

# THE COPPERBELT UNIVERSITY



## SCHOOL OF BUSINESS

Department of Business Administration and  
Marketing

Course code: BS/BF/BSP/HRM 150

# **Name : Principles of Management**

## MEETING TIMES

- MONDAY : 10:00HRS TO 13:00HRS
  - (GROUP B) – BS/HRM
- TUESDAY : 14:00HRS TO 17:00HRS
  - (GROUP A) – BS
- WEDNESDAY : 14:00HRS TO 17:00HRS
  - (GROUP C) – BS

LECTURER

**MR. EB KASANDA**

Office No. 11 Business Administration Block  
School of Business.

Email : [edwin.kasanda@cbu.ac.zm](mailto:edwin.kasanda@cbu.ac.zm)

## **Learning Objectives**

1. Briefly describe Henri Fayol's contribution.
2. Discuss Frederick W. Taylor's approach to improving the practice of industrial management.
3. Describe the general aim of the human relations movement and explain the circumstances in which it arose.
4. Describe the general aim of the human relations movement, and explain the circumstances in which it arose.
5. Explain the significance of applying open-system thinking to management.
6. Explain the practical significance of adopting a contingency perspective.

# Evolution of Management Theory

- Management theory has developed in bits and pieces through the years.
- The actual practice of management has been around for thousand of years.
- From the **pyramids of Egypt** and the Great Walls of china.
- Missing link was systematic recording of management knowledge.
- With emergence of large industrial organisations arose structure and management problems
- Organisations became more and more complex
- The old management techniques were found to be less effective. New solutions had to be found.

# Characteristics of industrial revolution

1. **Specialization** – division of labour , each worker is given a small task
2. **Standardization** – production of identical goods
3. **Synchronization** – coordination and blending of elements at one place
4. **Concentration** – being located at the location of work (factories)
5. **Maximization** – efficiency and maximum return on investment
6. **Centralization** – Control and policy decisions being made at the top

# Approaches to management

- approaches to be used to help understand and appreciate how the theory and practice of management has evolved, where it is today, and where it appears to be headed.
- The classical school ( Taylor's scientific management, administrative theory, weber's bureaucracy theory)
- The Behavioural Approach
- The Contemporary (Systems approach and contingency approach)



# The classical school

- Grew out of the need to find guidelines for managing complex organisations
- The classical writers thought of the organisation in terms of its purpose and formal structure.
- They placed emphasis on the planning of work, the technical requirements of the organisation and principles of management.
- Attention was given to the division of work, clear definition of duties and responsibilities and maintaining specialisation and co-ordination.

- Main strands of classical school include the **functional** or **administrative** approach represented by writers such as French management expert Henri Fayol (1841-1925), the German Sociologist, Max Weber (1864-1920), Chester Barnard (1886-1961), and Lyndall Urwick (1891-1983).
- Operational management/scientific management theory associated with Taylor (1856-1915). Other contributors to scientific management include Henry L. Gantt, Frank B. Gilbreth and Lillian M. Gilbreth

# The operational approach/ scientific management By Frederick Taylor (1856-1915)

- Taylor was a mechanical engineer & management consultant (father of scientific management). He developed his theory on the basis of his work experience in three companies. (Midvale steel/simond rolling mills and Bethlehem steel company).
- Scientific management arose out of a need to improve manufacturing productivity through more efficient utilisation of physical and human resources (cutting down wastage and quality improving).
- A growing increase in the number of factories but lack of standard ways to manage large groups of people and complex.

# Operational/scientific management By Frederick Taylor

- Working as a manager at Midvale steel works Fredrick Taylor made a number of observations such as;
- Inefficiency and waste were rampant.
- Output restriction among groups of workers, which Taylor called “systematic soldiering,” was widespread.
- Ill-equipped and inadequately trained workers were typically left on their own to determine how to do their jobs.

# Operational approach/ scientific management cont.

- Decision were made based on hunch and rules of thumb.
- Hence, the father of scientific management committed himself to the relentless pursuit of “finding a better way of doing the job” by eliminating wastage of men and material.
- Taylor wanted to make organisations more standardized, efficient and productive by studying their work process closely.

