

CHAPTER # 02 (PART 01)

THE EVOLUTION OF MANAGEMENT THINKING

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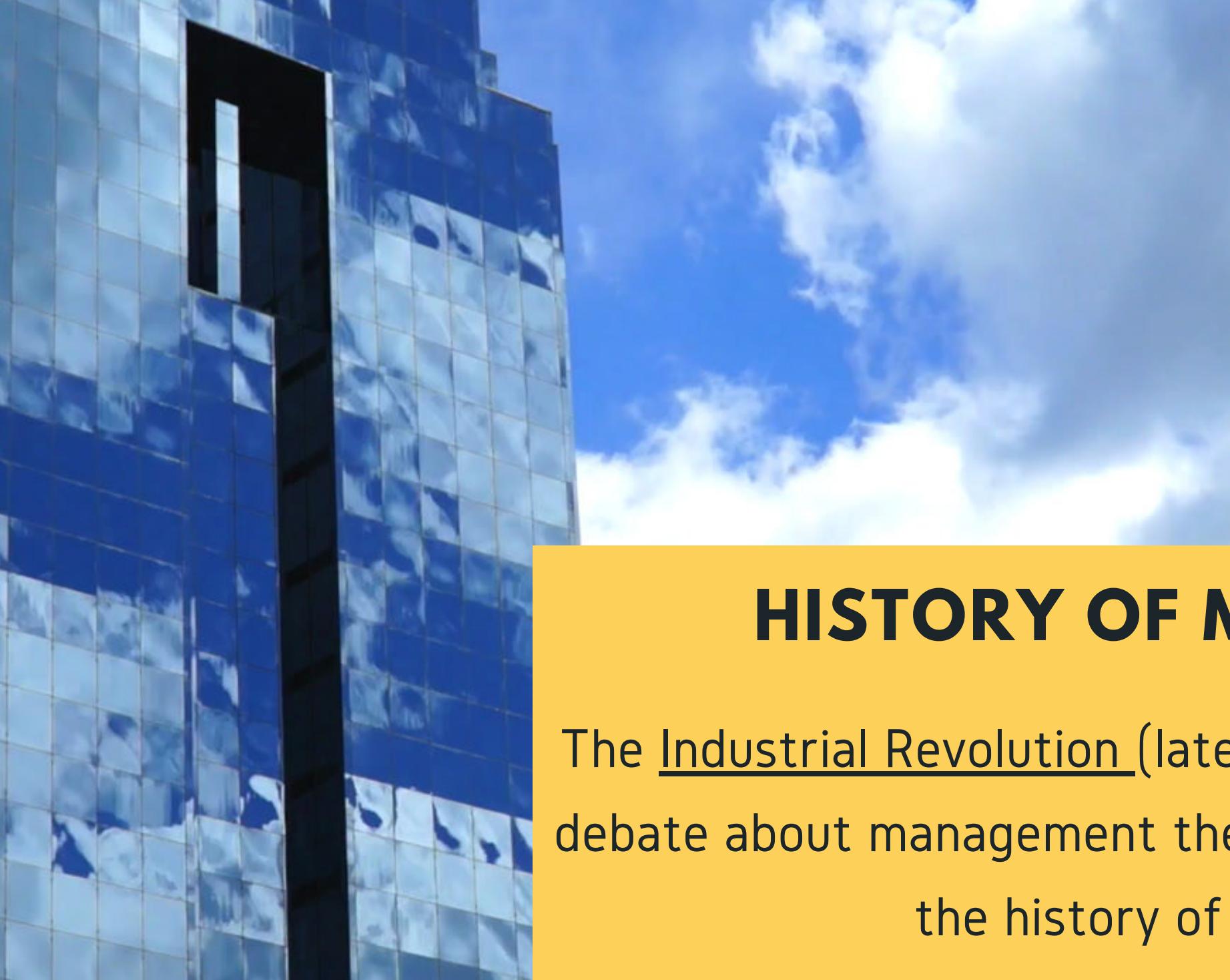


INTENDED LEARNING OUTCOMES



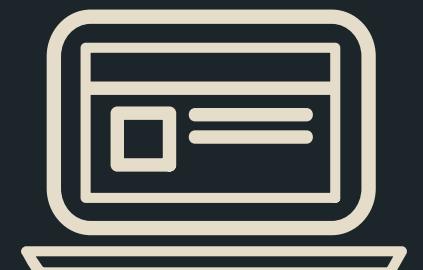
YOU WILL LEARN:

