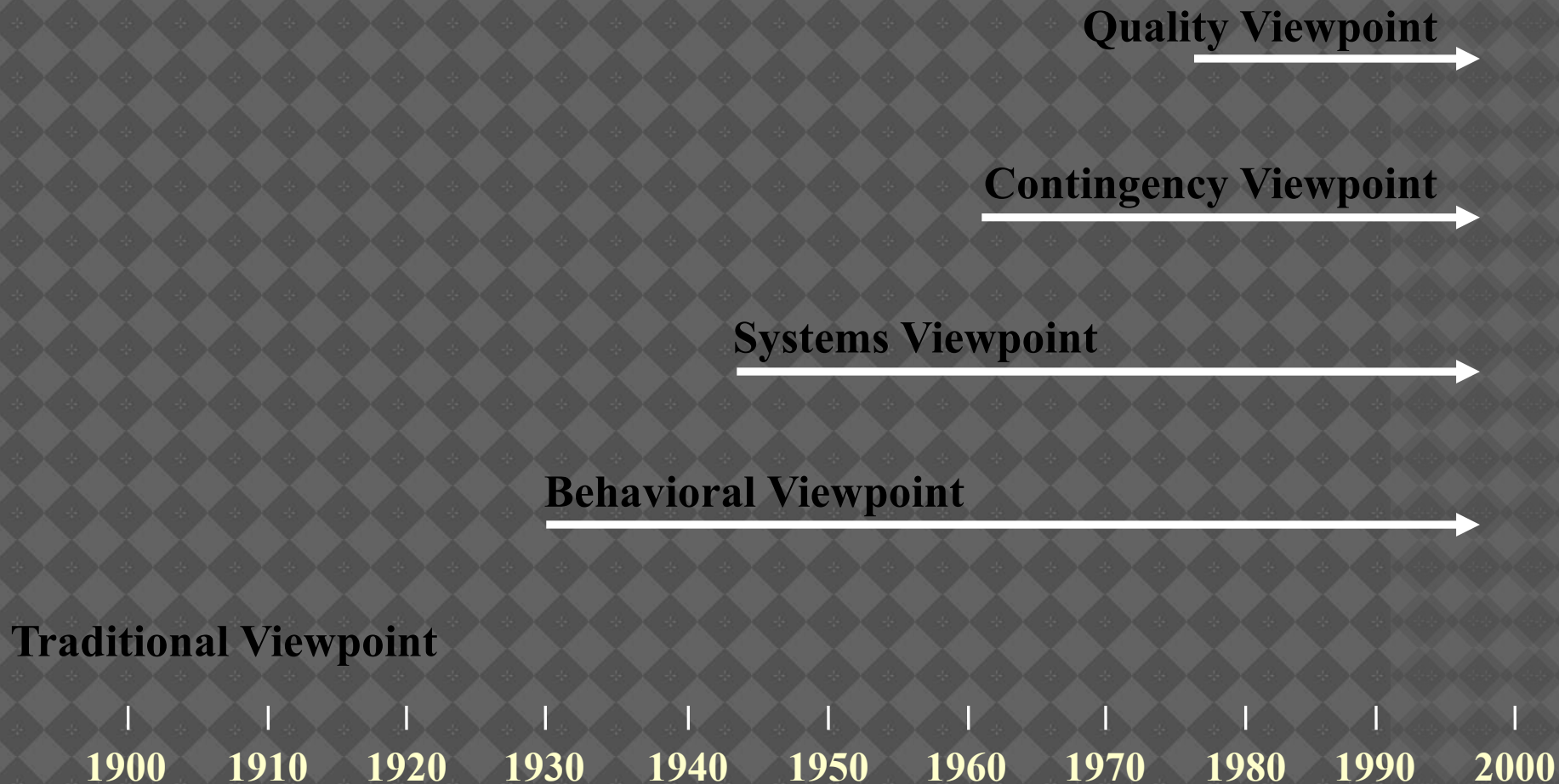


HISTORY OF MANAGEMENT THOUGHT

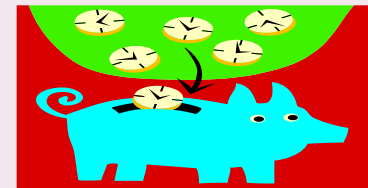
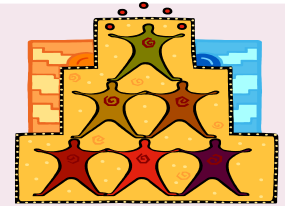
Early management theory consisted of numerous attempts at getting to know these newcomers to industrial life at the end of the nineteenth century and beginning of the twentieth century in Europe and United States