# Operational approach/ scientific management cont.

- Taylor developed performance standards on the basis of systematic observations and experimentation
- He started scientific management movement in industry in the following areas (Clear guidelines to improve efficiency).
  - Standardization of work practices and methods to reduce waste and increase productivity (replace old rule of thumb)
  - Time and task study of workers' efforts to maximize productivity and output
  - Systematic selection and training of workers to increase efficiency and productivity
  - Differential pay incentives based on established work standards
  - Divide work and responsibility almost equally between management and workers.

# Operational Approach/ Scientific management cont.

- Taylors method was called time & motion studies
- Time – the least amount of time, on average, it took to perform each task
- Motion- what where the minimum number of body movements required to carry out each small task.
- Wanted employees to operate like machines.

# Frank and Lillian Gilbreth

- Frank and Lillian Gilbreth refined Taylor's methods.
  - Made many improvements to time and motion studies.
- Time and motion studies:
  - 1. ***Break down each action*** into components.
  - 2. ***Find better ways*** to perform it.
  - 3. ***Reorganize each action*** to be more efficient.
- Gilbreths also studied fatigue problems, lighting, heating and other worker issues.



# Criticism of scientific management

- “Machine model”, regarding human beings as mere factors of production.
- Ignores the complexities of emotional behaviour
- The **manager** was seen as the “**brains**” and **workers** as “a pair of hands” and as one of the resources just like machines.
- Bottom line **workers were seen as zombies** incapable of thinking
- Differential piece rate was opposed by trade unions
- Managers often implemented only the increased output side of Taylor’s plan.
  - They did not allow workers to share in increased output.
  - Specialized jobs became very boring, dull.
  - Workers ended up distrusting Scientific Management.

# Contributions

- Emphasized efficient **division of labour into small, specialized jobs matching capacities of workers.**
- Made it possible to research the best way to do jobs.
- Ultimate aim **to develop workers' abilities** .
- The manager determined the goals to be accomplished, divided work in most efficient way, trained workers to do the job, and rewarded them by wage incentives.
- Improved methods including time and motion study.
- The task and bonus plan is the foundation of many incentive plans in industry today.

# Contributions

- Many of the guidelines and techniques that Taylor and the Gilbreths devised for improving production efficiency are still used in organizations today.
- When managers analyze the basic work tasks that must be performed, use time-and-motion study to eliminate wasted motions, hire the best-qualified workers for a job, or design incentive systems based on output, they're using the principles of scientific management.

# The Universalist/functional/Administrative theory Henri Fayol (1841-1925)

- It is one of the most popular approaches to management thought
- Fayol was an engineer with extensive business experience.
- Fayol's contributions to management thought were threefold:
  1. Activities of a business
  2. Functions of a manager
  3. Principles of management

# Five Key Activities of A business

- Technical activities – such as production.
- Commercial activities – involved procurement, buying and selling
- Financial activities – such as securing capital
- Security activities – concerned with safeguarding property
- Accounting activities – such as providing financial information.

# Fayol's Second Contribution

- Fayol identified **five major management functions** which include:
- Planning (future of courses of actions/objectives)
- Organising (division of labour, assign responsibility)
- Commanding (orders and clear working instructions)
- Coordinating ( harmonizing all activities, motivating)
- Controlling (actual performance is compared with previously set goals)

# Fayol's Third Contribution

- **Henri Fayol, developed a set of 14 principles:**
  - To guide the thinking of managers in resolving concrete problems.
  - These principles specify rules for successfully managing and structuring an organisation.
1. ***Division of work/Labour:*** (divide work into smaller steps) Specialisation of labour is necessary for organisation success. It reduces a number of tasks performed by a job unit (team of employees) hence improving efficiency and effectiveness.
  2. ***Authority and Responsibility:*** authority is the right to give orders and the power to enforce obedience. The right to give orders must accompany responsibility.

# Fayol's 14 Principles cont.

**3. Discipline:** there must be obedience and respect between a firm and its employees. Obedience and respect help an organisation run smoothly.

**4. Unity of Command:** . - each employee should receive orders from only one superior.

**5. Unity of Direction:** The efforts of everyone in the organisation should be coordinated and focused in the same direction

**6. Subordination of individual interest to the general interest** - the interests of the organisation as a whole should take priority over the interest of any individual or group of individuals within the organisation.



# Fayol's 14 Principles cont.

**7. *Remuneration of Personnel:*** remuneration should be as fair as possible satisfy both employee and employer. Employees should be paid in accordance with their contribution.

