

# Introduction to Management

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# AGENDA

- Why Theory
- Historical context of Management
- Early Pioneers of Management
- An Integrative Framework  
of Management Perspectives
- Details

# The Importance of Theory and History

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- Why Theory?

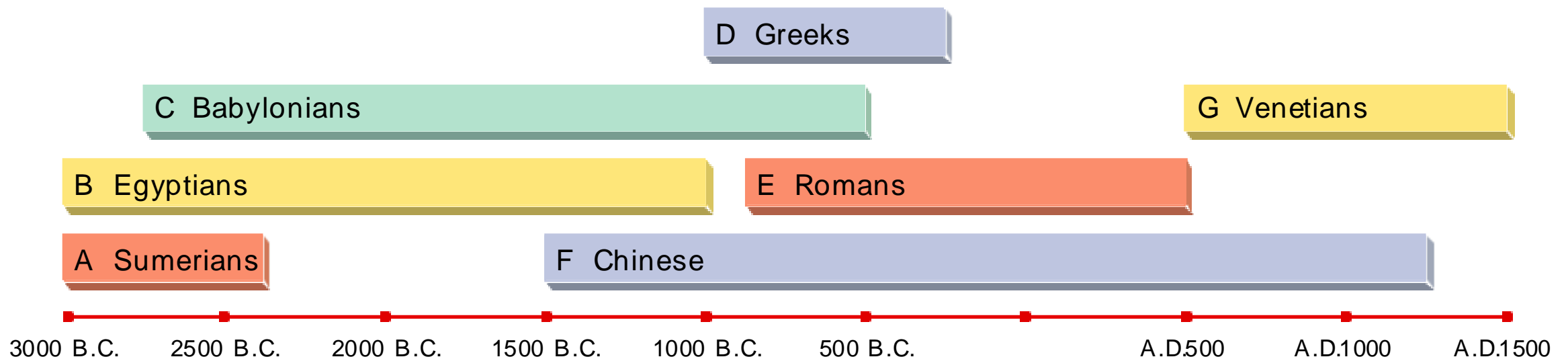
A theory is a conceptual framework for organizing knowledge and providing a blueprint for action.

Management theories, used to build organizations, are grounded in reality. Most managers develop their own theories about how they should run their organizations.

- Why History?

An awareness and understanding of important historical developments in management are also important to contemporary managers in furthering the development of management practices and in avoiding the mistakes of others in the past.

# The Historical Context of Management



- A Used written rules and regulations for governance
- B Used management practices to construct pyramids
- C Used extensive set of laws and policies for governance
- D Used different governing systems for cities and state

- E Used organized structure for communication and control
- F Used extensive organization structure for government agencies and the arts
- G Used organization design and planning concepts to control the seas

- B.C. "stands for the English phrase 'before Christ,' but 'A.D.' stands confusingly for a Latin phrase: anno domini ( 'in the year of the Lord"—the year Jesus was born).
- B.C. ("Before Christ"), which shows the years BEFORE Christ was born).

# Early Management Pioneers

- Robert Owen (1771–1858)

British industrialist who was one of the first managers to recognize the importance of human resources and the welfare of workers.

- Charles Babbage (1792–1871)

English mathematician who focused on creating efficiencies of production through the division of labor, and the application of mathematics to management problems.



# An Integrative Framework of Management Perspectives

## Systems Approach

- Recognition of internal interdependencies
- Recognition of environmental influences

## Contingency Perspective

- Recognition of the situational nature of management
- Response to particular characteristics of situation

Classical Management Perspectives  
Methods for enhancing efficiency and facilitating planning, organizing, and controlling

Behavioral Management Perspectives  
Insights for motivating performance and understanding individual behavior, groups and teams, and leadership

Quantitative Management Perspectives  
Techniques for improving decision making, resource allocation, and operations

Effective and efficient management

# Classical Management Perspective

- **Scientific Management**

Concerned with improving the performance of individual workers (i.e., efficiency).

Grew out of the industrial revolutions' labor shortage at the beginning of the twentieth century.

- **Administrative Management**

A theory that focuses on managing the total organization.





# Scientific Management

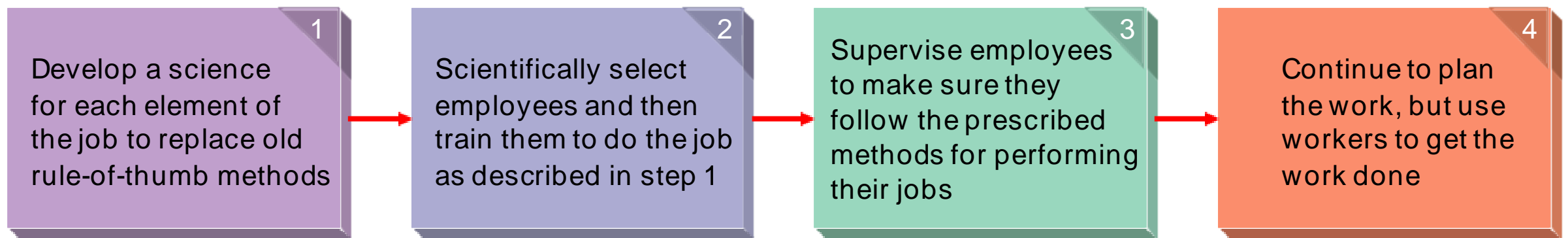
- **Frederick Taylor (1856 –1915)**

Replaced old methods of how to do work with scientifically-based work methods to eliminate “soldiering,” where employees deliberately worked at a pace slower than their capabilities.