◎ HISTORY OF MANAGEMENT THOUGHT



Bureaucratic Management

- **Hierarchical Structure**—ranks jobs according to the amount of authority in each job
- **Authority**—who has the right to make decisions of varying importance at different organizational levels
 - ✓ Traditional authority
 - ✓ Charismatic authority
 - ✓ Rational, legal authority
- **Lifelong Career Commitment**—both the employee and the organization view themselves committed to each other over the working life of the employee
- **Rationality**—the use of the most efficient means available to accomplish a goal



Potential Costs of Bureaucracy



Protection of authority

Slow decision making

**Rigid rules
and
red tape**

**Incompatible with
changing
technology**

**Incompatible with
21st century workers'
values for freedom
and participative
management**

Scientific Management



- ✓ Believed increased productivity depended on finding ways to make workers more efficient
- ✓ Used **time-and-motion** studies to analyze work flows, supervisory techniques, and worker fatigue
- ✓ Used **functional foremanship**, a division of labor that assigned eight foremen to each work area
- ✓ Assumed workers motivated by money \$\$

TAYLOR'S 4 PRINCIPLES OF SCIENTIFIC MANAGEMENT

Taylor's four principles of scientific management:

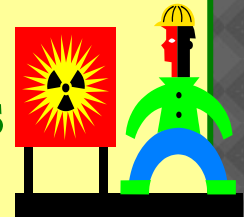
- ⦿ Work methods should be based on scientific observation - not “rules of thumb.”
- ⦿ Scientifically select, train, and develop each worker
- ⦿ Cooperate with workers to ensure that scientifically developed methods are being followed.
- ⦿ Managers analyze and plan work; workers actually perform the tasks.

Scientific Management



❖ The Gilbreths

- Frank Gilbreth used motion pictures to analyze workers' motions
- Lillian Gilbreth championed protecting workers from unsafe working conditions



❖ Henry Gantt

- Focused on control systems for production scheduling (Gantt Chart)



Administrative Management: Overview



- ❑ Focuses on the manager and basic managerial functions of planning, organizing, controlling and leading



- **Unity of Command Principle:** an employee should report to only one manager



- **Authority Principle:** managers have the right to give orders to get things done

FAYOL'S PRINCIPLES OF EFFECTIVE MANAGEMENT

- Division of Work: allows for job specialization.
 - Work should be divided among individuals and groups.
- Authority and Responsibility
 - Authority right to give orders
 - Responsibility involves being answerable

Whoever assumes authority assumes responsibility
- Discipline
 - Common efforts of workers. Penalties
- Unity of Command
 - Employees should have only one boss.

FAYOL'S PRINCIPLES OF EFFECTIVE MANAGEMENT

- Unity of Direction
 - A single plan of action to guide the organization.
- Subordination of individual interests to the general interests of organization
- Remuneration
 - An equitable uniform payment system that motivates contributes to organizational success.
- Centralization
 - The degree to which authority rests at the top of the organization.
- Scalar Chain
 - Chainlike authority scale.
 - Most vs. least authority

FAYOL'S PRINCIPLES OF EFFECTIVE MANAGEMENT

◉ Order

- The arrangement of employees where they will be of the most value to the organization and to provide career opportunities.

◉ Equity

- The provision of justice and the fair and impartial treatment of all employees.

◉ Stability of Tenure of Personnel

- Long-term employment is important for the development of skills that improve the organization's performance.
- Subordination of Individual Interest to the Common Interest
- The interest of the organization takes precedence over that of the individual employee.

FAYOL'S PRINCIPLES OF EFFECTIVE MANAGEMENT

◎ Initiative

- The fostering of creativity and innovation by encouraging employees to act on their own.

◎ Esprit de corps

- Harmony, general good feeling among employees, shared enthusiasm, foster devotion to the common cause (organization).

