

Management

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ADS 491

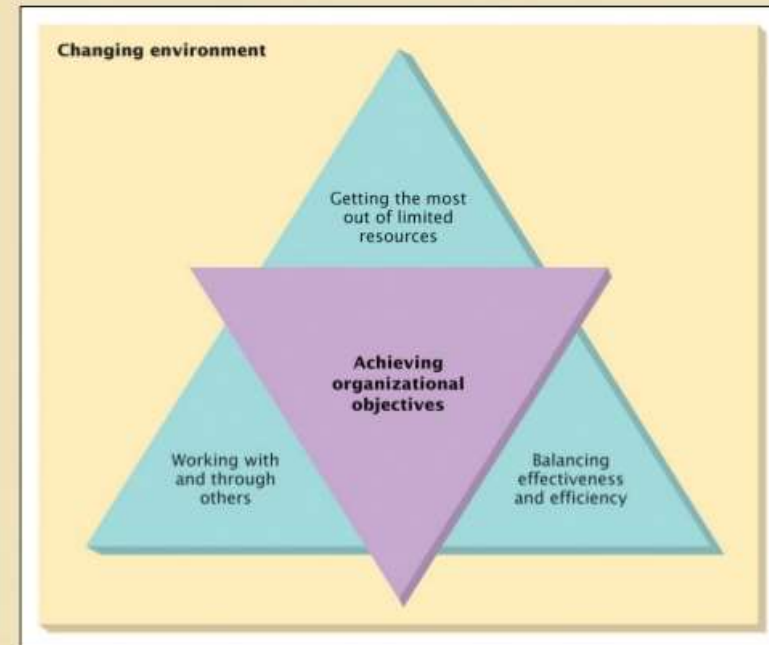
Outline

- Discuss the syllabus
- Introduction to the course

Management Definition

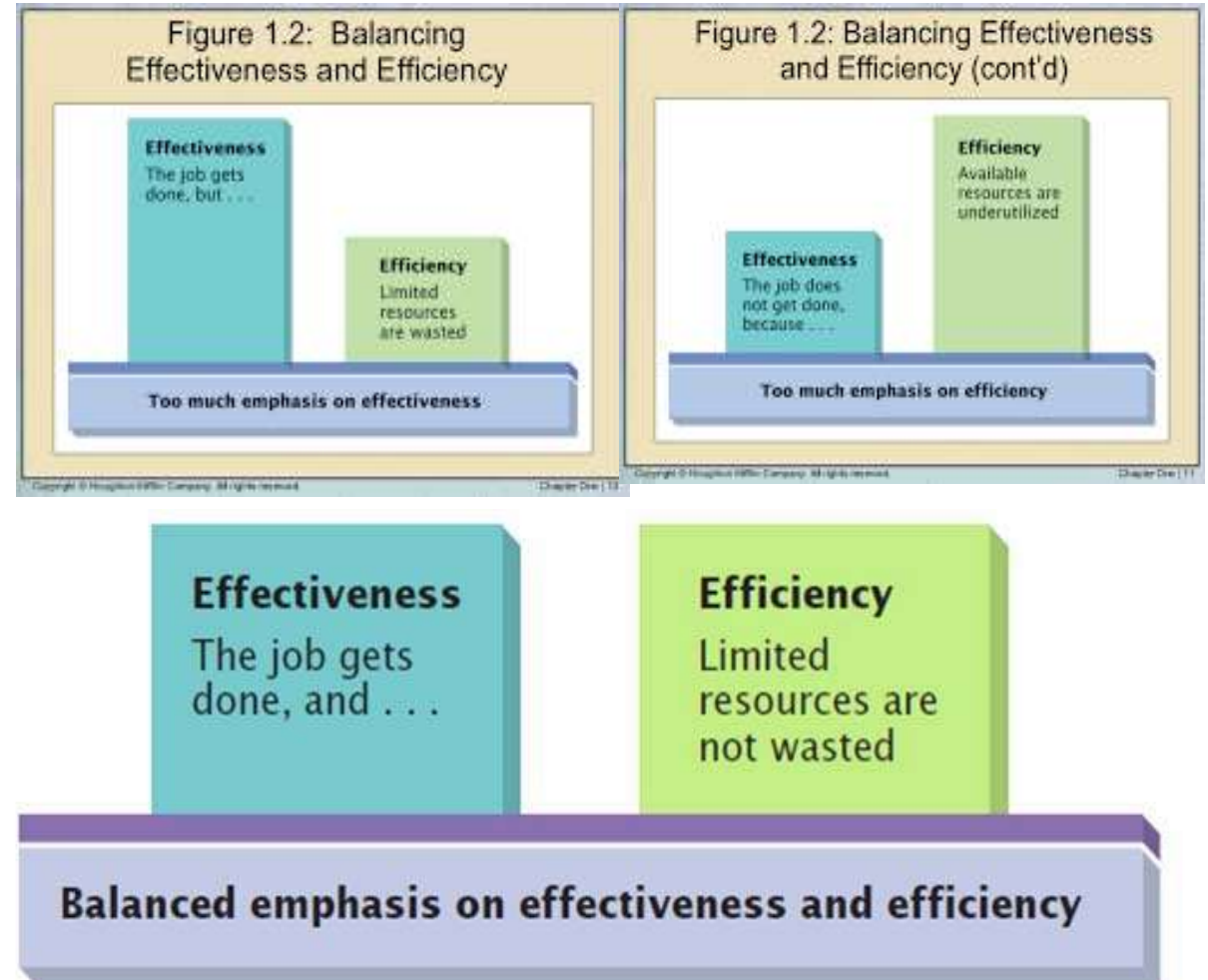
- Management is the process of working with and through others to achieve organizational objectives in a changing environment. Central to this process is the effective and efficient use of limited resources.

