



BUS 1370 : Principles of Management

Lesson 02

Evolution of Management Thought

Department of Business Administration

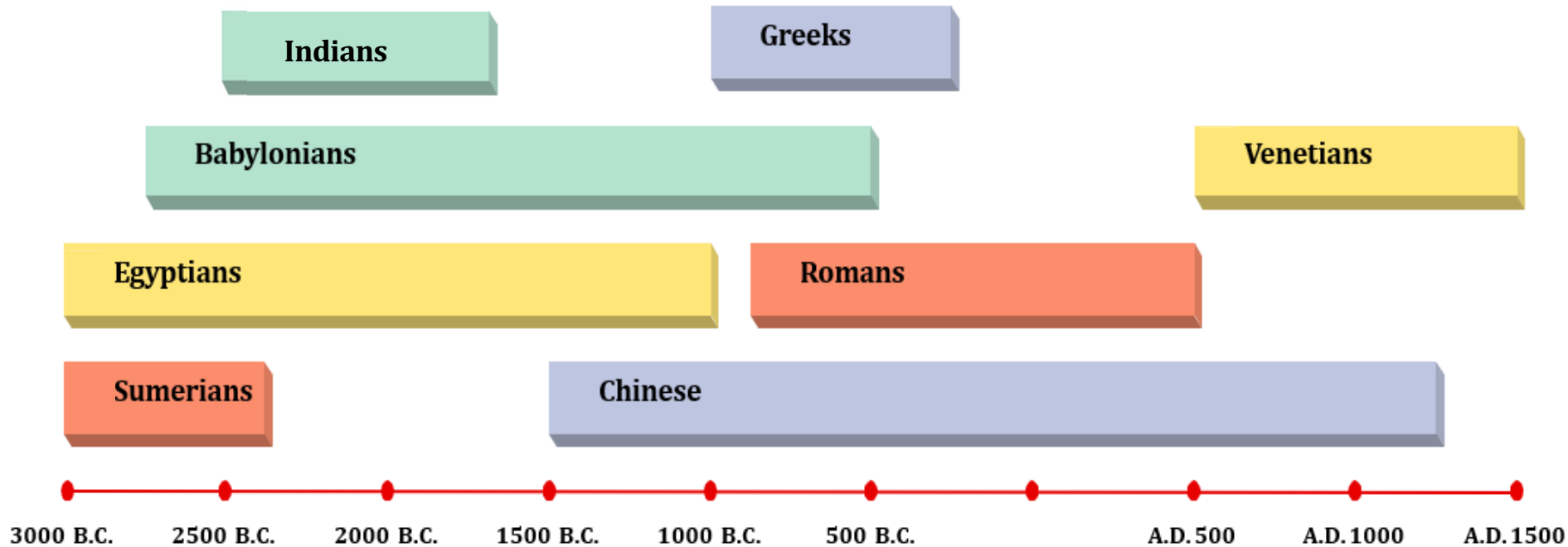
Faculty of Management Studies and Commerce
University of Sri Jayewardenepura

Lesson 02- Learning Outcomes

- Identify major developments in the history of management thoughts, and
- Understand how the developments of management over the history influence the practice of management.

Why *History*?

