



Management: *An Overview*

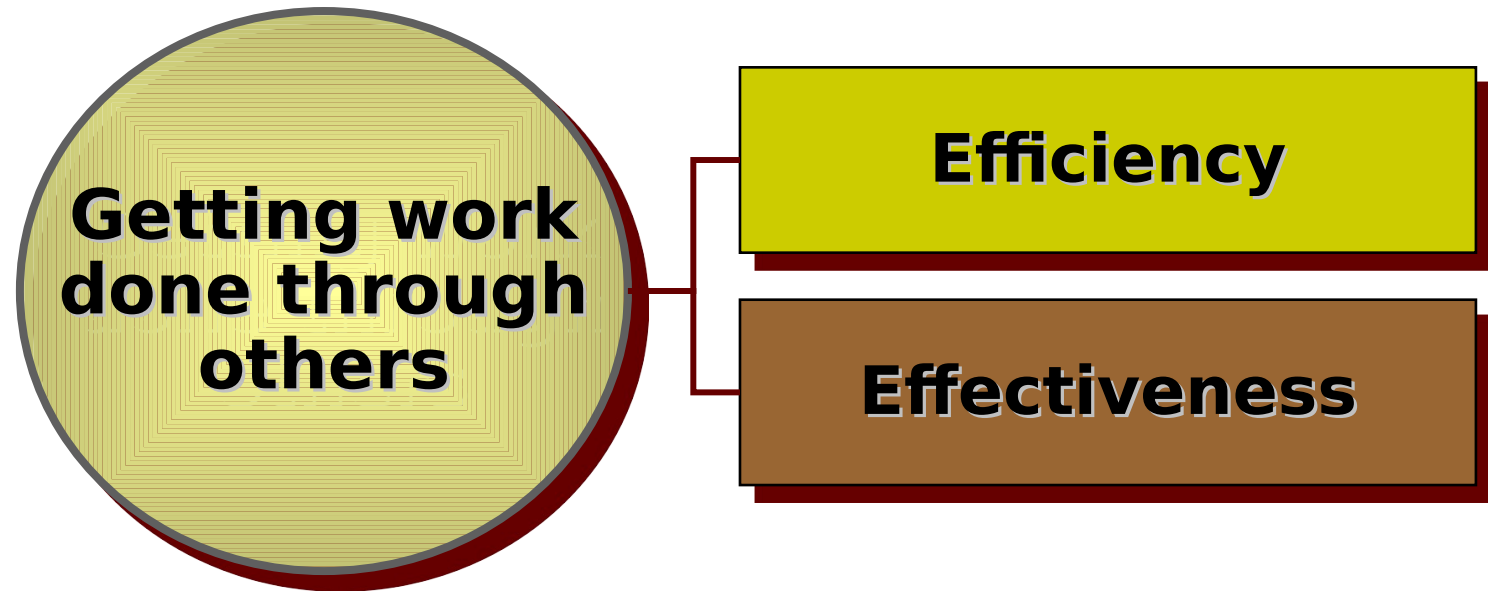
Organization

- Organization is a system which operates through human activity.
- Organizations are very complex social formations, their links can't be described with only one theory.
- Organization Theories concerns 3 levels:
 - Macro: cooperation among different organization
 - Mezzo: structures of the organizations, and influencing factors
 - Micro: behavior of the members of the organizations, motivation, conflict etc.

What is Management?

- **Definition:** Coordinating work activities so that they are completed **efficiently** and **effectively** with and through other people
- **Efficiency:** getting the most output from the least input
- **Effectiveness:** completing activities so that the organization's goals are attained.

Management is...



