

CHAPTER TWO

2. Management and its development
 1. The development of management;
 2. The evolution of Management Theories
 3. Basic functions of management and roles of managers.

General management theoretical and practical development

□ General Management is a broad area dealing with wider aspects of managing an ongoing organization and it covers the following among other topics:

- Property Management
- Production & Distribution Management
- Organization Management
- Resources Management
- Project Management
- Strategic Management

General management theoretical and practical development....

- Stakeholders (Relationships) Management
- Process / Result Management
- Information Management
- Research & Development (Knowledge)
- Performance Management, and
- Network Management

General management theoretical and practical development....

- These aspects have developed over centuries conceptually and in the management Practice.
- In its wider sense, management is required for getting the task done.
- That is; Management is the process of administering and coordinating resources effectively and efficiently and in an effort to achieve the goals of the organization (Pamela, et al; 1995). Efficiency and Effectiveness of management depends very much on how well the available resources are utilized to accomplish the intended objective.

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General management theoretical and practical development....

- With advancing technological and changing human behavioral aspects, management is increasingly becoming more complex and requires considerable training, practical experience and updating on the latest information of developments in the field.

General management theoretical and practical development....

- Like other disciplines, management thoughts have been enriched by many contributors of earlier practitioners in the field. Such contributions are developed to form the **Management Theory and Its Development**. Management theories in the world over has both theoretical and applied contributors. These contributions can be classified as follows;

The evolution of Management Theories

- Early contributions
- Industrial era contributions
- Classical contributions
- Behavioral contributions
- Quantitative contributions
- Systems Perspectives
- Contingency Perspectives, and
- Recent Contributions

The evolution of Management Theories....

□ **Early contributions**

- Most management thinkers in the 18th century classify management as applicable to only business or industry related discipline.
- This indicates that the management thought to the construction industry has been considered long ago.
- But historical evidences show that people were more concerned with the management of organizations such as the state, church, military, tribes, household, etc. These include:

The evolution of Management Theories....

- record keeping in 5000 BC,
- importance of planning, organizing, and controlling in 4000 BC,
- universality of management by 2000 BC,
- specialization in 350 BC,
- staff organization in military campaign in 330 BC,
- traits of a leader and/or a manager in 900 and 1100 AD, etc.

The evolution of Management Theories....

Industrial era contributions

- The movement of manufacturing to a factory system during the mid 1700's had significant contributions to management theories.
- This era is customarily called industrial revolution era. In this era three major contributions can be identified, these are;
 1. *Human Resources Management,*
 2. *Scientific Management and*
 3. *Importance & initiatives for Management Training*

The evolution of Management Theories....

1. Human Resources Management: **Robert Owen** (1771-1858), A successful factory manager in UK advocated improved management in human resources would result in higher returns of investments than in machinery and equipment.

He attempted *to limit the working hours, using a silent monitor to encourage productivity, and to establish villages of cooperation* – Start and recognition of Workers' Association.

The evolution of Management Theories....

2. Scientific Management: **Charles Babbage** (1792-1871), Who was an early pioneer in areas that we now call as scientific management.

He produced the first calculator he called it as the difference machine and a rudimentary computer he called it analytical machine. Besides, Babbage published his views on management and manufacturing processes including the concept of division of labor as a necessary aspect for developed economic systems.

The evolution of Management Theories....

He also proposed observational procedures for studying manufacturing operations. Babbage believed that management and employee interests were closely linked to each other.

3. Management Training: **Andrew Ure** and **Charles Duprin** believed in management training that they educate managers of many factories for offsetting factory systems problems

The evolution of Management Theories....

Classical contributions

□ The classical contributions towards the management thoughts includes two general features, these are

- *Administrative theories*, and
- *Developed Scientific Management concepts*.

The two major contributions are best represented by the work of Henri Fayol and Fredric W. Taylor.

□ **Henri Fayol** (1841-1925) is known for the first general administrative theory developer of management. The basis of Fayol's theory was much depends on the industrial undertakings consisted of six separate activities or functions;

The evolution of Management Theories....