Management *before* industrial revolution: ancient civilisations



Context that led to capitalism & industrial revolution

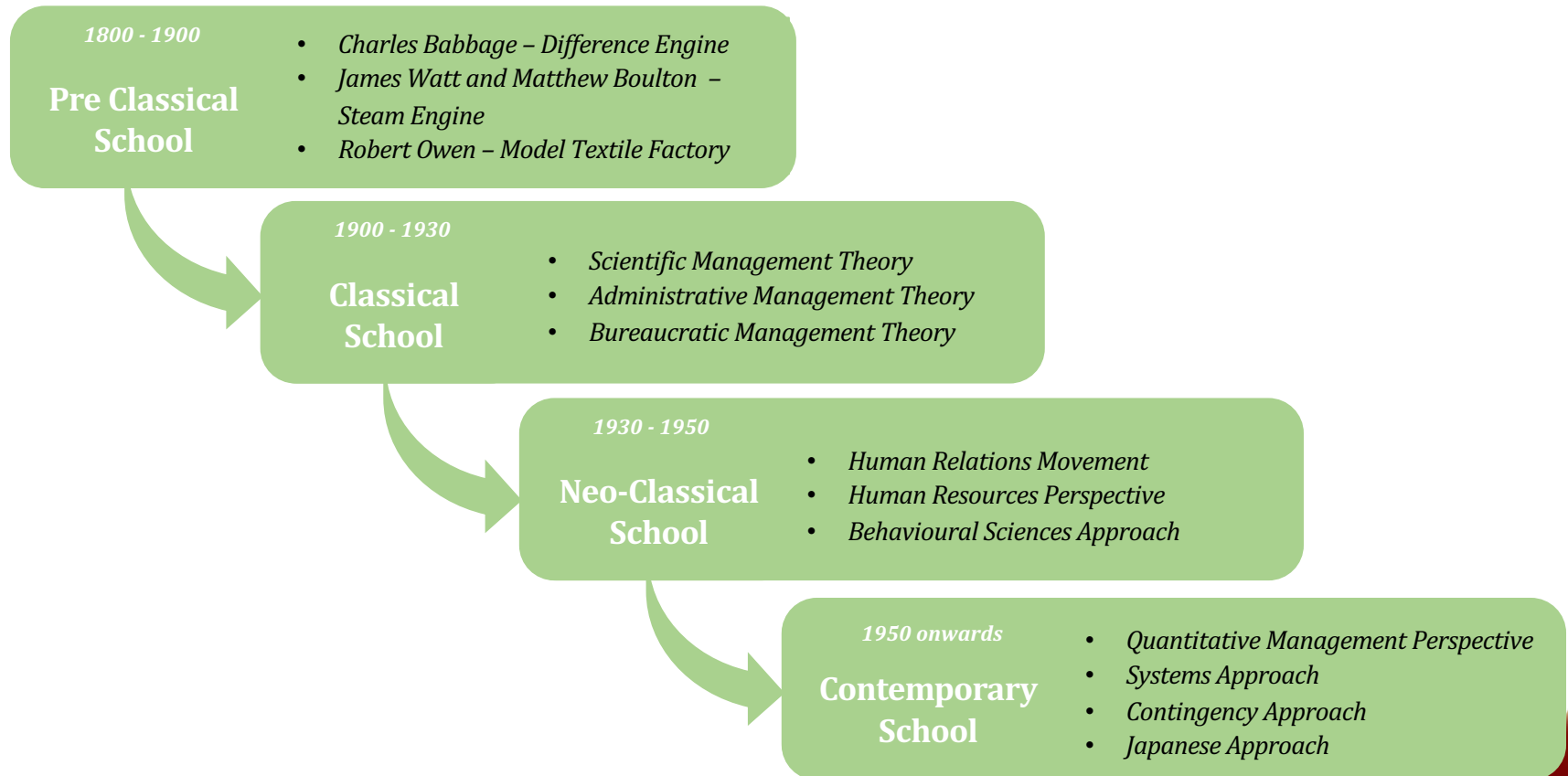
Renaissance, Protestant
Work Ethic, and Capitalism



Source: <https://www.chron.com/life/houston-belief/article/Protestant-work-ethic-that-took-root-in-faith-is-1834963.php>