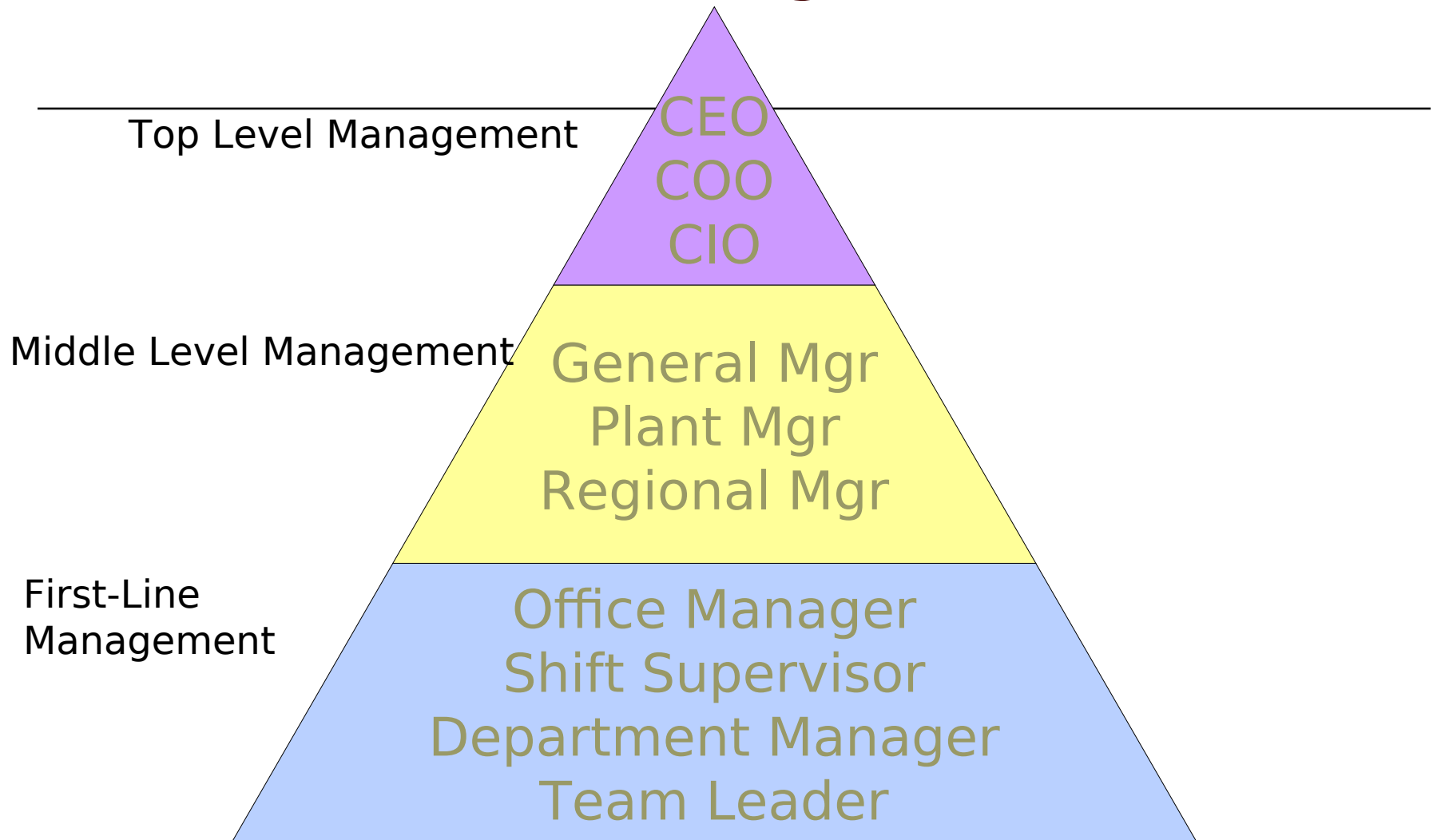
Managerial Roles

Interpersonal	Informational	Decisional
Figurehead	Monitor	Entrepreneur
Leader	Disseminator	Disturbance Handler
Liaison	Spokesperson	Resource Allocator
		Negotiator

Management Functions

Classical Management Functions	Updated Management Functions
Planning	Making Things Happen
Organizing	Meeting the Competition
Staffing	Organizing People, Projects, and Processes
Leading	
Controlling	

Levels of Management



Top Managers

Responsible for...