Believed in selecting, training, teaching, and developing workers.

Used time studies of jobs, standards planning, exception rule of management, slide-rules, instruction cards, and piece-work pay systems to control and motivate employees.

# Steps in Scientific Management



# Scientific Management Pioneers

- Frank and Lillian Gilbreth

Both developed techniques and strategies for eliminating inefficiency.

Frank reduced the number of movements in bricklaying, resulting in increased output of 200%.

Lillian made substantive contributions to the fields of industrial psychology and personnel management.



- **Administrative Management Theory**  
Focuses on managing the whole organization rather than individuals.
- **Henri Fayol (1845 –1925)**  
Was first to identify the specific management functions of planning, organizing, leading, and controlling. ( Details given in coming slides # 28-31 )
- **Lyndall Urwick (1891 –1983)**  
Integrated the work of previous management theorists.
- **Max Weber (1864 –1920)**  
His theory of bureaucracy is based on a rational set of guidelines for structuring organizations.

# Behavioral Management Perspective

- Behavioral Management

Emphasized individual attitudes and behaviors, and group processes, and recognized the importance of behavioral processes in the workplace.

- Hugo Munsterberg (1863 –1916)

A German psychologist, considered the father of industrial psychology, who advocated the practice of applying psychological concepts to employees selection and motivation industrial settings.

- Mary Parker Follett (1868 –1933)

Recognized the importance of the role of human behavior in the workplace.

# The Hawthorne Studies (1927–1932)

- Conducted by Elton Mayo and associates at Western Electric

Illumination study—workplace lighting adjustments affected both the control and the experimental groups of production employees.

Group study—implementation of piecework incentive plan caused production workers to establish informal levels of acceptable individual output.

—Over-producing workers were labeled “rate busters” and under-producing workers were considered “chiselers.”

Interview program—confirmed the importance of human behavior in the workplace.

# Behavioral Management Perspective (cont d)

- **Human Relations Movement**

Grew out of the Hawthorne studies.

Proposed that workers respond primarily to the social context of work, including social conditioning, group norms, and interpersonal dynamics.

Assumed that the manager's concern for workers would lead to increased worker satisfaction and improved worker performance.



# Behavioral Management Perspective (cont d)

- Abraham Maslow

Advanced a theory that employees are motivated by a hierarchy of needs that they seek to satisfy.

- Douglas McGregor

Proposed Theory X and Theory Y concepts of managerial beliefs about people and work.







Henri Fayol

F.W.Taylor

Elton Mayo

Max Weber

C. Barnard



A. Maslow

D. McGregor

F. I. Herzberg

H. Munsterberg

W. Ouchi

# Organizational Behavior

- A contemporary field focusing on behavioral perspectives on management.  
Draws on psychology, sociology, anthropology, economics, and medicine.
- Important topics in organizational behavior research:
  - Job satisfaction and job stress
  - Motivation and leadership
  - Group dynamics and organizational politics
  - Interpersonal conflict
  - The structure and design of organizations

# Behavioral Management Perspective...

## Today

- **Contributions**

Provided important insights into motivation, group dynamics, and other interpersonal processes.

Focused managerial attention on these critical processes.

Challenged the view that employees are tools and furthered the belief that employees are valuable resources.

# Behavioral Management Perspective...

## Today (cont d)

- **Limitations**

Complexity of individuals makes behavior difficult to predict.

Many concepts not put to use because managers are reluctant to adopt them.

Contemporary research findings are not often communicated to practicing managers in an understandable form.



# Quantitative Management Perspective

- Quantitative Management

Emerged during World War II to help the Allied forces manage logistical problems.

Focuses on decision making, economic effectiveness, mathematical models, and the use of computers to solve quantitative problems.



# Details

# THE SCIENTIFIC MANAGEMENT SCHOOL

- Scientific Management theory arose in part from the need to increase productivity. In the United States especially, skilled labor was in short supply at the beginning of the twentieth century. The only way to expand productivity was to raise the efficiency of workers. Therefore, Frederick W. Taylor, Henry L. Gantt, and Frank and Lillian Gilbreth devised the body of principles known as scientific management theory.

## FREDERICK W. TAYLOR

Frederick W. Taylor (1856 – 1915) rested his philosophy on four basic principles:

The development of a true science of management, so that the best method for performing each task could be determined.