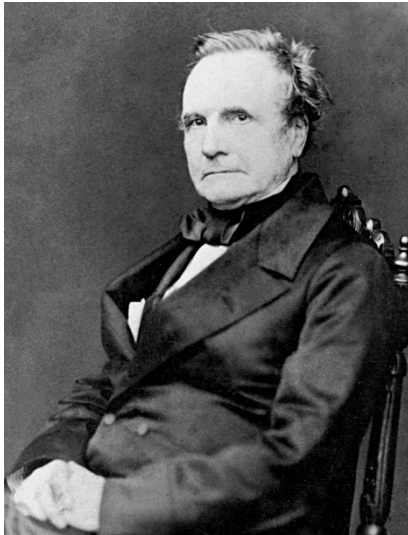
Management and industrial revolution

Evolution of Management Thought

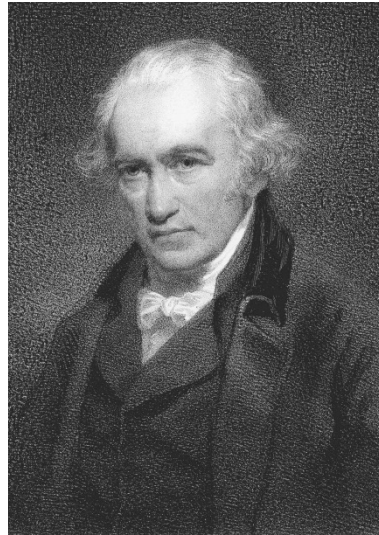


Source: Agogbua et al. (2017)

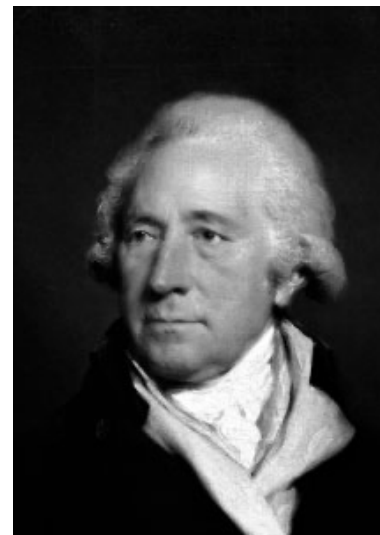
Pre-Classical School



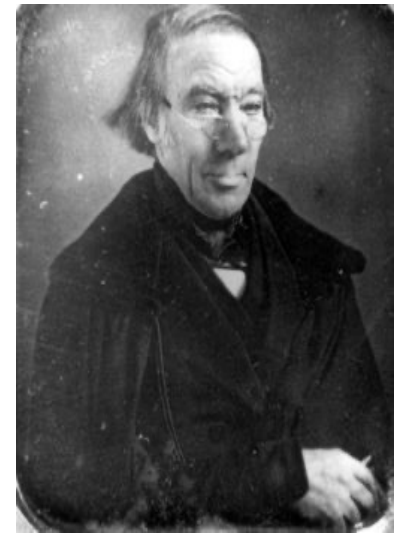
*Charles Babbage
(1791-1871)*



*James Watt
(1736-1819)*



*Matthew Boulton
(1728-1809)*



*Robert Owen
(1771-1858)*

Classical School

The Principles of Scientific Management

BY
FREDERICK WINSLOW TAYLOR, M.E., Sc.D.
PAST PRESIDENT OF THE AMERICAN SOCIETY OF
MECHANICAL ENGINEERS

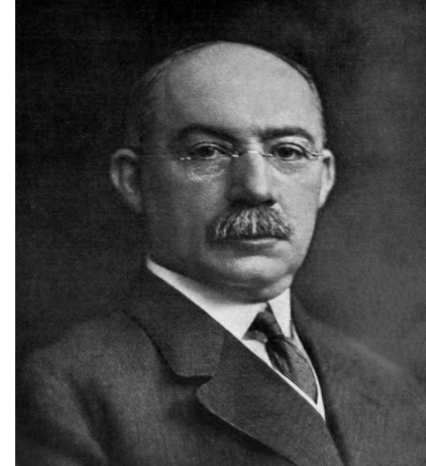


*F. W. Taylor
(1856-1915)*



*Lillian Gilbreth
(1878-1972)*

*Frank Gilbreth
(1868-1924)*



*Henry Gantt
(1861-1919)*



*Henri Fayol
(1841-1925)*



*Max Weber
(1864-1920)*

Scientific Management Theory

- Scientific Management Theory emphasised scientifically determined changes in management practices as the solution to improving labour productivity.
- This theory focuses on the improvement of operational efficiencies through the systematic and scientific study of work methods, tools, and performance standards.
- Assumptions of Scientific Management:
 - Economic man
 - One best method of work
 - Workers have the potential of doing any work prescribed by the scientific method

