Chapter 3 – History of Management

Frederick Winslow Taylor (1856–1915) is known as the father of scientific management.

Taylor developed a task management system that allowed work to occur more efficiently and allowed for breaking up a supervisor's work so that he could function within a discrete area of activities. This focus allowed supervisors to better plan and control the activities for which their workers were responsible.

Principles of Scientific Management

First. They develop a science for each element of a man's work, which replaces the old rule-of-thumb method.

Second. They scientifically select and then train, teach, and develop the workman, whereas in the past he chose his own work and trained himself as best he could.

Third. They heartily cooperate with the men so as to ensure all of the work being done in accordance with the principles of the science which has been developed.

Fourth. There is an almost equal division of the work and the responsibility between the management and the workmen. The management take over all work for which they are better fitted than the workmen, while in the past almost all of the work and the greater part of the responsibility were thrown upon the men.

Another notable contributor to Taylor's methods was **Henry Gantt** (1861–1919), who developed the **Gantt chart**, which allowed for greater and more precise control over the production process. The Gantt chart tracked what was supposed to be done versus what was actually done. Gantt gives two principles for his charts: First, measure the amount of time needed to complete an activity. Second, use the space on the chart to visually represent how much of an activity should have been completed in that given time.

Henri Fayol (1841–1925) and **Max Weber** (1864–1920) wrote complementary contributions to Taylor's four principles of scientific management framework. Whereas **Taylor focused on frontline managers, those who handle workers, Fayol focused on top managers, who set strategy, and Weber focused on middle managers, who implement strategy.**

Fayol stressed the need for **unity of command**, that is, that a company's management should speak with only voice. Accordingly, he stressed that management should maintain a unity of command, which ensured that each supervisor would explain to each of the employees in his group or division what aspect of his job to focus on.

Fayol's second notable contribution was his recognition that **workers focused on the social aspects of their jobs as well as on the monetary compensation** they received for doing the job.

A third important aspect of Fayol's work was his emphasis on the notion of **justice within an organization** and on the idea that an organization must decide issues fairly and equitably.

Fayol's 14 Principles of Management are:

1. Division of Work

2. Authority

3. Discipline

4. Unity of Command

5. Unity of Direction

6. Subordination of Individual Interest

7. Remuneration 8. Centralization

9. Scalar Chain

10. Order

11. Equity

12. Stability of Tenure of Personnel

13. Initiative—Employees should be given the necessary level of freedom to create and carry out plans.

14. Esprit de Corps

In addition to the 14 principles, Fayol identified the **five functions of management**:

1. Planning

2. Organizing

3. Staffing

4. Controlling

5. Directing

The most notable contribution Weber provided to modern management was the creation of the modern bureaucracy. Weber stressed that knowledge, not birth circumstances, should be the basis of hiring and promotion within a bureaucracy. Weber also stressed that bureaucrats need to make decisions based on rules rather than whims.

Principles of the Ideal Bureaucracy:

• Specialized roles

• Recruitment based on merit

• Uniform principles of placement, promotion, and transfer

• Careerism with systematic salary structure

• Hierarchy, responsibility, and accountability

• Subjection of official conduct to strict rules of discipline and control

• Supremacy of abstract rules

• Impersonal authority (i.e., office bearer does not bring the office with him)

There was, however, **a downside to this new managerial approach. A bureaucracy could shield bureaucrats from personal responsibility and initiative.** Even worse, it could make them willing participants in criminal activities

Barnard and the "Zone of Indifference": Chester Barnard (1886–1961) was president of the New Jersey Bell Telephone Company. **Barnard's largest contribution to the study of management involved what he called the "zone of indifference."** The idea behind the zone of indifference is that workers will comply with orders if they are indifferent to them. This does not mean they have to agree with or support the orders. Rather the zone of indifference suggests that workers need merely to be indifferent to an order to follow it and that workers will follow orders due to an individual's natural tendency to follow authority. The zone of indifference must be reached through the following factors. First, **the workers must have the ability to comply with the order.** Second, **workers must understand the order.** Third, the **order must be consistent with organizational goals.** For both management and the worker to cooperate, their interests must be aligned. Fourth, the **order must not violate an individual's personal beliefs.**

Follett and Conflict Resolution

Mary Parker Follett (1868–1933) found a way to use the tenets of the human relations movement to solve some of the problems with the scientific management framework.

Follett also argued that there are several ways to resolve conflicts. The first is to have one party dominate the other. **In dominance, one party dictates the terms of the arrangement.** The second solution is compromise. **In a compromise, neither side gets exactly everything it wants, and the best each side can do is obtain a result that each can agree too.** The problem with this approach is that both sides give up what they really want and settle on what they can agree on. In a compromise, neither side is happy. The third way to **solve conflict is integration, which occurs when each party states its preferences and attempts to reach an agreement.**
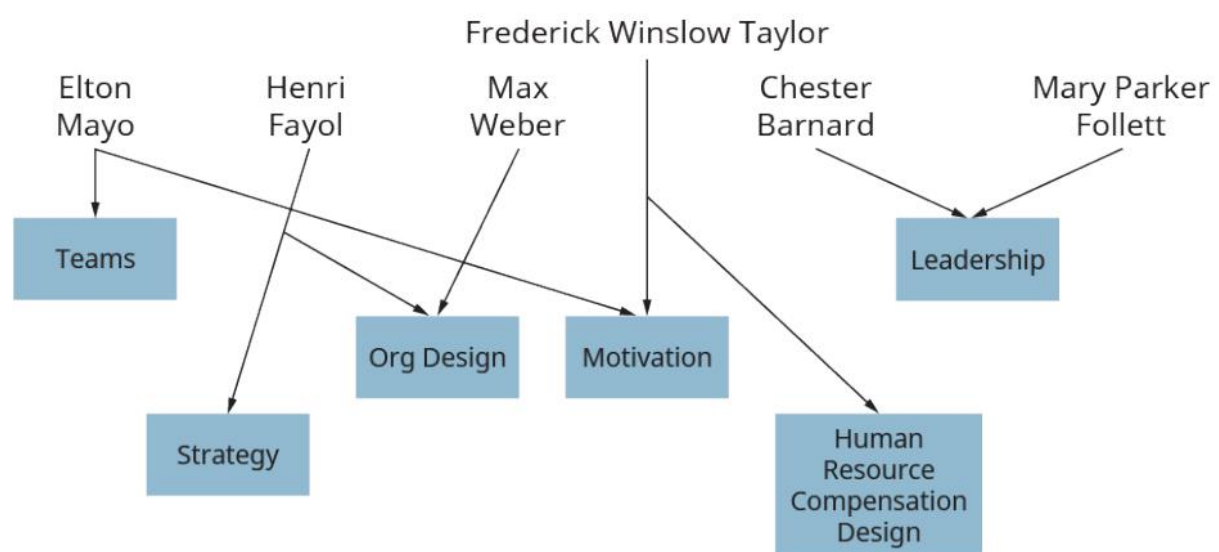
Exhibit 3.6 The Development of Management Thought (Attribution: Copyright Rice University, OpenStax, under CC-BY 4.0 license)