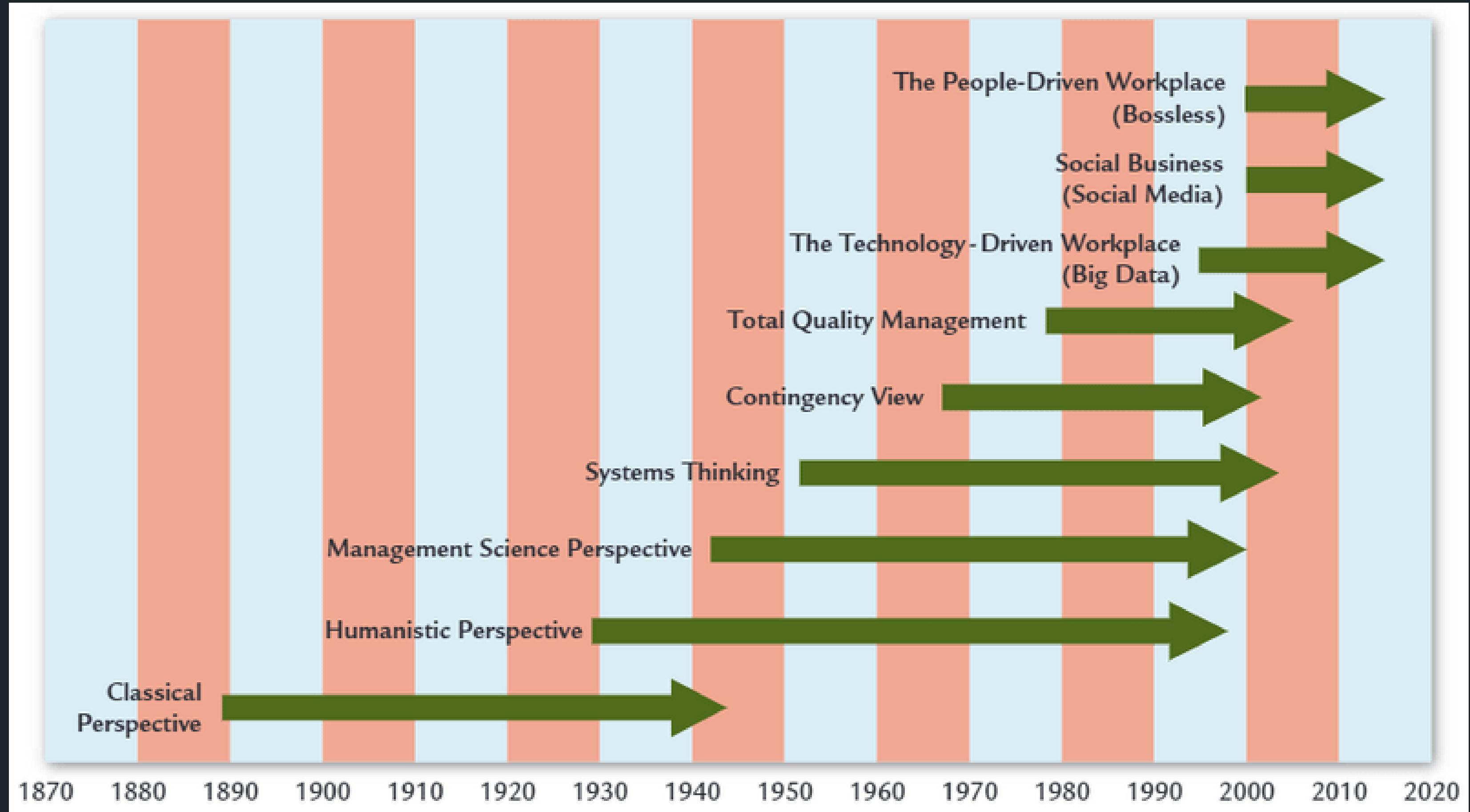
- Describe some early management examples.
- Explain the various theories in the classical approach.
- Discuss the development and uses of the behavioral approach.
- Describe the quantitative approach.
- Explain various theories in the contemporary approach



HISTORY OF MANAGEMENT

The Industrial Revolution (late 18th Century) sparked great debate about management theory. It's a key turning point in the history of management.



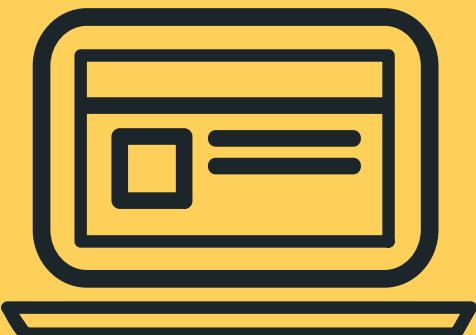


EARLY MANAGEMENT

- Pyramids (It took more than 100,000 workers some 20 years to construct a single pyramid)
- Great Wall of China - 6000km long, got completed in 956 years
- Adam Smith - 1776, The Wealth of Nations - Division of labour / Specialistaion, example of pins
- Industrial Revolution - A period during the late eighteenth century when machine power was substituted for human power, making it more economical to manufacture goods in factories than at home



CLASSICAL APPROACH TO MANAGEMENT



CONCEPT

It is a school of thought based on the belief that employees have only economical and physical needs, and that social needs and need for job-satisfaction either don't exist or are unimportant.