**8. *Centralization:*** The relationship between centralization and decentralization is a matter of proportion; the optimum balance must be found for each organization

**9. *Scalar chain* :** is the chain of superiors from the highest authority to the lowest. Subordinates should observe the formal chain of command unless expressly authorized by their respective superiors to communicate with each other.

# Fayol's 14 Principles cont.

**10. Order** - there should be a place for everything and everything, people and material, must be in its place - All factors of production must be in an appropriate structure.

**11. Equity** - equality of treatment should be taken into account in dealing with employees throughout all levels of the scalar chain. Fairness will lead to devotion and loyalty from employees.

**12. Stability and tenure of personnel** - people need time to learn their jobs . Retaining personnel, orderly personnel planning, and timely recruitment and selection are critical to success.

# Fayol's 14 Principles Cont.

**13. Initiative** - individuals should display their creative ability, zeal and energy in all their efforts. Management should encourage initiative.

**14. Esprit de corps** - harmony and unity among members of the organisation is a great strength as this contributes to high productivity. It is necessary to avoid the dangers of divide and rule of one's team.

# Lessons from Fayol's Universal Process Approach

- The management process can be separated into interdependent functions.
- Management is a continuous process.
- Management is a largely, though not an entirely, rational process.
- The functional approach is useful because it specifies what managers should do.
- Fayol's functions and principles have withstood the test of time because of their widespread applicability.
- Fayol's original management functions still can be found in nearly all management texts.