Behavioral Viewpoint: Overview

- ❖ Focuses on dealing effectively with the human aspects of organizations
- ❖ Started in the 1930's
- ❖ Emphasis on working conditions
- ❖ Workers wanted respect
- ❖ Workers formed unions to bargain with management

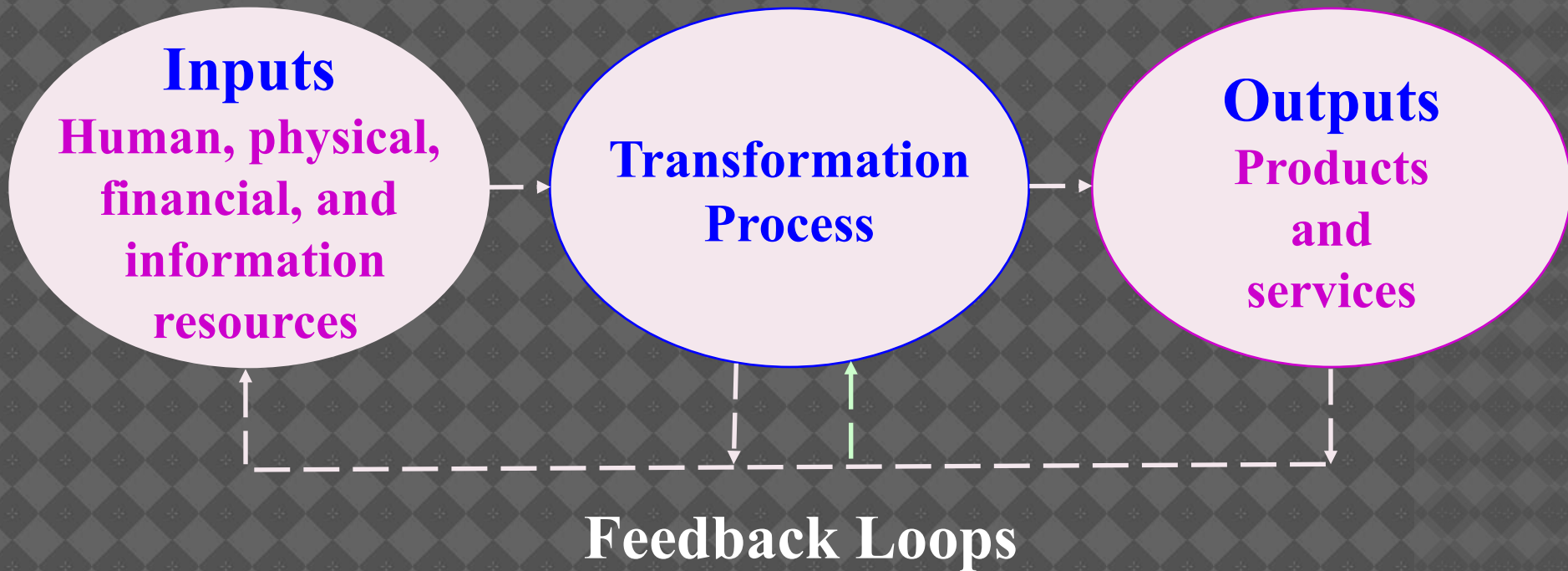


SYSTEMS VIEWPOINT: SYSTEMS CONCEPTS

➤ **System:** an association of interrelated and interdependent parts

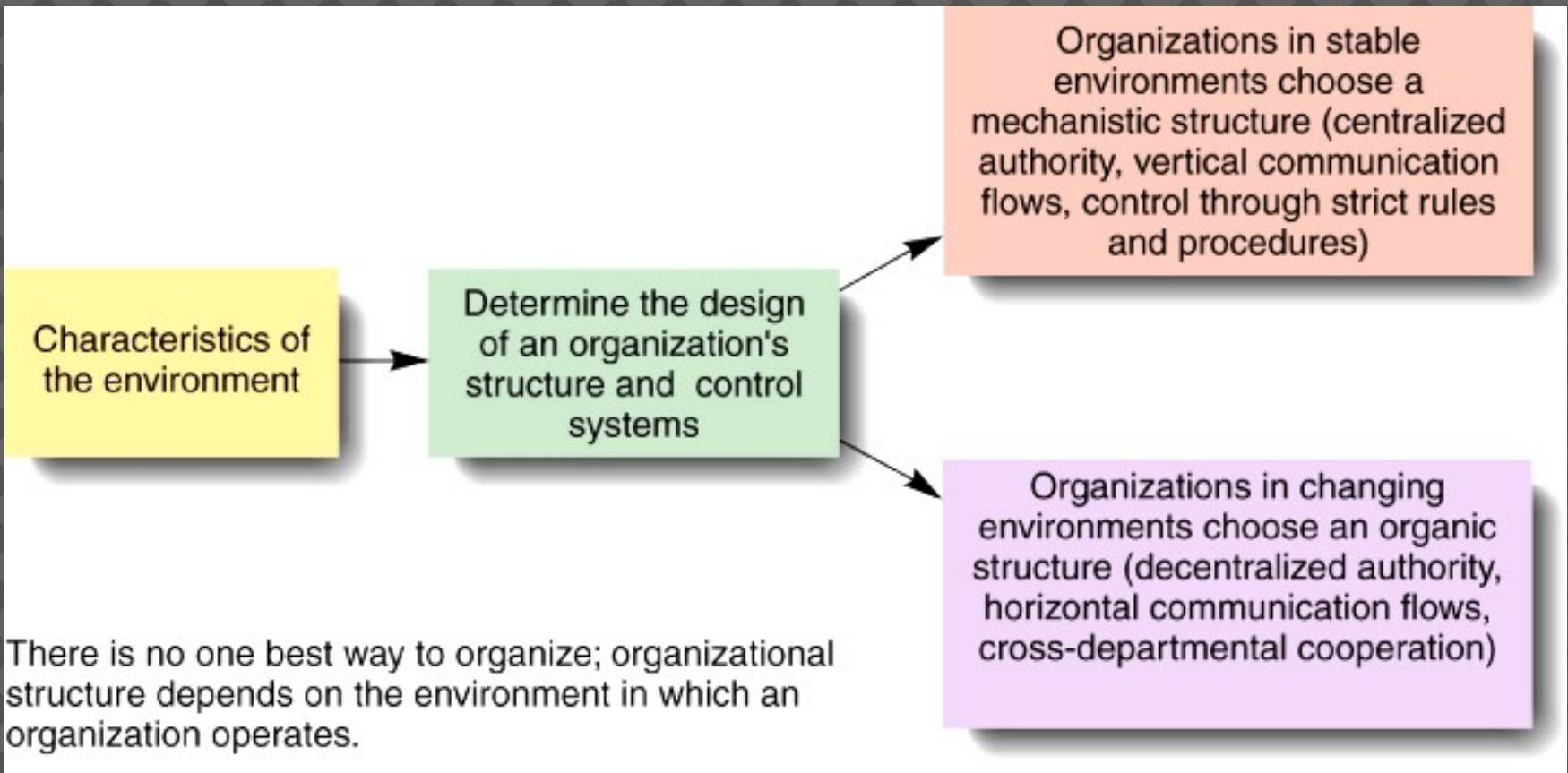
➤ **Systems viewpoint:** an approach to solving problems by diagnosing them within a framework of transformation processes, outputs, and feedback

BASIC SYSTEMS VIEW OF ORGANIZATIONS



THE CONTINGENCY APPROACH

What managers do in practice depends on a given set of circumstances – a situation.



CONTINGENCY VARIABLES

- **External environment**—stable or changing
- **Technology**—simple or complex
- **People**—ways they are similar and different from each other



Quality Viewpoint: Overview

- **Quality:** how well a product or service does what it is supposed to do—how closely and reliably it satisfies the specifications to which it is built or provided



- **Total Quality Management (TQM):** a philosophy that makes quality values the driving force behind leadership, design, planning, and improvement initiatives



QUALITY CONTROL PROCESS

- **Inputs or raw materials**

- **Operations**



- ✓ **Statistical process control**
- ✓ **Quality of a process (e.g., sigma)**

- **Outputs**

- ✓ **Measuring by variable or a product's characteristics**
- ✓ **Measuring by attribute or a product's acceptable/unacceptable characteristics**