Creating a context for change

**Developing attitudes of commitment
and ownership in employees**

**Creating a positive organizational
culture through language and action**

Monitoring their business environments

Middle Managers

Responsible for...

Setting objectives consistent with top management goals, planning strategies

Coordinating and linking groups, departments, and divisions

Monitoring and managing the performance of subunits and managers who report to them

Implementing the changes or strategies generated by top managers

First-Line Managers

Responsible for...

**Managing the performance of
entry-level employees**

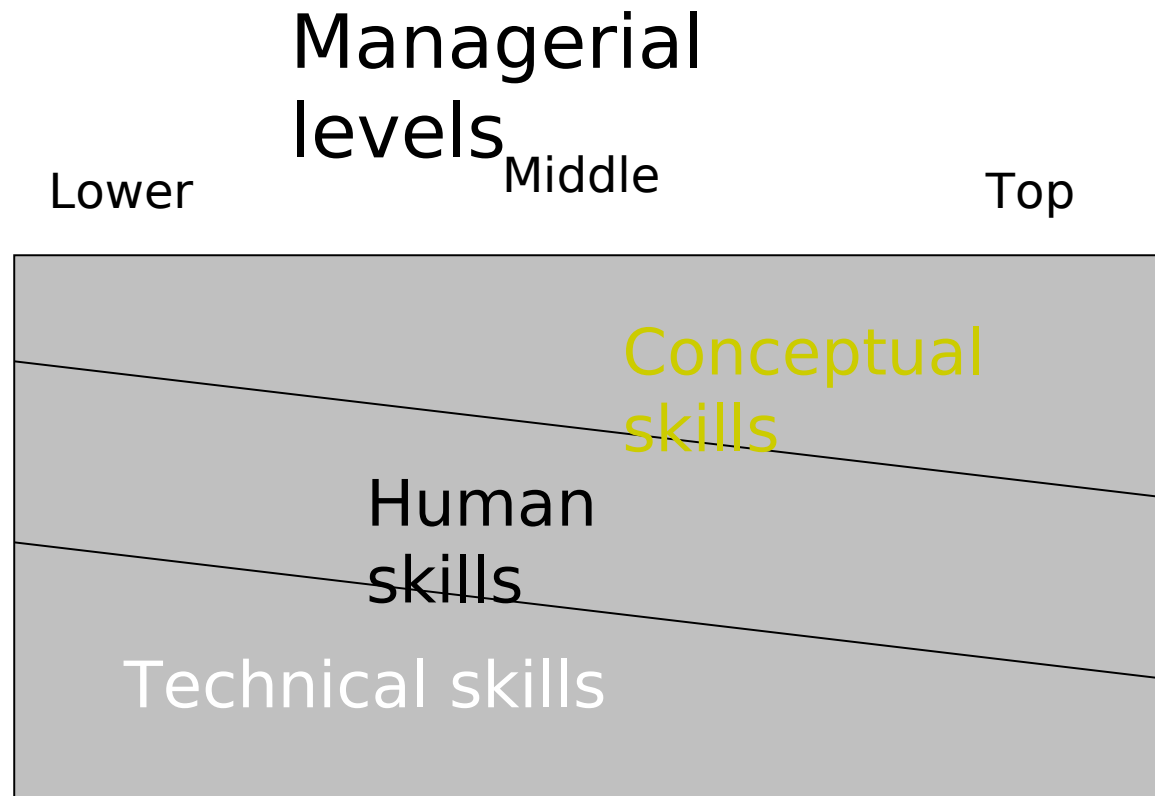
**Teaching entry-level employees
how to do their jobs**

**Making schedules and operating plans based on
middle management's intermediate-range plans**

What Companies Look for in Managers

<i>Technical Skills</i>	<i>Human Skill</i>
<i>Conceptual Skill</i>	<i>Design Skill</i>

Core skills and their use in the different levels



Management Theory

- Pre-Classical

- Classical Approaches

- Frederick Taylor: Scientific Management (1886)
- Frank and Lillian Gilbreth: Time/motion studies (later 1800s)
- Henri Fayol: 14 Principles of Management (1880s-1890s)
- Max Weber : Bureaucracy (1920s)