The scientific selection of workers, so that each worker would be given responsibility for the task for which he or she was best suited.

The scientific education and development of the worker.

Intimate, friendly cooperation between management and labor



# LIMITATIONS OF SCIENTIFIC MANAGEMENT THEORY

- Although Taylor's method led to dramatic increases in productivity and to higher pay in a number of instances, workers and unions began to oppose his approach because they feared that working harder or faster would exhaust whatever work was available, causing layoffs. Moreover, Taylor's system clearly meant that time was of the essence. His critics objected to the "speed up" conditions that placed undue pressures on employees to perform at faster and faster levels. The emphasis on productivity—and, by extension, profitability—led some managers to exploit both workers and customers. As a result, more workers joined unions and thus reinforced a pattern of suspicion and mistrust that shaded labor management relations for decades.

# HENRY L. GANTT

- Henry L. Gantt (1861 – 1919) worked with Taylor on several projects. But when he went out on his own as a consulting industrial engineer, Gantt began to reconsider Taylor's incentive system. Abandoning the differential rate system as having too little motivational impact, Gantt came up with a new idea. Every worker who finished a day's assigned work load would win a 50 cent bonus. Then he added a second motivation. The supervisor would earn a bonus for each worker who reached the daily standard, plus an extra bonus if all the workers reached it. This, Gantt reasoned, would spur supervisors to train their workers to do a better job.
- Every worker's progress was rated publicly and recorded on individual bar charts, in black on days the worker made the standard, in red when he or she fell below it. Going beyond this, Gantt originated a charting system for production scheduling; the "Gantt chart" is still in use today. In fact, the Gantt Chart was translated into eight languages and used throughout the world. Starting in the 1920s, it was in use in Japan, Spain, and the Soviet Union. It also formed the basis for two charting devices which were developed to assist in planning, managing, and controlling complex organizations: the Critical Path Method (CPM), originated by Du Pont, and Program Evaluation and Review Technique (PERT), developed by the Navy. Lotus 1 2 3 is a creative application of the Gantt Chart.

# THE GILBRETHS

- Frank B. and Lillian M. Gilbreth (1868 – 1924 and 1878 – 1972) made their contribution to the scientific management movement as a husband and wife team. Lillian and Frank collaborated on **fatigue and motion studies and focused on ways of promoting the individual worker's welfare**. To them, the ultimate aim of scientific management was to help workers reach their full potential as human beings.
- In their conception, motion and fatigue were intertwined—every motion that was eliminated reduced fatigue. Using motion picture cameras, they tried to find the most economical motions for each task in order to upgrade performance and reduce fatigue. The Gilbreths argued that motion study would raise worker morale because of its obvious physical benefits and because it demonstrated management's concern for the worker.

# Fayol's 14 Principles of management

1. Division of Labor. The more people specialize, the more efficiently they can perform their work. This principle is epitomized by the modern assembly line.
2. Authority. Managers must give orders so that they can get things done. While their formal authority gives them the right to command, managers will not always compel obedience unless they have personal authority (such as relevant expertise) as well.
3. Discipline. Members in an organization need to respect the rules and agreements that govern the organization. To Fayol, discipline results from good leadership at all levels of the organization, fair agreements (such as provisions for rewarding superior performance), and judiciously enforced penalties for infractions.

4.Unity of Command. Each employee must receive instructions from only one person. Fayol believed that when an employee reported to more than one manager, conflicts in instructions and confusion of authority would result.

5.Unity of Direction. Those operations within the organization that have the same objective should be directed by only one manager using one plan. For example, the personnel department in a company should not have two directors, each with a different hiring policy.

6.Subordination of Individual Interest to the Common Good. In any undertaking, the interests of employees should not take precedence over the interests of the organization as a whole.

7.Remuneration. Compensation for work done should be fair to both employees and employers.

8.Centralization. Decreasing the role of subordinates in decision making is centralization; increasing their role in decentralization. Fayol believed that managers should retain final responsibility, but should at the same time give their subordinates enough authority to do their jobs properly. The problem is to find the proper degree of centralization in each case.

- 9.The Hierarchy. The line of authority in an organization—often represented today by the neat boxes and lines of the organization chart—runs in order of rank from top management to the lowest level of the enterprise.
- 10.Order. Materials and people should be in the right place at the right time. People, in particular, should be in the jobs or positions they are most suited to.
- 11.Equity. Managers should be both friendly and fair to subordinates.
- Stability of Staff. A high employee turnover rate undermines the efficient functioning of an organization.
- 12.Initiative. Subordinates should be given the freedom to conceive and carry out their plans, even though some mistakes may result.
- 13.Espirit de Corps. Promoting team spirit will give the organization a sense of unity. To Fayol, even small factors should help to develop the spirit. He suggested, for example, the use of verbal communications instead of formal, written communication whenever possible.

- 14.Stability of Staff. A high employee turnover rate undermines the efficient functioning of an organization