It advocates high specialization of labor, centralized decision making, and profit maximization.

Classical Management Theory dominated management thinking in the 1920s and 1930s by emphasising on the efficiency of the work process.

03 SUB-FIELDS OF CLASSICAL MANAGEMENT THEORY

Scientific Management

Bureaucratic Management

Administrative Management

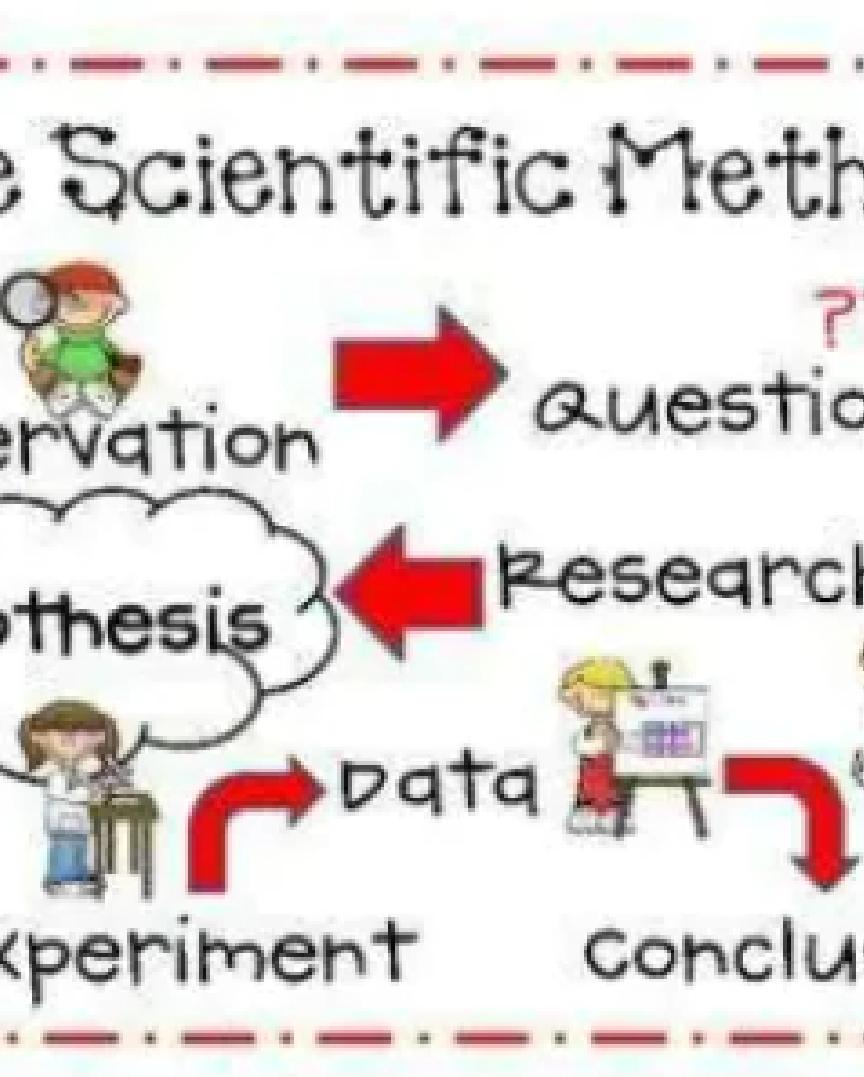
SCIENTIFIC MANAGEMENT

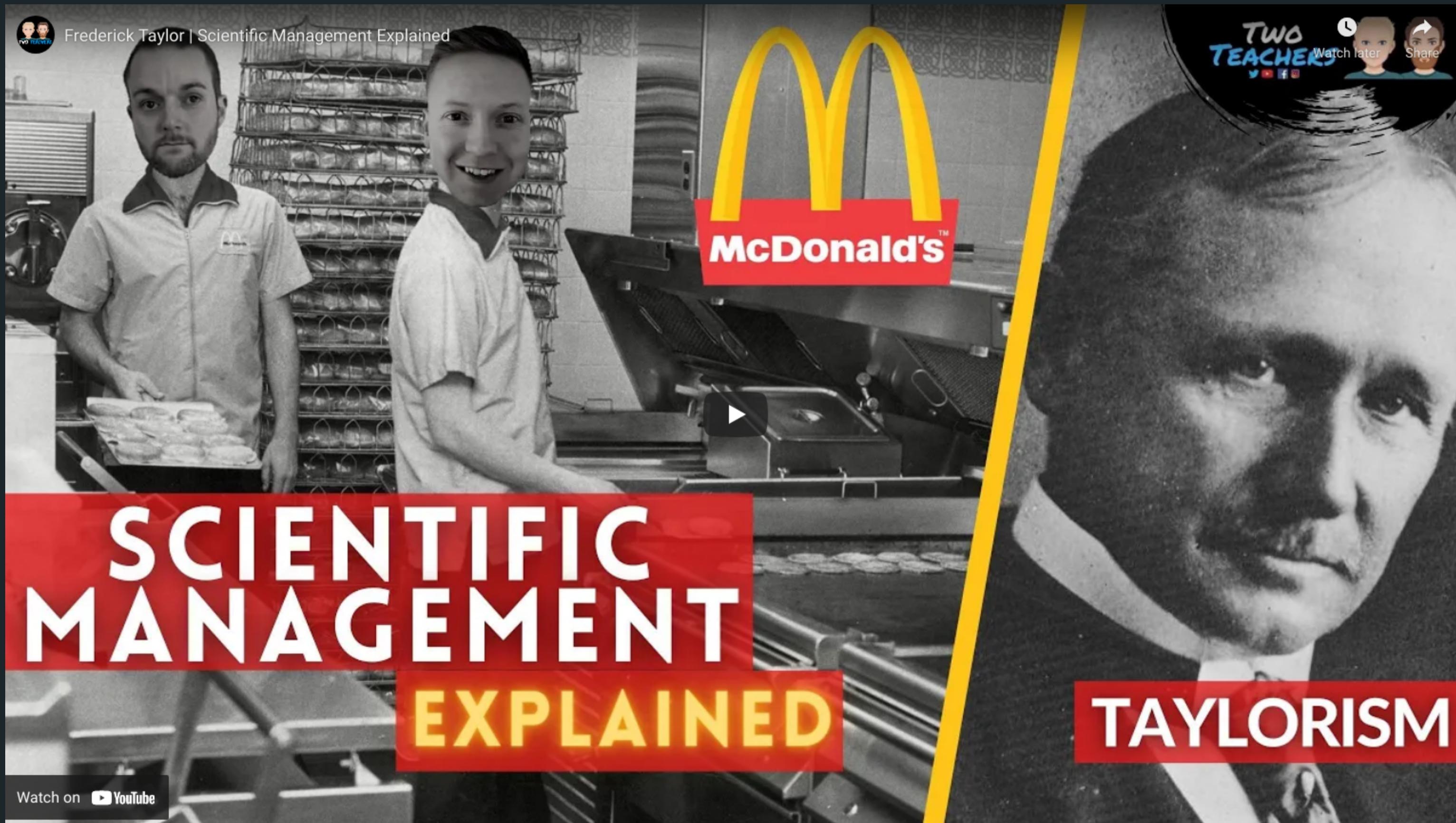
FREDRICK WINSLOW TAYLOR



SCIENTIFIC MANAGEMENT

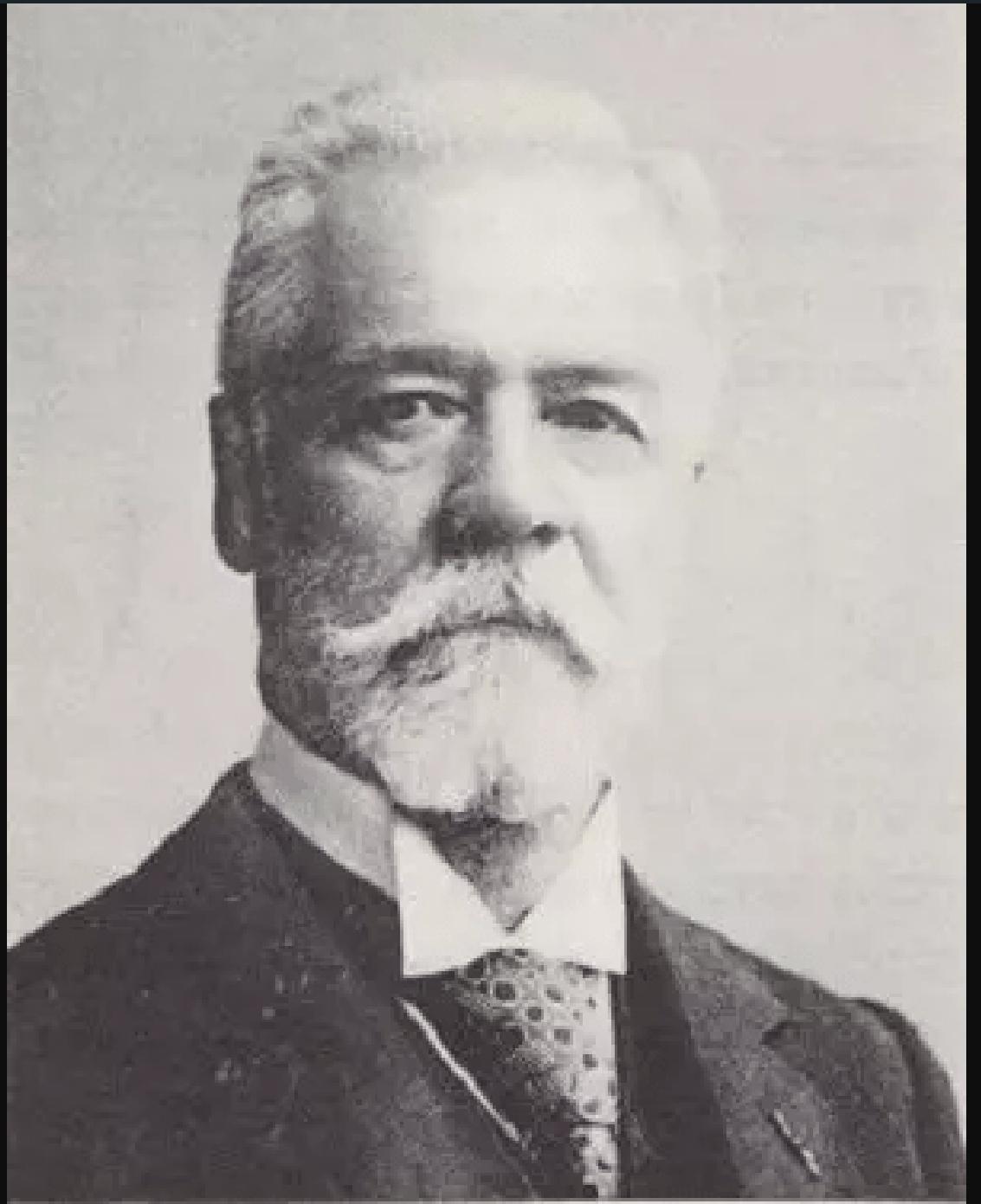
- Taylor - also known as - Father of Scientific Management
 - Widely recognized as a first management thinker, who tried to find out scientific methods
 - A Mechanical Engineer by profession
-
- **Taylor's 04 principles of Management:**
 1. Analyze each portion of the task and select **one best method** to do it.
 2. Assign employees to work that suits their **skills and motivation levels**. Then, **coach them** to reach maximum efficiency (training).