Taylor's Scientific Management Principles

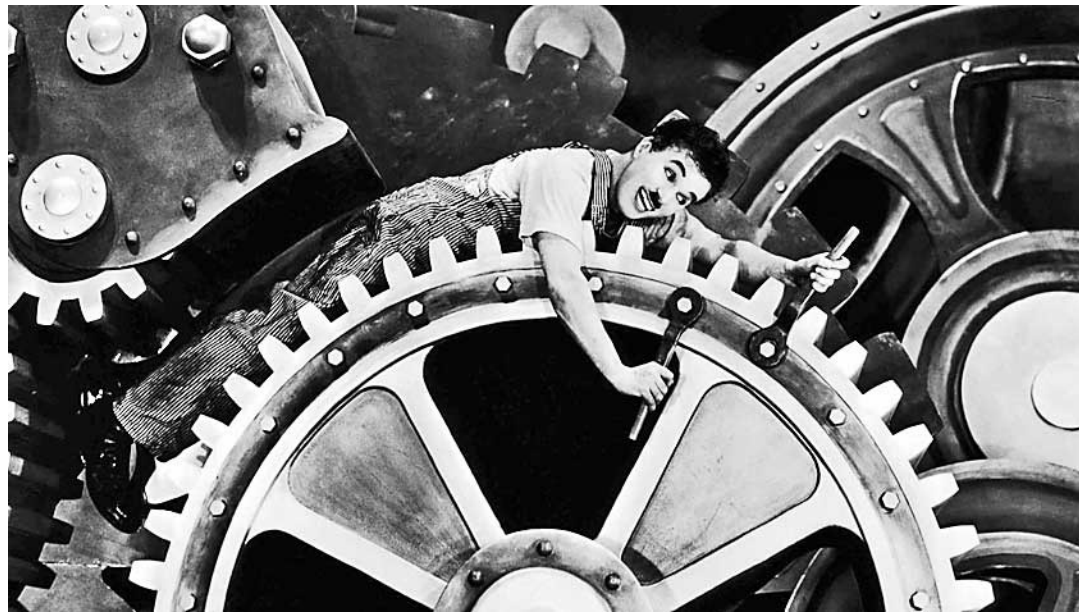
- Develop a science for each element of a man's work, which replaces the old rule-of-thumb method.
- Scientifically select and then train and develop the workman, whereas in the past he chose his own work and trained himself as best he could.
- Cooperate with the men so as to insure all of the work is being done in accordance with the principles of the science which has been developed.
- Division of the work and the responsibility between management and the workmen.
- Tie the work performance of employees with economic rewards.

Adapted from
The Principles of Scientific Management (F.W Taylor, 1910)
excerpts by National Humanities Centre, USA

'Taylorisation' of Industry :

Modern Times (1936)

by Charlie Chaplin



Source: <https://www.telegraphindia.com/opinion/the-relevance-of-charles-chaplins-modern-times/cid/1838902>

Administrative Management

Administrative Management focused on the improvement of the total organisation rather than the individual worker, delineating the management functions of planning, organising, commanding, coordinating, and controlling.