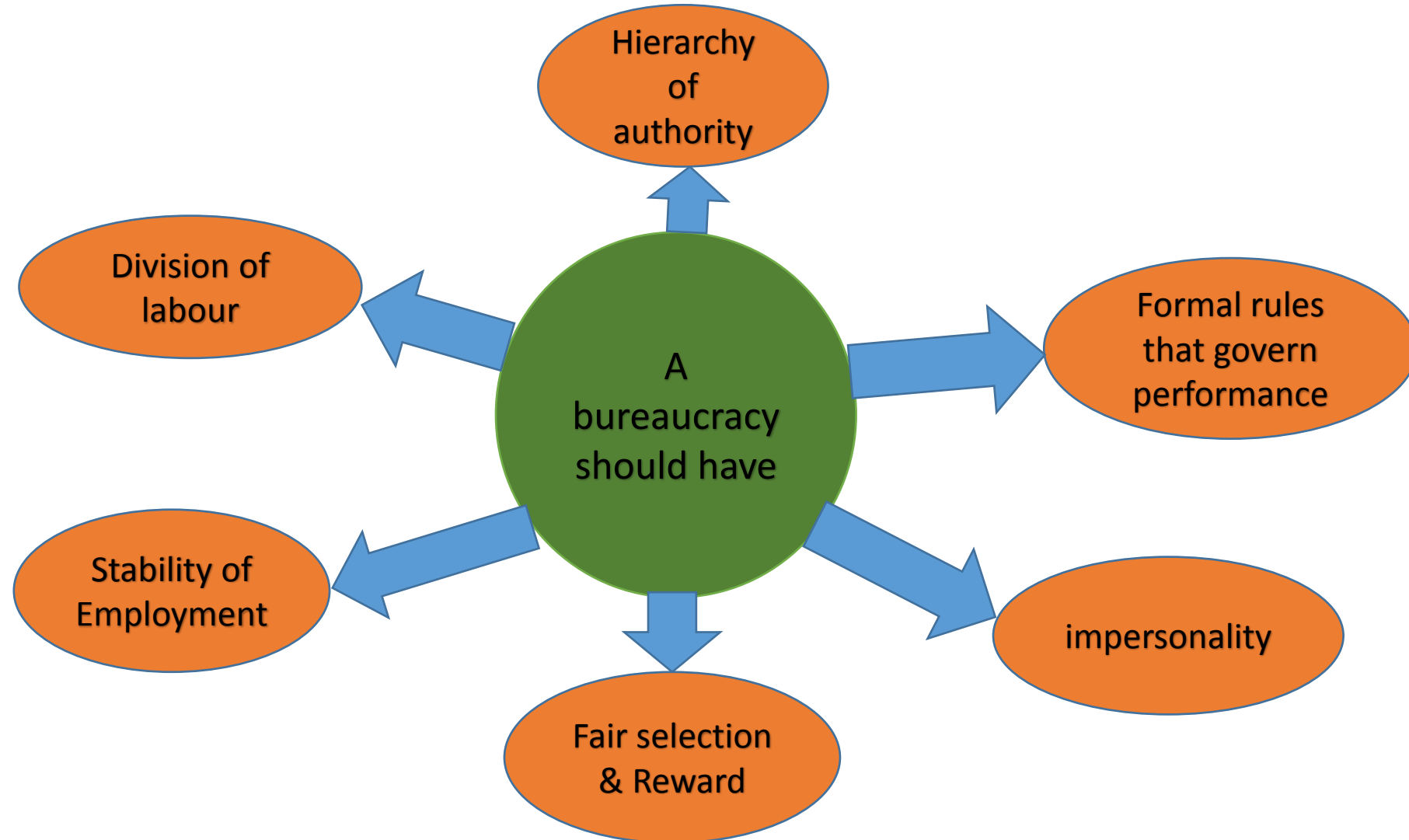
# Fayol's Critiques

- Fayol's created the impression that the management process is more rational and orderly than it really.
- Some critics dismiss his principles as no more than advice.
- His approach reflect a rigidity and formalism which leads directly to the inefficiencies of the bureaucracy.

# MAX WEBER AND THE CONCEPT OF BUREAUCRACY

- Weber (1864-1920) was a social scientist with an interest in organisations.
- He developed the bureaucratic model as the type of organisation he felt would best serve the needs of an increasingly urbanised and industrialised society.
- Bureaucracy is the most efficient and effective way of managing organisations
- A bureaucratic organisation is characterised by many rules and procedures, rigid structure of authority and division of labour.
- **Weber's concept of bureaucracy is based on 6 characteristics**

# Characteristics of bureaucracy



# Criticisms of Bureaucracy

- Bureaucracy in practice has become the epitome of inefficiency.
- Bureaucrats are interested in the protection of that career than in dealing with clients.
- The rules often slow down the work.
- Over- emphasis on the rules leads to the familiar charge of 'red tape'
- Specialisation leads to ignorance of even related tasks



# Classical School

- **Taylor, Fayol, Gilbreths and Webber**-form the classical school of management with emphasis on:
  1. Organization in terms of its purpose and formal structure.
  2. Planning of work,
  3. The technical requirements of the organization and principles of management
  4. Division of work, clear definition of duties and responsibilities and maintaining specialization and co-ordination.
  5. Improving the organization structure as a means of increasing efficiency.

# The Behavioral Approach

- **The Behavioural School grew as a reaction against the rigidity of the classical school.**
- Focuses on the way a manager should personally manage to motivate employees.
- It draws attention to the importance of morale, motivation, recognition of effort and security.
- Advocates of the behavioural approach to management point out that people deserve to be the central focus of organized activity.
- They believe that successful management depends largely on a manager's ability to understand and work with people who have a variety of backgrounds, needs, perceptions, and aspirations.

# The Behavioral Approach cont.

- The behavioural approach
  - An effort to make managers more sensitive to their employees' needs
  - Arose out of the influences of
    - The threat of unionization
    - The Hawthorne studies (1924-1932)
    - The philosophy of industrial humanism /Human Relations Approach (1940).

# The Threat of Unionization

- Following the enactment of the Wagner Act of 1935 that legalised union – management collective bargaining, management began searching for ways of preventing employees from joining the unions.
- Early human relations theorists advocated that if employees were satisfied they would be less inclined to join unions.
- Business managers subsequently began adopting morale- boosting human relations techniques as a union avoidance tactic.

# The Hawthorne Studies

- **Study of worker efficiency at the Hawthorne Works of the Western Electric Co. during 1924-1932.**
- **Find the relationship between production and changes in work condition**
- Behavioural scientists from prestigious universities began to conduct on-the-job behavior studies. Instead of studying tools and techniques in the scientific management tradition, they focused on people. Practical behavioral research such as the famous Hawthorne studies stirred management's interest in the psychological and sociological dynamics of the workplace.

# The Hawthorne Studies

- **First study (1924-1927)**
- Began in 1924 in a Western Electric plant near Chicago
- They wanted to examine the effect of various lighting levels on worker productivity
- Curiously, the performance of a select group of employees tended to improve no matter how the physical surroundings were manipulated.
- Worker productivity was measured at various levels of light illumination
- Even when the lights were dimmed to mere moonlight intensity, productivity continued to climb.
- Researchers found that regardless of whether the light levels were raised or lowered, productivity rose.
- It was concluded that productivity was much less affected by changes in work conditions than by the attitudes of the workers themselves.