 3. **Monitor employees** to determine performance. This involves **offering guidance** to those that aren't as efficient as needed.
 4. Total responsibility for the work **method** should be removed from the worker and should be passed on to the **management**, and the employee is only responsible for the **actual work performance**.





ADMINISTRATIVE MANAGEMENT

HENRY FAYOL



“

**Fundamental rules of
management that could be
applied in all organizational
situations and taught in schools**

14 Principles of Henry Fayol

► Division of Work

► Authority and Responsibility

► Discipline

► Unity of Command

► Unity of Direction

► Interest

► Remuneration

► Centralization

► Scalar Chain

► Order

► Equity

► Stability of Tenure

► Initiative

► Esprit De Corp

14 PRINCIPLES OF FAYOL (1)

DIVISION OF WORK

Fayol presented work specialization as the best way to use the human resources of the organization

AUTHORITY & RESPONSIBILITY

Authority - right to give orders

Responsibility - being accountable

Whoever assumes authority, also assumes responsibility

DISCIPLINE

Employees must obey and respect the rules that govern the organization.

in cases otherwise - impose penalties

UNITY OF COMMAND

Every employee should receive orders from only one superior.

UNITY OF DIRECTION

The entire organization should be moving towards a common objective in a common direction.

14 PRINCIPLES OF FAYOL (2)

INTEREST

The interests of one person should not take priority over the interests of the organization as a whole

REMUNERATION

Many variables, such as cost of living, supply of qualified personnel, general business conditions, and success of the business, should be considered in determining a worker's rate of pay.
(Market competitive)

CENTRALISATION

This term refers to the degree to which subordinates are involved in decision making.