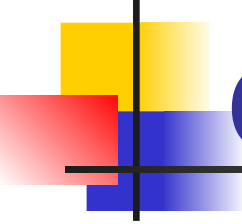
- Behavioral Approaches

- The Hawthorne Experiment (1927)
- MacGregor's Theory X and Theory Y (1960)

- Quantitative Approaches

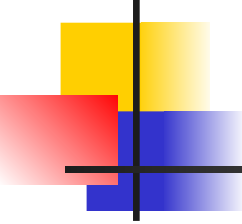
- Contemporary Approaches

- Ouchi's Theory Z (1981)
- Contingency Management



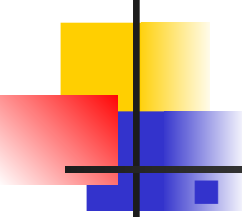
Classical Approaches

- Frederick Taylor: Scientific Management (1886)
- Frank and Lillian Gilbreth: Time and motion studies (later 1800s)
- Henri Fayol: Fourteen Principles of Management (1880s-1890s)
- Max Weber : Bureaucracy (1920s)



Frederick W. Taylor

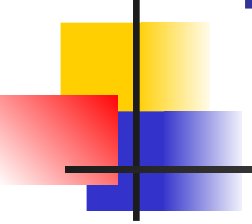
- Developed Scientific Management
- Laid foundation for the study of management
- Key ideas:
 - Management as a separate field of study
 - Explicit guidelines for scientific study of management functions
 - Time studies for setting standards
 - Functional specialization of managers' duties
 - Piece-rate Incentive systems



Taylor's Principles of Management

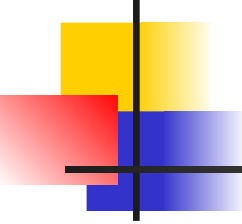
The “one best way.”

- Management using scientific observation
- Scientific selection of personnel
 - Put right worker in right job, find limitations, train
- Financial incentives
 - Putting right worker in right job not enough
 - A system of financial incentives is also needed
- Functional foremanship
 - Division of labor between manager and workers
 - Manager plans, prepares, inspects
 - Worker does the actual work
 - “Functional foremen” , specialized experts, responsible for specific aspects of the job



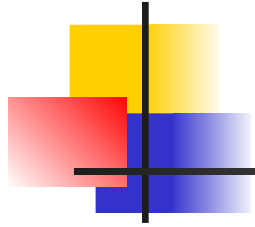
Frank & Lillian Gilbreth

- Time and motion efficiency experts
 - Developed therbligs, breakdown of manual skills into 16 actions
- Frank was a lazy bricklayer looking for an easier way and Lillian was a psychologist.
- Endorsed piece-work and suggested a higher rate per unit if his directions were followed.
- Disagreed with Taylor's idea that management should choose which workers took which jobs.



Henri Fayol

- First came up with the five basic functions of management—Planning, Organizing, *Staffing*, Directing, *Communicating*, and Controlling
- First wrote that management is a set of principles which can be learned.
- Developed Fourteen Principles of Management



HENRI FAYOL's FOURTEEN PRINCIPLES OF MANAGEMENT

- 1. Specialization of labor.** Specializing encourages continuous improvement in skills and the development of improvements in methods.
- 2. Authority.** The right to give orders and the power to exact obedience.
- 3. Discipline.** No slacking, bending of rules.
- 4. Unity of command.** Each employee has one and only one boss.
- 5. Unity of direction.** A single mind generates a single plan and all play their part in that plan.
- 6. Subordination of Individual Interests.** When at work, only work things should be pursued or thought about.
- 7. Remuneration.** Employees receive fair payment for services, not what the company can get away with.