# The Hawthorne Studies

- **Second set of studies (1927-1929)**
- The study involved six women assembling electrical relays in the relay Assembly .
- A special room away from other workers was used to avoid disturbance.
- No official supervisor was present and workers would leave the room without permission (self management).
- Actually, it appears that the workers enjoyed the attention they received as part of the study and were more productive.

# The Hawthorne Studies

- **Findings**
- Change in the supervisory arrangement was the major reason for the increase in productivity.
- Physical changes, such as rest periods, free lunches, and shortened hours, as well as the group incentive pay plans, were factors of lesser importance



# The Hawthorne Studies

- **Third set of studies (1928-1931):**
- Hawthorne's management interviewed employees over attitudes towards working conditions, their supervision and their jobs.
- Responses showed that social relationships at work were of major importance to employees

# The Hawthorne Studies

- **Fourth set of studies (1931-1932):**
- The employees were removed from the Bank Wiring to an Observation room.
- The aim was to observe a group working under more or less normal conditions cover a period of six months.
- The group soon developed its own rules and behaviour.
- This study revealed the importance of social relations and informal work standards

# The Hawthorne Studies

- **Fifth and final set of studies (1936):**
- This focused on employee relations and took the form of employee counselling interviews.
- Employees were encouraged to discuss their work problems with trained personnel specialists.
- This led to improved employee–supervisor relations.

# Findings of the Hawthorne Studies

- Productivity was much less affected by changes in work conditions than by the attitudes of the workers themselves.
- Relationships between members of a work group and between workers and their supervisors were found to be more significant.

# Criticisms of The Hawthorne Studies

- The methodology used.
- Failure of the investigators to take sufficient accounts of environmental factors.
- Major flaws included changing several factors at the same time
- Important data were sometimes ignored in drawing conclusions.

# The Philosophy of Industrial Humanism

- Although unionization prompted a search for new management techniques and the Hawthorne studies demonstrated that people were important to productivity, a philosophy of human relations was needed to provide a convincing rationale for treating employees better.
- Elton Mayo, Mary Parker Follett, and Douglas McGregor, although from very different backgrounds, offered just such a philosophy.

# The philosophy of Industrial Humanism - ELTON MAYO

- Born in Australia, Elton Mayo was a Harvard professor specializing in psychology and sociology when he took over the Hawthorne studies.
- He cautioned managers that emotional factors were a more important determinant of productive efficiency than physical and logical factors.
- Claiming that employees create their own unofficial yet powerful workplace culture complete with norms and sanctions, Mayo urged managers to provide work that fostered personal and subjective satisfaction.
- He called for a new social order designed to stimulate individual cooperation
- Mayo and his associates discovered that:
- Emotional factors were a more important determinant of productivity.

# Mayo's Findings

- Emotional factors were a more important determinant of productive efficiency than physical and logical factor were.
- Non-economic rewards play a central role in determining the motivation and happiness of the worker.
- Workers do not react to management and its norms and rewards as individuals, but as groups.



# The philosophy of Industrial Humanism – Mary Parker Follett

- Managers should be aware that each employee is a complex collection of emotions, beliefs, attitudes, and habits.
- Managers should know how to motivate employees to cooperate rather than to demand performance from them
- Cooperation, a spirit of unity, and self-control were seen as the keys to both productivity and a democratic way of life

# The philosophy of Industrial humanism –Douglas McGregor

- McGregor viewed the typical employee as an energetic and creative individual who could achieve great things if given the opportunity
  - Developed Theory X and Theory Y
    - Theory X: Management's traditionally negative view of employees as unmotivated and unwilling workers
    - Theory Y: The positive view of employees as energetic, creative, and willing workers

# Douglas McGregor Theory X and Y

**Table 2.2** McGregor's Theories X and Y

**Theory X: Some traditional assumptions about people**

1. Most people dislike work, and they will avoid it when they can.
2. Most people must be coerced and threatened with punishment before they will work. They require close direction.
3. Most people prefer to be directed. They avoid responsibility and have little ambition. They are interested only in security.