Henry Fayol's three aspects of Management

- Activities of an Organisation
- Functions of Management
- Principles of Management

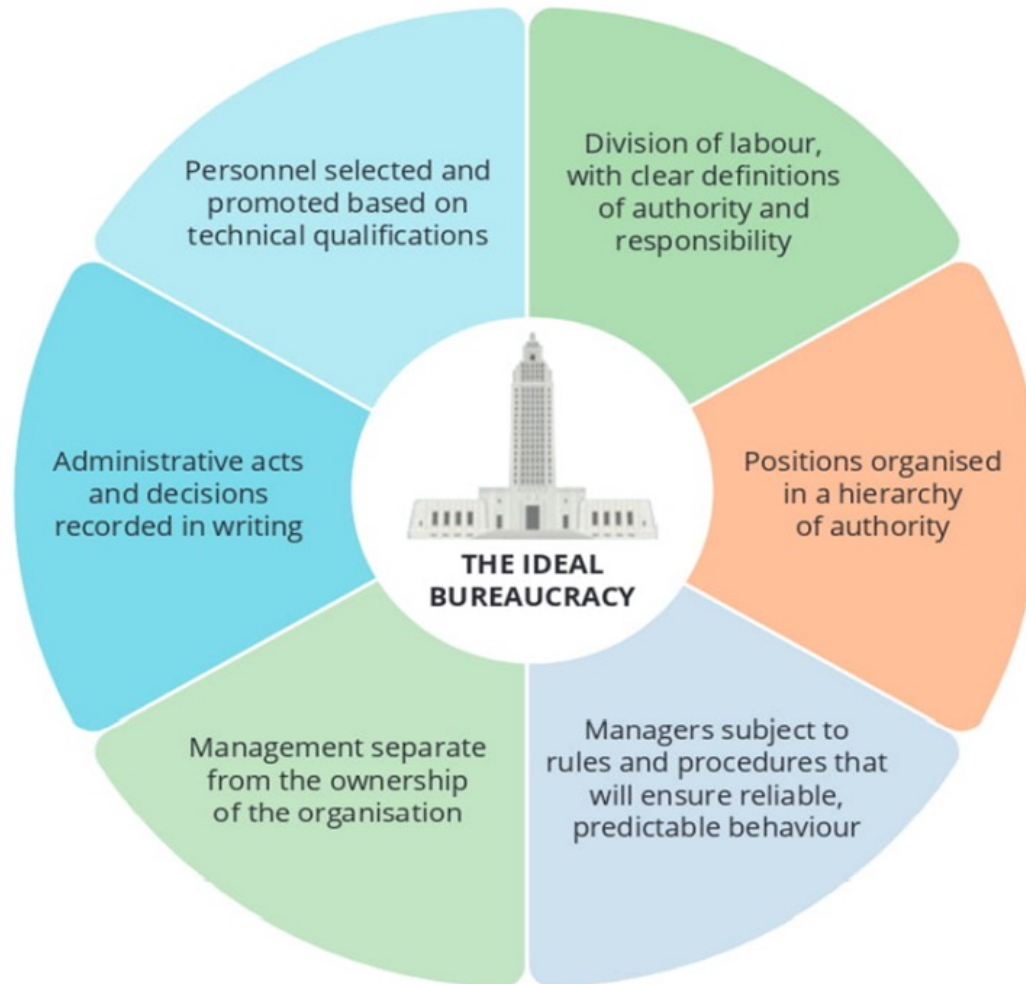
- | | |
|---|---|
| 1. <i>Division of work</i> | 8. <i>Centralization</i> |
| 2. <i>Authority</i> | 9. <i>Scalar chain</i> |
| 3. <i>Discipline</i> | 10. <i>Order</i> |
| 4. <i>Unity of command</i> | 11. <i>Equity</i> |
| 5. <i>Unity of direction</i> | 12. <i>Stability of tenure of personnel</i> |
| 6. <i>Subordination of individual interests to the general interest</i> | 13. <i>Initiative</i> |
| 7. <i>Remuneration</i> | 14. <i>Esprit de corps</i> |

Bureaucratic Management Theory

Bureaucratic Management Theory emphasised management on an impersonal, rational basis through such elements as clearly defined authority and responsibility, formal record keeping, and separation of management and ownership.

This theory stressed the need for a strictly defined hierarchy governed by clearly defined rules and regulations and line of authority in an organisation.