SCALAR CHAIN

The line of authority from top management to the lowest ranks is the scalar chain.
Lower-level managers should always keep upper-level managers informed of their work activities.

ORDER

People and materials should be in the right place at the right time

14 PRINCIPLES OF FAYOL (3)

EQUITY

Combination of kindliness and justice

Managers should be kind and fair to their subordinates.

STABILITY OF TENURE

Retaining productive employees should always be a high priority of management.

Management should ensure timely replacements are available to fill vacancies

INITIATIVE

Management should take steps to encourage worker initiative, which is defined as new or additional work activity undertaken through self-direction

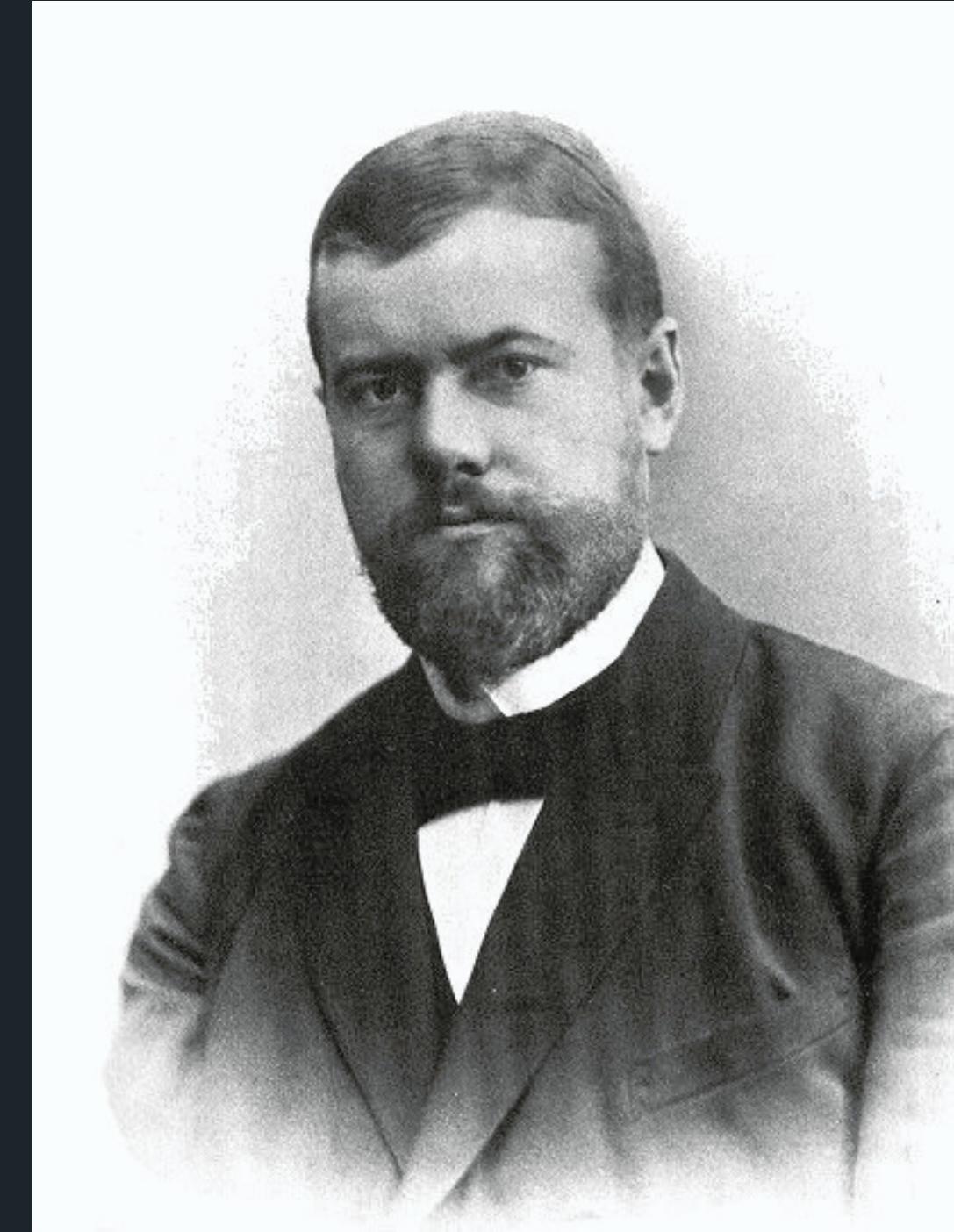
ESPIRIT DE CORPS

Promoting team spirit will build harmony and unity within the organization.

French term - spirit of the body (team / group)

BUREAUCRATIC MANAGEMENT

MAX WEBER



WEBER'S THEORY



Max Weber was a German sociologist who studied organizations.

