



chapter

2

Ready Notes

*Traditional and
Contemporary
Issues and
Challenges*

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Traditional and Contemporary Issues and Challenges

The role of theory and history in management:

- Theory is a conceptual framework for organizing knowledge and providing a blueprint for action.
- History: Understanding the historical context of management provides a sense of heritage and can help managers avoid the mistakes of others.

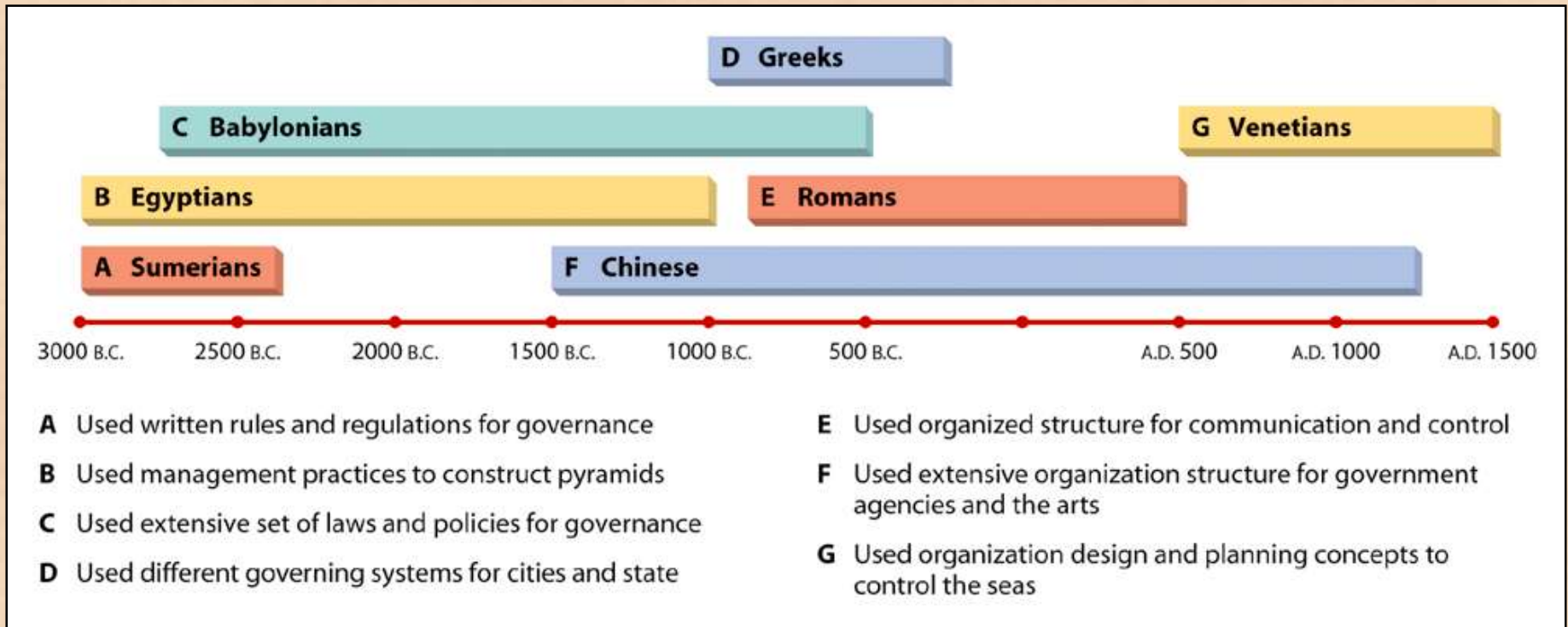


The Practice of Management Can Be Traced Back Thousands of Years

- The Egyptians used management functions of planning, organizing, and controlling when they constructed the pyramids.
- Observe the next slide Figure 2.1, it will illustrate a few of the most important management breakthroughs and practices over the last 4000 years:



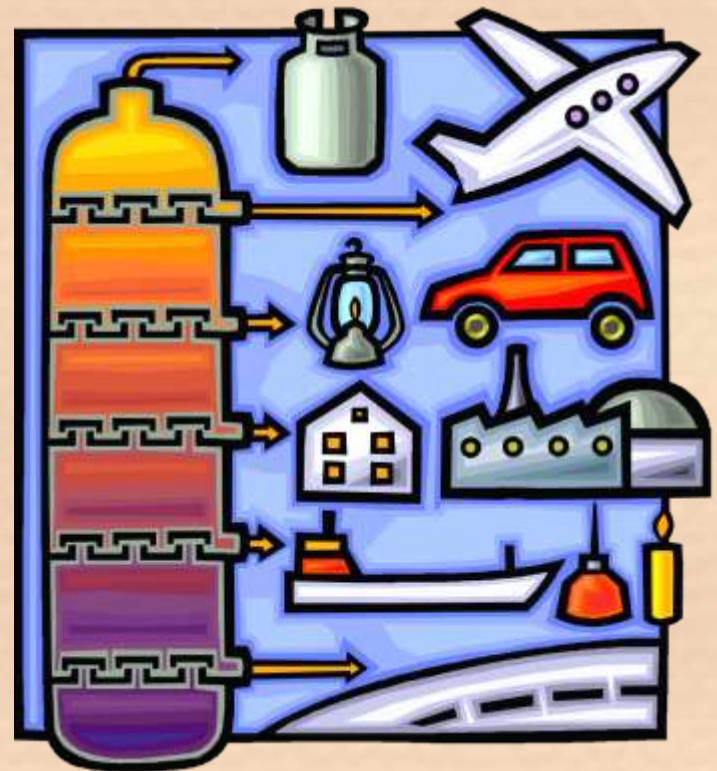
Figure 2.1: Management in Antiquity



The Three Traditional Management Perspectives

The Classical Management Perspective:

- Ideas of the early 20th century theorists and managers converged with the emergence and evolution of large-scale business and management practice.
- This perspective actually includes two different viewpoints: scientific management and administrative management.



Scientific Management

- Concerned with improving the performance of individual workers.
- Frederick Taylor developed this system, which he believed would lead to a more efficient and productive work force.



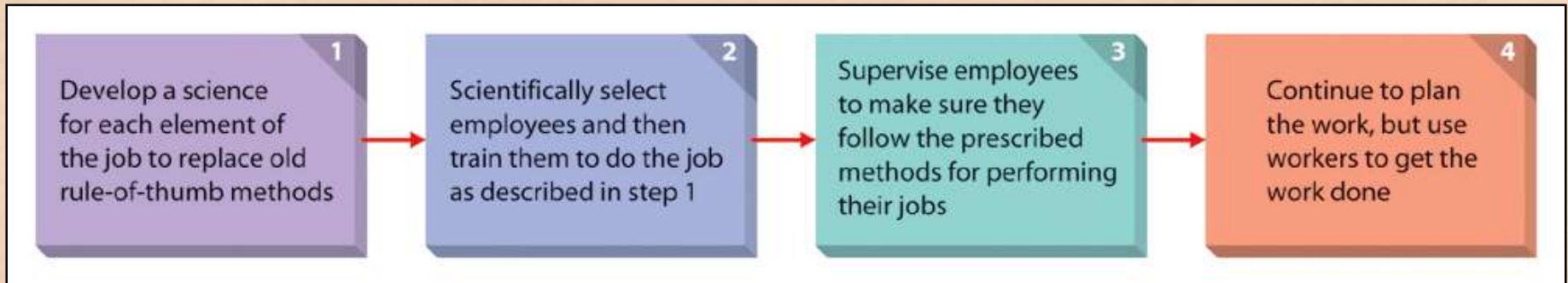
Steps in Scientific Management

1. Develop a science for each element of the job.
2. Scientifically select employees and then train them to do the job.
3. Supervise employees to make sure they follow prescribed methods.

