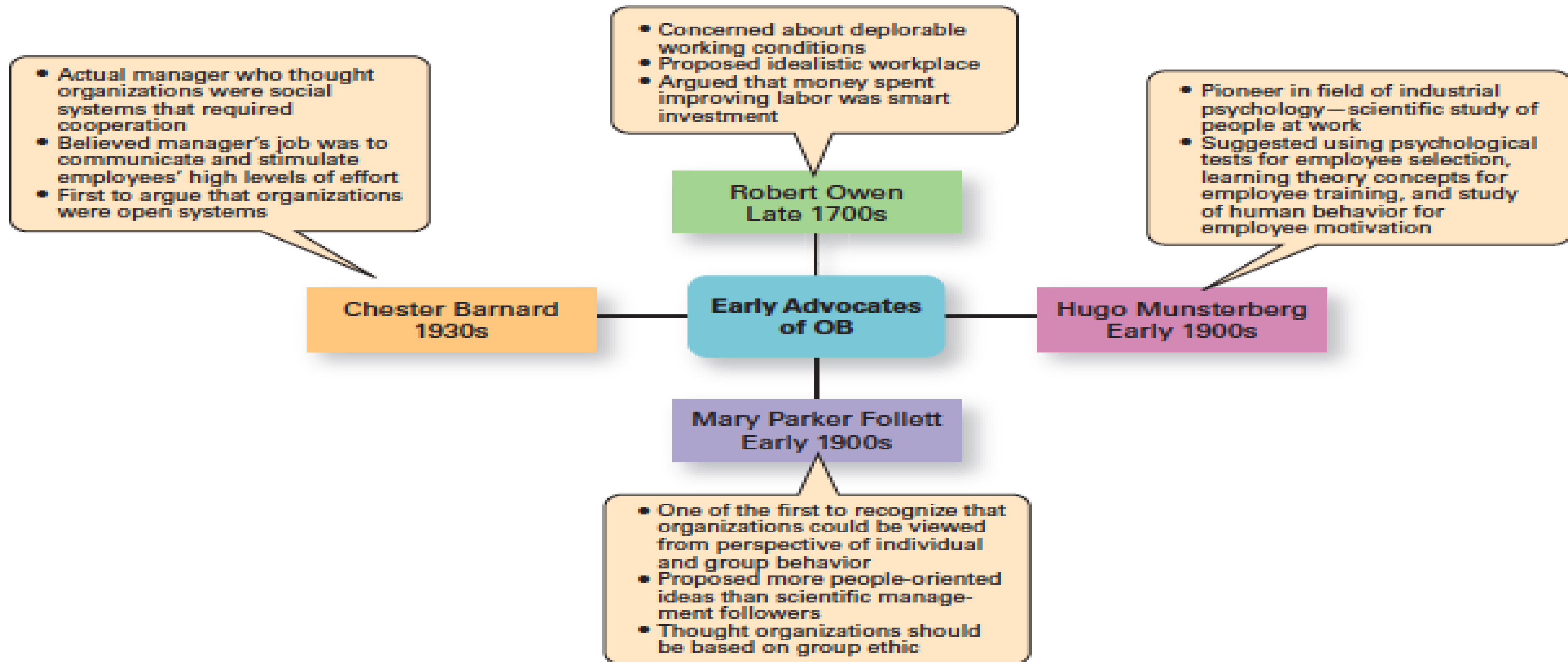


Elton Mayo is widely viewed as the father of human relations theory and modern HR, owing to the popularity of the Human Relations principles demonstrated in research projects like the Hawthorne Experiments.

Behavioral Approach

- **Organizational behavior (OB)** – the study of the actions of people at work.
- Early OB Advocates
 - Robert Owen
 - Hugo Munsterberg
 - Mary Parker Follett
 - Chester Barnard

Early OB Advocates



The Hawthorne Studies

- **Hawthorne Studies** – a series of studies during the 1920s and 1930s that provided new insights into individual and group behavior.

The Quantitative Approach

- **Quantitative approach** – the use of quantitative techniques to improve decision making.



Total Quality Management (TQM)

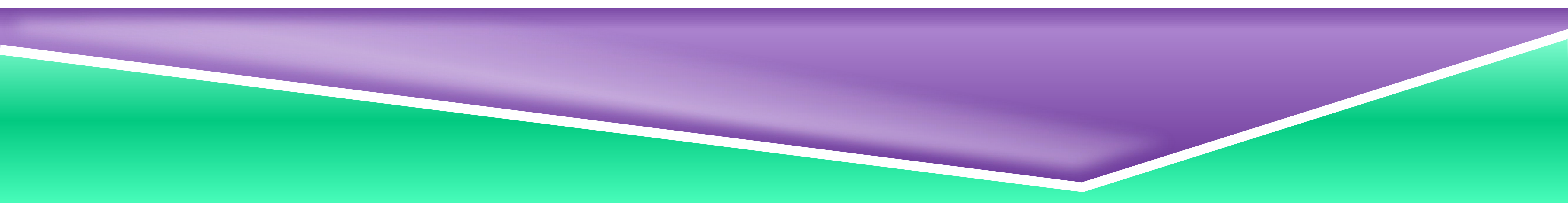
- **Total quality management (TQM)** – a philosophy of management that is driven by continuous improvement and responsiveness to customer needs and expectations.