BUREAUCRACY - Form of organization characterized by division of labor, a clearly defined hierarchy, detailed rules and regulations, and impersonal relationships.

Bureaucracy, as described by Weber, is a lot like scientific management in its ideology. Both emphasized rationality, predictability, impersonality, technical competence, and authoritarianism. Although Weber's ideas were less practical than Taylor's, the fact that his "ideal type" still describes many contemporary organizations attests to their importance.



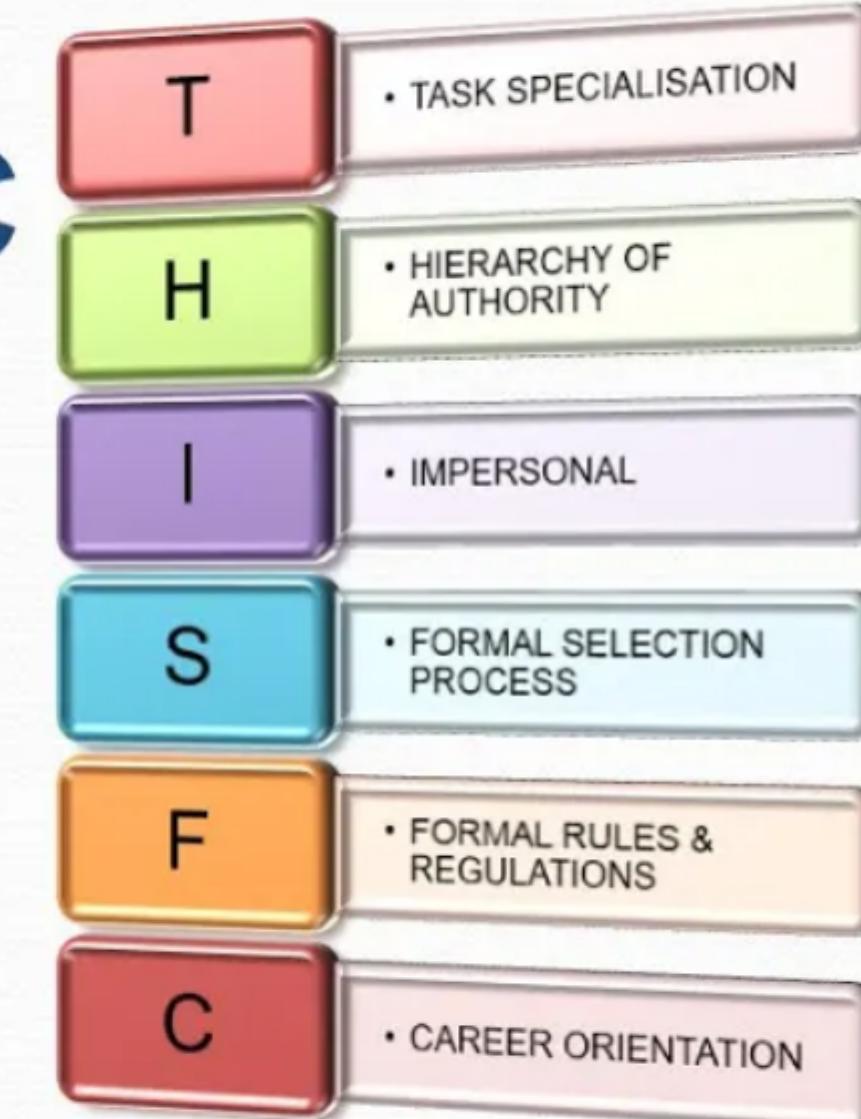
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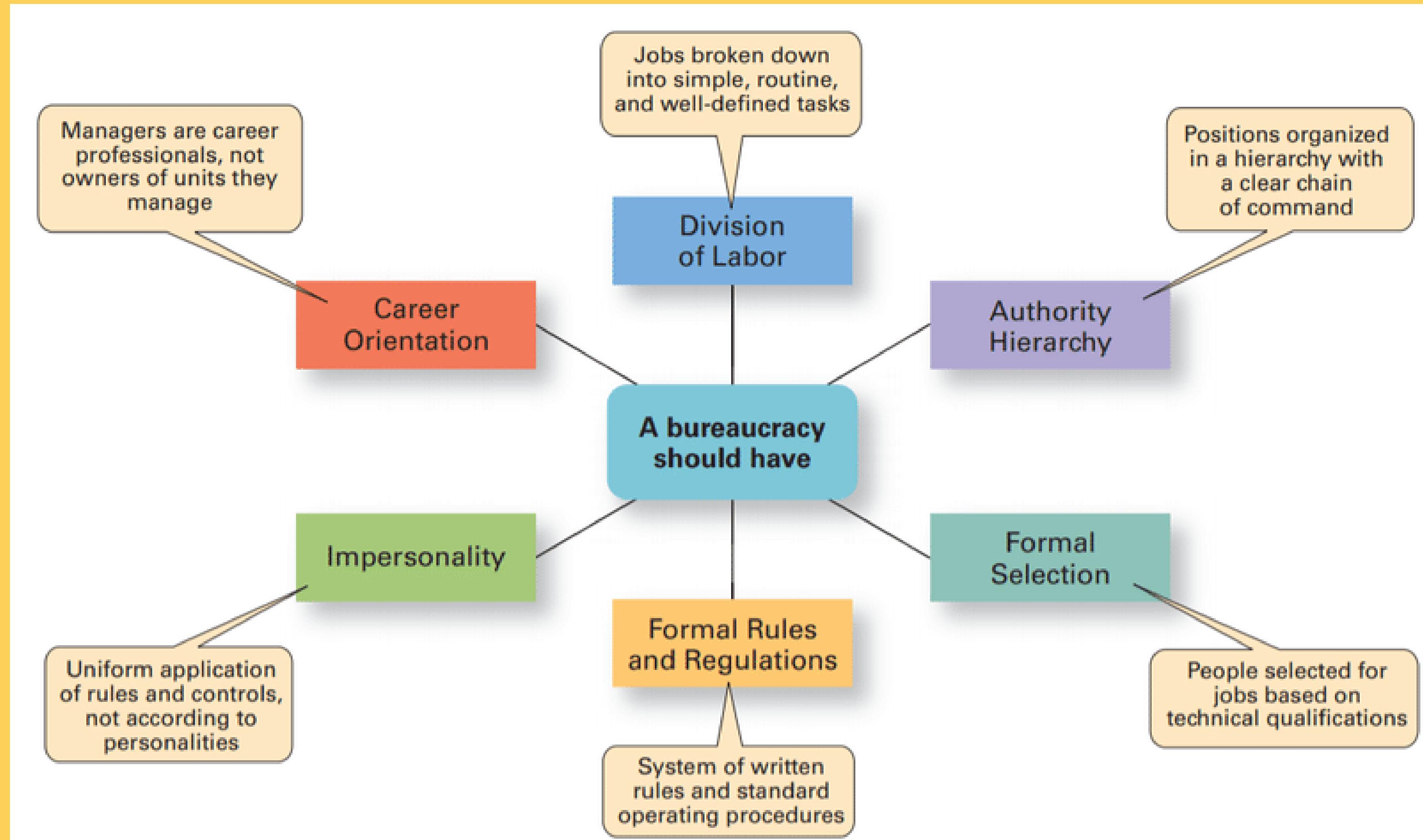
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WEBER'S BUREAUCRATIC MANAGEMENT