- I. technical (production, adaptation)
- II. commercial (exchange)
- III. financial (search for & optimal use)
- IV. accounting (stocktaking, balance sheets)
- V. security (protection → property & persons), and
- VI. managerial (planning, organizing, command, coordination, control)

The evolution of Management Theories....

- **Fayol** concentrated on the management theory and developed the first general theory of management with the identification of fourteen basic principles:
 - ❖ **Division of work or labor,**
 - ❖ **Authority and Responsibility,**
 - ❖ **Discipline,**
 - ❖ **Unity of Command,**
 - ❖ **Unity of Direction,**
 - ❖ **Subordination of individual interest to the general interest,**
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The evolution of Management Theories....

- ❖ **Remuneration,**
- ❖ **Centralization,**
- ❖ **Scalar chain or line of authority,**
- ❖ **Order,**
- ❖ **Equity,**
- ❖ **Stability of tenure of personnel,**
- ❖ **Initiative, and**
- ❖ **Esprit De Corps or Union is Strength.**

The evolution of Management Theories....

- **Frederick W. Taylor** (1856 - 1915) is credited for the development of scientific management and outlined four principles:
 1. Develop a science for each element of work, replacing the old rule of thumb,
 2. Scientifically select and then train, teach and develop the workers,
 3. Cooperate with the workers so as to insure all the work to be carried out in accordance with the principles of the science that was developed, and
 4. Provide equal division of work and responsibility to the management and the workers.

The evolution of Management Theories....

- He developed five basic features of scientific management as well. These are;
 1. Organizational and technical improvements
 2. Provision of planning department
 3. Use of experienced foremen
 4. Time study to determine the rate at which a job should be done, and
 5. An incentive wage system.

The evolution of Management Theories....



Behavioral contributions

- The behavioral contributions in management thought essentially base their theory on human behavior which is a complex subject but as the most vital aspect of management.
- The behaviorist believes that those involved in the organization are the prime determinants of the organizational and managerial effectiveness.

The evolution of Management Theories....

- The great diversity of the behavioral contributions makes it impossible to discuss all of its contributors. But for the purpose of this part two behaviorist are dealt:

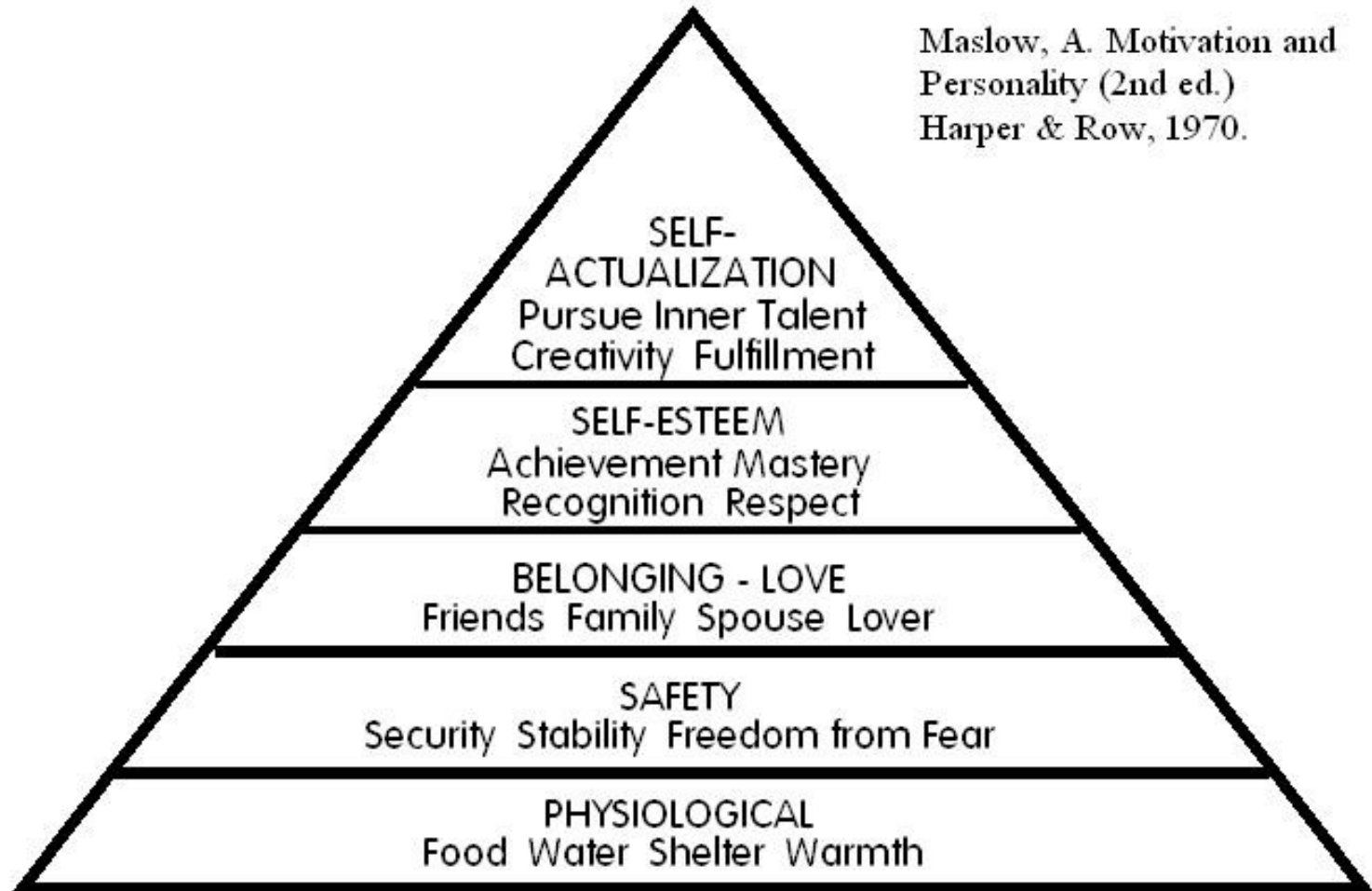
The evolution of Management Theories....

- Abraham H. Maslow (1908-1970) theorized that people are driven by several needs, not just one and developed a hierarchy of human needs. These are:
 - ❖ Physical and physiological needs,
 - ❖ Safety and security needs,
 - ❖ Love or social needs,
 - ❖ Ego or status needs, and
 - ❖ Self actualization, realizations & fulfillment.

The evolution of Management Theories....

ABRAHAM MASLOW HIERARCHY OF NEEDS

Maslow, A. Motivation and
Personality (2nd ed.)
Harper & Row, 1970.



The evolution of Management Theories....

- Physical needs are related to food, clothing and shelter.
- Safety needs include insurance, job security, retirement benefits, etc.
- Social needs include the need to express themselves to associate with others, etc.
- Ego needs involve the provision of status in the job.
- Self actualization can be expressed by a phrase “what a man can be he must be.”

The evolution of Management Theories....

- **Douglas McGregor** (1906-1964) developed the two alternative management views of subordinates; Theory X and Theory Y.
- Theory X managers believe that their subordinates are uninspired workers who seek to avoid responsibility and work assignment and suggested that supervision and evaluation is the key for management functions.

The evolution of Management Theories....

- On the other hand, Theory Y managers believe that all subordinates view work as rewarding if given the chance by their superiors and implied that improved communications and greater employee participation in decisions would be most desirable for the success of management

The evolution of Management Theories....

Quantitative contributions

- The quantitative contributions consists major branches in decision theory and management science.
- Although the diversity of the branches makes precise definitions difficult, the contributions are generally characterized by attempts to systematize the decision making process using mathematics, statistics and other quantitative techniques.

The evolution of Management Theories....

- This use of mathematical models and quantitative techniques to solve managerial problems is often called operational research or management science. The Quantitative approach has four characteristics; Decision – Making focus; Measurable Criteria; Quantitative Model and Use of Computers