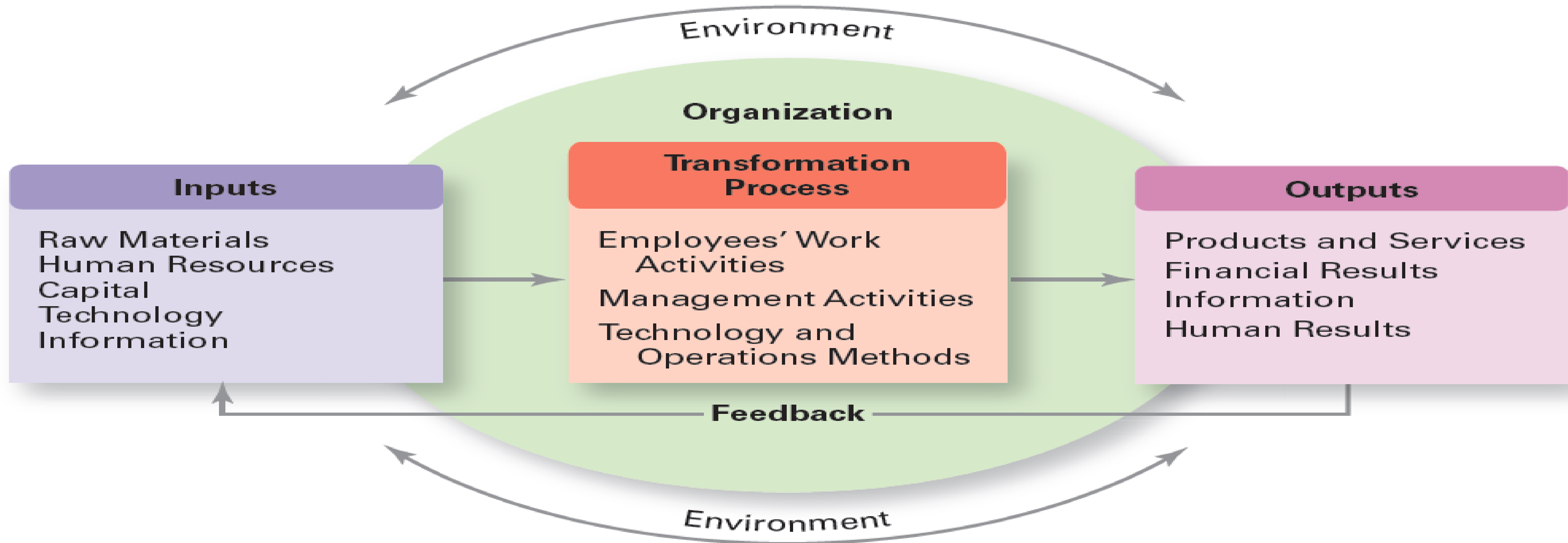
What Is Quality Management?

1. **Intense focus on the customer.** The customer includes outsiders who buy the organization's products or services and internal customers who interact with and serve others in the organization.
2. **Concern for continual improvement.** Quality management is a commitment to never being satisfied. "Very good" is not good enough. Quality can always be improved.
3. **Process focused.** Quality management focuses on work processes as the quality of goods and services is continually improved.
4. **Improvement in the quality of everything the organization does.** This relates to the final product, how the organization handles deliveries, how rapidly it responds to complaints, how politely the phones are answered, and the like.
5. **Accurate measurement.** Quality management uses statistical techniques to measure every critical variable in the organization's operations. These are compared against standards to identify problems, trace them to their roots, and eliminate their causes.
6. **Empowerment of employees.** Quality management involves the people on the line in the improvement process. Teams are widely used in quality management programs as empowerment vehicles for finding and solving problems.

Contemporary Approaches

- **System** – a set of interrelated and interdependent parts arranged in a manner that produces a unified whole.
 - **Closed system** – systems that are not influenced by and do not interact with their environment.
 - **Open system** – systems that interact with their environment.
- 

Organization as an Open System



The Contingency Approach

- **Contingency approach** – a management approach that recognizes organizations as different, which means they face different situations (contingencies) and require different ways of managing.

Popular Contingency Variables

Organization Size. As size increases, so do the problems of coordination. For instance, the type of organization structure appropriate for an organization of 50,000 employees is likely to be inefficient for an organization of 50 employees.

Routineness of Task Technology. To achieve its purpose, an organization uses technology. Routine technologies require organizational structures, leadership styles, and control systems that differ from those required by customized or nonroutine technologies.

Environmental Uncertainty. The degree of uncertainty caused by environmental changes influences the management process. What works best in a stable and predictable environment may be totally inappropriate in a rapidly changing and unpredictable environment.

Individual Differences. Individuals differ in terms of their desire for growth, autonomy, tolerance of ambiguity, and expectations. These and other individual differences are particularly important when managers select motivation techniques, leadership styles, and job designs.