& HOW TO
MEMORISE IT







CLASSICAL APPROACH TO MANAGEMENT (SUMMARY)



Classical Management Theory

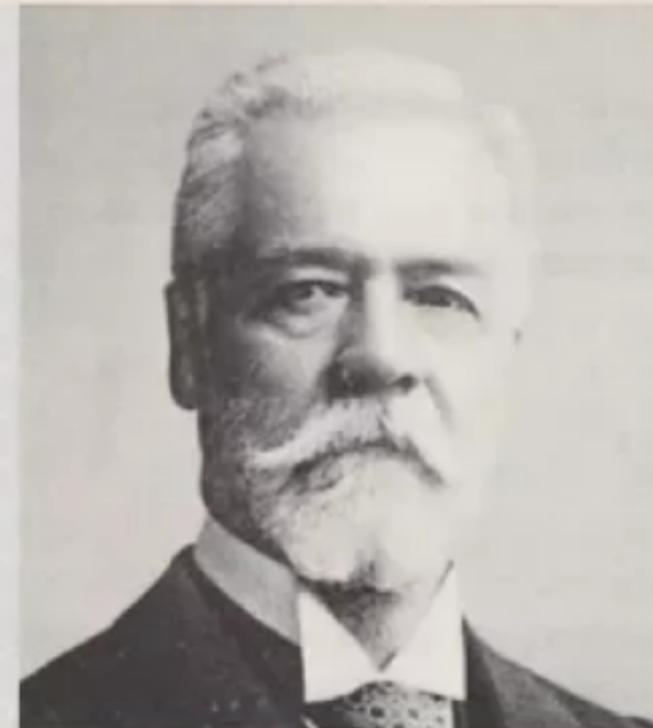


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CLASSICAL MANAGEMENT THEORY



WEBER TAYLOR FAYOL