Figure 1.1: Key Aspects of the Management Process



Management Definition Cont'd

- Effectiveness entails promptly achieving a stated objective
- But given the reality of limited resources, effectiveness alone is not enough
- Efficiency enters the picture when the resources required to achieve an objective are weighed against what was actually accomplished.
- > benefits to costs ratio > Efficiency



The Evolution of Management Thinking

- Studying history doesn't mean merely arranging events in chronological order
- Studying history is a way to achieve strategic thinking, see the big picture, and improve conceptual skills
 - Looking at history gives managers a broader perspective for interpreting and responding to current opportunities and problems.
- Management and organizations are shaped by forces in the larger society.
 - management practices and perspectives vary in response to these social, political, and economic forces in the large society

Introduction to management

Management **Perspectives** over Time

1. Classical Perspective
2. Humanistic Perspective
3. Quantitative (Management Science) perspective
4. System Thinking
5. Contingency View
6. Total Quality Management
7. The Technology- Driven Workplace
8. Open (Collaborative) innovation

Classical Perspective

- Practice of management can be traced to 3000 B.C., but formal is recent
- Emerged during 19 & 20 centuries
- Challenges had not encountered before
 - Training employees (many of them non-English-speaking immigrants)
 - Organizing managerial structure
 - Scheduling complex manufacturing operations
 - Increased labor dissatisfaction and resulting in strikes
 - Lead to “ new sub-species of economic man- the salaried manager”
 - Began developing & testing solutions to challenges , coordinating , controlling ,& increase worker productivity

Classical Perspective

- The Classic perspective contains 3 **subfields**
 1. Scientific management
 2. Bureaucratic organizations
 3. Administrative principles

Scientific management

- **Emphasizes scientifically determined jobs and management practices as the way to improve efficiency and labor productivity**
- **Frederick Taylor (1856-1915)**
 - Proposed workers could be retooled like machines, their physical and mental gears recalibrated for better productivity”
 - “improving productivity meant that management itself would have to change , and the manner of change could be determined only by **scientific study...**
- Suggested that decisions based on rules of thumb and tradition be replaced with precise procedures developed **after careful study of individual situations**

Example: Scientific management

- The scientific management approach is illustrated by the unloading of iron from rail cars 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

Characteristics of scientific management

General Approach

- Developed standard method for performing each job
- Selected workers with appropriate abilities for each job
- Trained workers in standard methods
- Supported workers by planning their work and eliminating interruptions
- Provided wage incentives to workers for increased output

Characteristics of scientific management

Cont'd

Contributions

- Demonstrated the importance of compensation for performance Initiated the careful study of tasks and jobs
- Demonstrated the importance of personnel selection and training

Criticisms

- Did not acknowledge variance among individuals
- Tended to regard workers as uninformed and ignored their ideas and suggestions

Bureaucratic Organizations

- **A systematic approach developed in Europe that looked at the organization as a whole**
- **Max Weber** (1864–1920), a German theorist, introduced most of the concepts on bureaucratic organizations.
- During the late 1800s, many European organizations were managed on a personal, family-like basis.
- Employees were loyal to a single individual rather than to the organization or its mission.
- The dysfunctional consequence of this management practice was that resources were used to realize individual desires rather than organizational goals
- Employees in effect owned the organization and used resources for their own gain rather than to serve customers

Bureaucratic organizations

The **six characteristics of bureaucracy as specified by Weber**

1. **Division of labor**, with clear definitions of authority and responsibility
2. Positions organized in a **hierarchy of authority**
3. Managers subject to rules and procedures that will ensure reliable , predictable behavior
4. Management **separate** from the ownership of the organization
5. Administrative acts and decisions recorded in **writing**
6. Personnel selected and promoted based on **technical qualifications**

Administrative Principles

- Major subfield within the classical perspective
- Whereas scientific management focused on the **productivity of the individual worker, the administrative principles approach focused on the total organization.**
- The major contributor to this approach was **Henri Fayol** (1841–1925), a French mining engineer

Administrative Principles

- **Fayol discussed 14 general principles** of management, several of which are part of management philosophy today.

For example:

- **Unity of command.** Each subordinate receives orders from one—and only one—superior.
- **Division of work.** Managerial work and technical work are amenable[open and responsive to suggestion] specialization to produce more and better work with the same amount of effort
- **Unity of direction.** Similar activities in an organization should be grouped together under one manager.
- **Scalar chain.** A chain of authority extends from the top to the bottom of the organization and should include every employee

Administrative Principles Cont'd

- He also identified five basic functions or elements of management: **planning, organizing, commanding, coordinating, and controlling.**
- These functions underlie much of the general approach to today's management theory.
- The overall classical perspective as an approach to management was very powerful and gave companies fundamental new skills for establishing high productivity and effective treatment of employees.

Summery

- Scientific management is a subfield of the classical perspective that emphasizes scientifically determined changes in management practices as the solution to improving labor productivity.
- F. Taylor is known as the father of scientific management
- Scientific management is considered one of the most significant innovations influencing modern management.
- Some supermarket chains are using computerized systems based on scientific management principles to schedule employees for maximum efficiency.

Summery Cont'd

- Bureaucratic emphasizes management on an impersonal, rational basis through elements such as clearly defined authority and responsibility, formal record-keeping, and separation of management and ownership.
- Max Weber introduced most of the concepts on bureaucratic organizations.
- Administrative principles is a subfield of the classical perspective that focuses on the total organization rather than the individual worker and delineates the management functions of planning, organizing, commanding, coordinating, and controlling.
- Henri Fayol outlined 14 general principles of management, several of which are a part of management philosophy today.