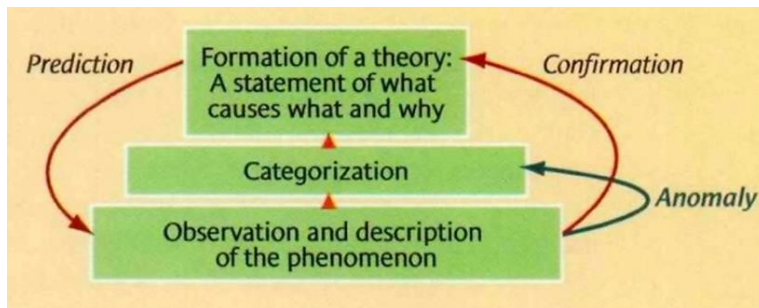


WEEK 3 – EVOLUTION OF MANAGEMENT THOUGHT

Theory: Statement predicting which actions will lead to what results and why

Value of theories:

1. Help us make predictions
2. Sound theories help us interpret the present



- Articles that describe phenomenon can be valuable foundation for subsequent attempts to categories and why it occurs (want to gather as many observations, in many contexts, to get a broader understanding)
- Beware of works that urge that revolutionary change of everything There is always different solutions to different contexts
- If authors classify phenomenon into categories based in its attributes, accept study is preliminary towards a reliable theory
- A theory should include a mechanism – a description of how something works. Cause and effect. And empirical data.

Management ideas and practice throughout history:

Scientific Management:

Identifying the best, most, efficient way to complete a job by studying and test different work methods

Focuses on: EFFICIENCY

Making most amount of product using least amount of resources

Taylor's 4 Principles:

1. Develop a science for each element of work

Developing a method to make a product

2. Select, train, teach and develop workers

They had low skills (probably not many weren't highly educated, but also came from lack of knowledge of operating machines)

3. Cooperation between workers and management on proper task completion

Making them understand success of organisation rests on workers hands

Workers efficient -> Profit

4. Equal division of responsibility between workers and management

Workers: do their jobs

Managers: training workers properly, provide right incentives to workers, get resources

e.g. McDonald's fries

- Standardisation in potatoes' quality

How they are cut, coated, frozen

Motion Studies:

- Each task/job broken into its separate motions/parts

- Motions deemed unnecessary or repetitive were then eliminate

- Set standards for how long each part of task should take to be efficient

→ Contributions:

- Developed performance efficiency techniques

- Improved working conditions by redesigning machines and tools to fit people for work efficiency

- Emphasised standardisation and specialisation for smooth workflow

→ Limitations:

- Viewed workers as unidimensional beings interested in more money

Depending on how many units they make, amount of money they receive

- Assumed environment of organisations were predictable, stable and simple

- Focuses on production and ignores other aspects of management

Bureaucratic Management:

A response to managers being selected by virtue of family (who you were) and political connections (based on who you knew), and not by skill

(Even though they might not have skills for the job)

Factors of bureaucracy

- Authority hierarchy

Positions organised in hierarchy with clear chain of command

- Formal selection

people selected for jobs based on technical qualifications

- Formal Rules and Regulations

System of written rules and standard operating procedures

Even administrative, salary logging in hours and stuff

- Impersonality

Uniform application of rules and controls, not according to personalities

e.g. punishment to all employees relevant

- Career Orientation

Managers are career professionals, not owners of units they manage

Education

e.g. Governments use bureaucracy
Different ministries and departments

Administrative Management:

Developed by Henry Fayol

Focus in on principles of management

The functions of management: planning, organising, coordinating, commanding and controlling

→ Contributions:

- Laid foundations for later developments of management theory
- Identified important management aspects as a frame of reference and basis of management in organisations

→ Limitations:

- Prescribed universal procedures applied in organisations ignoring the situation, complexity and environment in which organisations operate
- Ignored human element in organisation and viewed them as tools

Behavioural/Human Relations:

Suggests efficiency alone is not enough

Assumption – People are social and self-actualization

Organisational success depends on management treating workers well

Studied human behaviour at work. Shifted attention of managers and researchers away from work itself, towards social setting of workers and their individual attitudes

e.g. Development of theories in motivation, leadership, group behaviour and development, organisational behaviour

- Hawthorne Studies

Study found workers worked consistently as productive even when lighting changed

Because workers were being watched

But workers found common goal working together

→ Contributions:

- Provided important insights into motivation, group dynamics, and other interpersonal processes
- Focused managerial attention to these critical processes
- Challenged view that employees are tools and furthered belief that employees are valuable resources

→ Limitations:

- Complexity of individuals makes behaviour difficult to predict
- Many concepts were not put to use because managers reluctant to adopt them
- Contemporary research findings not often communicated to practicing managers in an understandable form (journal articles, how to translate that to be understandable)