8. Centralization. Consolidation of management functions. Decisions are made from the top.

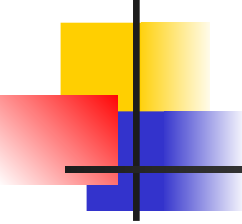
9. Scalar Chain (line of authority). Formal chain of command running from top to bottom of the organization, like military

10. Order. All materials and personnel have a prescribed place, and they must remain there.

11. Equity. Equality of treatment (but not necessarily identical treatment)

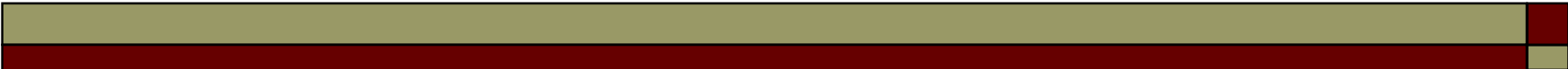
12. Personnel Tenure. Limited turnover of personnel. Lifetime employment for good workers.

13. Initiative. Thinking out a plan and do what it takes to make it happen.



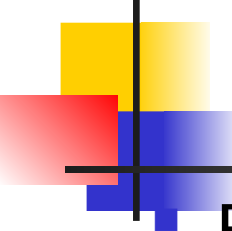
Max Weber

- Coined “bureaucracy”: the perfect office
- Well defined chain of command
- Clear division of work (job descriptions)
- Procedures for any situation
- Impersonality
- Employment and promotion based on technical competence.



Behavioral Approaches

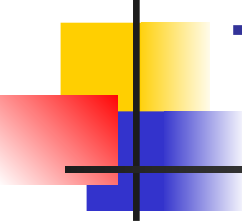
- The Hawthorne Experiment (1927)
- Chester Barnard (1930s – 1960s)
- Herbert Simon (1947)
- MacGregor's Theory X and Theory Y (1960)



The Hawthorne Experiment

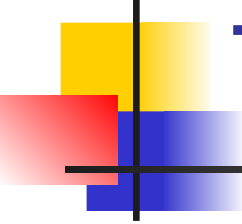
Research conducted at the Hawthorne plant of the Western Electric Company near Chicago, 1927-1937

- Initial study: effects of lighting on worker performance
- But the “Hawthorne Effect” was instead identified
 - The workers values, desires, and needs may be more important than physical conditions.
 - Workers want to have input.
 - Workers want to be respected.



Theories X and Y

- Conducted in 1960s by Douglas McGregor
- Theory X: classical theory
 - Most people dislike work and responsibility, they are motivated only by money and do not care about the job.
 - Close supervision is required and people must be carefully controlled and coerced into working
 - Average person prefers direction



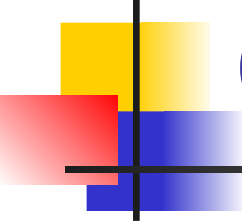
Theories X and Y

- Theory Y: Modern Management Theory
 - People often enjoy their work and will exercise self-control at work.
 - People are motivated by wanting to do a good job and will do well if the opportunity is presented
 - People have capacity for imagination, ingenuity, and creativity
 - People enjoy expending physical and mental effort in work as much as play and rest



Contemporary Approaches

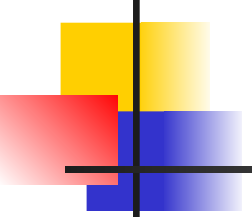
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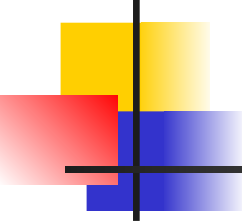


Ouchi's Theory Z

- Theory Z
 - Value of culture in an industrial society
 - Intimate and cooperative work relationships
 - Alienated in work environment in which family ties, traditions, and social institutions are minimized
 - Workers have strong sense of moral obligation, discipline and order

Contingency Management

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- Managing in Different and Changing Situations
 - Require managers to use different approaches and techniques
 - ***Contingency perspective*** - different ways of managing are required in different organizations and different circumstances
 - stresses that there are no simplistic or universal rules
 - ***contingency variable***



Brief

- Behavioral
 - Mary Parker Follet : “Power Sharing”
 - Chris Argyris: Model I & Model II Organisations
- Quantitative Approach
 - Management Science
 - Operation Management
 - MIS
- System Theory