**Theory Y: Some modern assumptions about people**

1. Work is a natural activity, like play or rest.
2. People are capable of self-direction and self-control if they are committed to objectives.
3. People will become committed to organizational objectives if they are rewarded for doing so.
4. The average person can learn to both accept and seek responsibility.
5. Many people in the general population have imagination, ingenuity, and creativity.

# Behavioural Approach Contributions

- People are the key to productivity.
- i) how they were treated, ii) how they felt about their work, coworker and boss and iii) what happened to them outside work.
- Technology, work rules, and standards do not guarantee good job performance
- In summary, workers were more than a pair of “hands”; workers have feelings and attitudes that affect productivity.
- Success depends on motivated and skilled individuals who are committed to organizational objectives.
- Only a manager’s sensitivity to individual concerns can foster the cooperation necessary for high productivity.
- Bottom line, an effective manager was expected to pay attention to people’s social needs and elicit their ideas about work.

# How today's managers use the behavioural approach

- The behavioral approach has largely shaped how today's organizations are managed. From the way that managers design jobs to the way that they work with employee teams to the way that they communicate, we see elements of the behavioral approach.

# The Systems Approach

- **What Is a System?**

- A collection of parts operating interdependently to achieve a common purpose

- **Systems Approach**

- Views an organisation as a group of interrelated parts with a single purpose: to remain in balance
- Postulates that the performance of the whole is greater than the sum of the performance of its parts
- Seeks to identify all parts of an organized activity and how they interact

# Systems Approach cont.

- **Organisation as a system comprise four elements**
  - Input (acquired external resources)
  - Transformational process (inputs are processed)
  - Outputs (products and services)
  - Feedback (reactions from the environment)
- Managers therefore can not deal separately with individual parts: they should view the organisation as a whole and should anticipate the effects of their decisions on the other parts of the organisation
- Management should maintain a balance between the various parts of the organisation and the environment

# Systems Considerations

- **An open system interacts with the environment.** Depends on the surrounding environment for survival
- **A closed system is self-contained.**
  - Closed systems often undergo gradual decline and lose the ability to control itself, and fails.
- ***Synergy*: performance gains of the whole surpass the components.**
  - Synergy is only possible in a coordinated system.



# Systems Approach Lessons

- Because of the influence of the systems approach, managers now have a greater appreciation for the importance of seeing the whole picture.
- Open-system thinking does not permit the manager to become preoccupied with one aspect of organizational management while ignoring other internal and external realities.
- The manager of a business, for instance, must consider resource availability, technological developments, and market trends when producing and selling a product or service.

# Contingency Theory

- A research effort to determine which managerial practices and techniques are appropriate in specific situations
- **Assumes there is no one best way to manage.**
- Different situations require different managerial responses
  - The environment impacts the organization and managers must be flexible to react to environmental changes.
  - The way the organization is designed, control systems selected, depend on the environment.
- **Technological environments change rapidly, so must managers.**

# The Contingency Approach cont.

- **Application of management principles depend/varies according to the particular situation.**
- Individuals, groups, industries, managing styles can all vary enormously.
- No single best way to manage, method effective in one situation not work in another
- For instance if a production manager needs to improve productivity, he/she decides on a new work method (a scientific), or to restructure (bureaucratic), or new motivation approach (behavioural)
- Bottom line, the **prevailing situation enormously affects org success**

# Lessons from the Contingency Approach

- Approach emphasizes situational appropriateness rather than rigid adherence to universal principles
- Approach creates the impression that an organization is captive to its environment

# Summary

- The various theories have shown different approaches to managing people and organization:
- People as “a pair of hands” or as a commodity or a machine
- Management as a discipline: its practice implied effective management of both people and organizations
- People as more than ‘a pair of hands’ and having feelings and attitudes that affect productivity
- People seen as having ‘minds’ to think and therefore needed to be involved in decision-making.
- People as well as organizations are subject to environment changes

# Summary Cont.

- Organizations seen as social systems made up various interdependent subsystems.
- Management is an interdisciplinary and international field that has evolved over the years.
- The operational approach has evolved from scientific management to operations management.
- Quality advocates teach the strategic importance of high-quality goods and services.
- Management has turned to the human factor in the human relations movement and organizational behavior approach.

# Summary Cont.

- Under the systems approach, modern organizations are viewed as open systems.
- The contingency approach stresses situational appropriateness rather than universal principles.

***Thank you for appreciating the evolution of management  
Now lets focus on the process of management in the next chapters.***