Continue to plan the work, but use workers to get the work done. (see Figure 2.2)



Figure 2.2: Steps in Scientific Management



Administrative Management

- Whereas scientific management deals with the jobs of individual employees, administrative management focuses on managing the total organization.
- Administrative management laid the foundation for later development in management theory.
- It is more appropriate for stable and simple organizations than for today's dynamic and complex organizations.
- (see Table 2.1)



TABLE 2.1

The Classical Management Perspective

General Summary	The classical management perspective had two primary thrusts. Scientific management focused on employees within organizations and on ways to improve their productivity. Noted pioneers of scientific management were Frederick Taylor, Frank and Lillian Gilbreth, Henry Gantt, and Harrington Emerson. Administrative management focused on the total organization and on ways to make it more efficient and effective. Prominent administrative management theorists were Henri Fayol, Lyndall Urwick, Max Weber, and Chester Barnard.
Contributions	Laid the foundation for later developments in management theory. Identified important management processes, functions, and skills that are still recognized today. Focused attention on management as a valid subject of scientific inquiry.
Limitations	More appropriate for stable and simple organizations than for today's dynamic and complex organizations. Often prescribed universal procedures that are not appropriate in some settings. Even though some writers (such as Lillian Gilbreth and Chester Barnard) were concerned with the human element, many viewed employees as tools rather than resources.



The Behavioral Management Perspective

- Unlike the classical management perspective, the behavioral management perspective placed more emphasis on individual attitudes and behaviors and on group processes and recognized the importance of behavioral processes in the work place.



The Human Relations Movement

- Proposed that workers respond primarily to the social context of the workplace, including social conditioning, group norms, and interpersonal dynamics.



Organizational Behavior

- Human behavior in organizations is complex.
- The field of organizational behavior draws from a broad, interdisciplinary base of psychology, sociology, anthropology, economics, and medicine.
- There are two theories on how employees behave:



Behavioral Theory on How Employees Behave Toward Work

Theory X

Assumptions:

- Employees dislike work.
- Employees are irresponsible.
- Employees lack ambition.
- Employees resist change.



Another Theory on How Employees Behave

Theory Y

Assumptions:

- Employees are willing to work.
- Employees are self directed.
- They accept responsibility.
- Employees are creative.
- They are self-controlled.



The Quantitative Management Perspective

Management Science vs. Quantitative Management:

- Management Science focuses specifically on the development of mathematical models.
- Quantitative Management applies quantitative techniques to management.
- (see Table 2.4)



TABLE 2.4

The Quantitative Management Perspective

General Summary	The quantitative management perspective focuses on applying mathematical models and processes to management situations. Management science deals specifically with the development of mathematical models to aid in decision making and problem solving. Operations management focuses more directly on the application of management science to organizations. Management information systems are developed to provide information to managers.
Contributions	Developed sophisticated quantitative techniques to assist in decision making. Application of models has increased our awareness and understanding of complex organizational processes and situations. Has been very useful in the planning and controlling processes.
Limitations	Cannot fully explain or predict the behavior of people in organizations. Mathematical sophistication may come at the expense of other important skills. Models may require unrealistic or unfounded assumptions.



The Systems Perspective of Organizations

**Inputs from the environment:
material inputs,
human inputs,
financial inputs, and
information inputs.**

**Transformation
Process:
technology,
operating systems,
administrative
systems, and
control systems**

**Outputs into
the environment:
products/services,
profits/losses,
employee behaviors,
and information
outputs**

Feedback



Concepts

- Synergy: two or more subsystems working together may often be more successful than working alone.
- Entropy: a normal process leading to system decline.
- Universal perspective: tempting to identify one best way.
- Contingency perspective: depending on elements in that situation.



An Integrative Framework of Management Perspectives

Systems Approach

Recognition of internal interdependencies.
Recognition of environmental influences.

Contingency Perspective

Recognition of the situational nature of management.
Response to particular characteristics of situation.

Classical Management Perspectives:

Methods for enhancing efficiency and facilitating planning, organizing, and controlling

Behavioral Management Perspectives:

Insights for motivating performance and understanding individual behavior, groups and teams, and leadership

Quantitative Management Perspective:

Techniques for improving decision making, resource allocation, and operations

■ Effective and efficient management

Understanding a System

System: an interrelated set of elements functioning as a whole.

Types of Systems:

- Open System: an organizational system that interacts with its environment.
- Closed System: an organizational system that does not interact with its environment.
- Subsystem: a system within a broader system.



Operations Management

- Operations management techniques are generally concerned with helping the organization produce products or services more efficiently.



Integrating Perspectives for Managers

- A complete understanding of management requires an appreciation of, classical, behavioral, and quantitative approaches.
- The systems and contingency perspectives can help managers integrate the three approaches and enlarge understanding of all three.
- (see Figure 2.5)



Figure 2.5: The Emergence of Modern Management Perspectives