Characteristics of Weberian Bureaucracy



Source: Samson, et al. (2018)

Criticisms on Classical Approach

Behavioural Approach



*Mary Parker
Follet
(1868 -1933)*



*Chester Bernard
(1886 -1961)*



*Elton Mayo
(1880 -1949)*



*Abraham Maslow
(1908 -1970)*



*Douglas McGregor
(1906-1964)*

Human Relations Approach

- From this perspective, it was argued that workers respond primarily to the social context of the workplace, including social conditioning, group norms, and interpersonal dynamics.
- Hawthorne Experiment (1924-1933), which was carried out at the Hawthorne Plant of Western Electrical Company, USA, with the intention of increasing productivity, was the key to expose the social context of the workplace.
- Hawthorne Effect - a marked increase in production related only to special social position and social treatment (French, 1953, as cited in Wickström & Bendix, 2000).



Human Resources Perspective

- A management perspective that suggests job should be designed to meet higher-level needs by allowing workers to use their full potential.
- Recognised the worker as the most important resource of the organisation and should carefully address all the needs (physical, economic, social, psychological, and spiritual) of them for the enhancement of performance.
- Abraham Maslow (Hierarchy of Needs Theory) and Douglas McGregor (Theory X and Theory Y) are the best-known contributors to this perspective.

Behavioural Science Movement

A subfield of the behavioural approach that applies social science in an organisational context, drawing from economics, psychology, sociology, anthropology and other disciplines.

Criticisms on Behavioural Approach

Quantitative Management Perspective

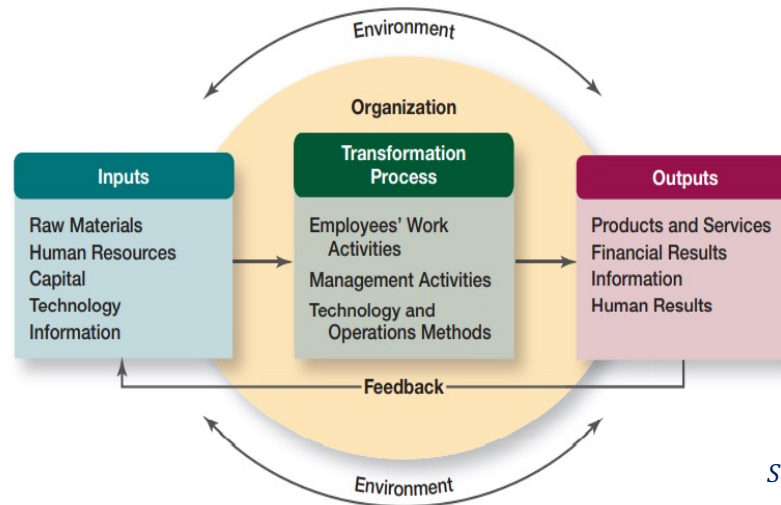
- This view focuses on the application of statistics, optimisation models, information models, computer simulations, and other quantitative techniques to management activities, provided tools for managers to make their jobs easier.

E.g. - Linear programming, work scheduling, economic order quantity model

- The two branches of the quantitative approach are management science and operations management.

Systems Approach

- Systems approach views organisation as a set of interrelated and interdependent parts arranged in a manner that produces a unified whole. Organisations function as open systems, which means they are influenced by and interact with their environment.
- **Key Concepts:** System, Subsystem, System Boundary, Flow, Open System, Closed System, Entropy, Synergy



Source: Robbins and Coulter (2020)

Contingency Approach

- A management approach that recognises organisations as different, which means they face different situations (contingencies) and require different ways of managing.
- It is viewed that the successful resolution of organisational problem is thought to depend on managers' identification of key variables (or contingencies) in the situation at hand.

Japanese Approach

- Japanese long-term philosophy
- Japanese production management (JPM)
- Japanese people-centered management
- Japanese way of problem solving

Source: Pheng and Shang (2011).

Conclusion