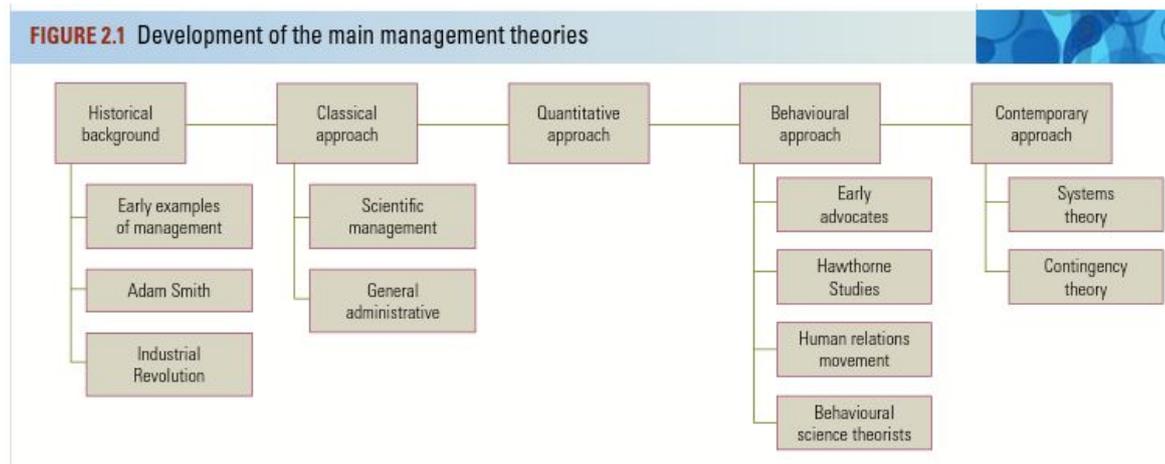


## 2. MANAGEMENT YESTERDAY AND TODAY

### 2.1 Provide some examples of early management practice

- Division of labour/job specialisation: breakdown of jobs into narrow and repetitive tasks.
- Industrial revolution: period during 18<sup>th</sup> Century when machine power was substituted for human power, making it more economical to manufacture goods in factories than at home.
- Division of labour (DoL) increases productivity by increasing each worker's skill and dexterity, saving time lost in changing tasks.

### 2.2 Discuss the important contributions of scientific management within the classical approach



#### Classical approach

- First studies of management which emphasised rationality and making organisations and workers as efficient as possible.
- Early 20th century.
- Two theories □

#### Theory 1 - Scientific management

- Approach that involves using scientific methods to define 'one best way' for a job to be done
- Frederick W. Taylor: Noticed workers were inclined to 'take it easy', no work standards existed. Output was only 1/3 of what was possible.

**TABLE 2.1** Taylor's four principles of management

1. Develop a science for each element of an individual's work with standardised work implements and efficient methods for all to follow.
2. Scientifically select workers with skills and abilities that match each job and train them in the most efficient ways to accomplish tasks.
3. Ensure cooperation through incentives, and provide the work environment that reinforces optimal work results in a scientific manner.
4. Divide responsibility for managing and for working, while supporting individuals in work groups doing what they do best. Some people are more capable of managing, whereas others are better at performing tasks laid out for them.

- Frank and Lillian Gilbreth: Invented microchronometer, recorded a worker's motions and the amount of time spent doing each motion.

How do managers use scientific management?

- When managers analyse the basic work tasks that must be performed, use time-and-motion studies to eliminate wasted motions, hire the best-qualified workers for a job and design incentive systems based on output, they are using principles of scientific management.

### 2.3 Explain the influences of general administrative theorists within the classical approach

#### Theory 2 - General administrative

- Approach to management that focuses on describing what managers do and what constituted good management practice.
- Henri Fayol: Attention was directed at the activities (planning, organising, commanding, coordinating and controlling) of ALL managers. Argued that management was an activity common to all human endeavours in business, gov, and even home.

**TABLE 2.2** Fayol's 14 principles of management



1. <i>Division of work.</i> Specialisation increases output by making employees more efficient.
2. <i>Authority.</i> Managers must be able to give orders. Authority gives them this right. Along with authority, however, goes responsibility.
3. <i>Discipline.</i> Employees must obey and respect the rules that govern the organisation.
4. <i>Unity of command.</i> Every employee should receive orders from only one superior.
5. <i>Unity of direction.</i> The organisation should have a single plan of action to guide managers and workers.
6. <i>Subordination of individual interests to the general interest.</i> The interests of any one employee or group of employees should not take precedence over the interests of the organisation as a whole.
7. <i>Remuneration.</i> Workers must be paid a fair wage for their services.
8. <i>Centralisation.</i> This term refers to the degree to which subordinates are involved in decision making.
9. <i>Scalar chain.</i> The line of authority from top management to the lowest ranks is called the 'scalar chain'.
10. <i>Order.</i> People and materials should be in the right place at the right time.
11. <i>Equity.</i> Managers should be kind and fair to their subordinates.
12. <i>Stability of tenure of personnel.</i> Management should provide orderly personnel planning and ensure that replacements are available to fill vacancies.
13. <i>Initiative.</i> Employees who are allowed to originate and carry out plans will exert high levels of effort.
14. <i>Esprit de corps.</i> Promoting team spirit will build harmony and unity within the organisation.

- Max Weber:
  - Bureaucracy: form of org characterised by division of labour, a clearly defined hierarchy, detailed rules and regulations and impersonal relationships.
  - Developed a theory of authority structures and relations based on an ideal type of org, he called bureaucracy.
  - Like scientific management in its ideology, both emphasise rationality, predictability, impersonality, technical competence and authoritarianism.

How do managers use general administrative theories?

- Functional view of manager's job can be attributed to Fayol.
- 14 principles serve as a frame of reference from which many current management concepts have evolved – managerial authority, centralised decision making, reporting to one boss, etc.
- Weber's attempt to formulate an ideal prototype for organisations.