

# UNIT 2

**Evolution of management thoughts:**

# Evolution of management thoughts:

- *Period of management awakening*
  - a. Automation
  - b. New innovations
  - c. Expansion on commercial establishments
- Contributions:
  1. Robert Owen: First to emphasis on personnel management issues
  2. Charles Babbage: First to use scientific analytical tools in business
  3. James watt JR and Robinson Boulton: First to managerial techniques like, Forecasting, MR, Plant layout, employee welfare etc.

# 1) SCIENTIFIC MANAGEMENT

Scientific management is defined as the use of the scientific method to determine the “one best way” for a job to be done. The most important contributor in this field was Frederick W. Taylor who is known as the “father” of scientific management.

- **Taylor’s “Bethlehem steel works”** experiment: Message to workers:
  - ☐ Profit for the enterprise is profit of its workers
  - ☐ Right type of work gives right type of earning
  - ☐ Cooperation with management
  - ☐ Get trained voluntarily

## *Modern contributors in scientific management*

- ☐ Henry Gantt: Scientific selection and development of workers. Introducers of graphical planning and control
- ☐ Frank and Lillian Gilbreth: Introducer of motion study
- ☐ Lyndal F Urwick: Study gave support to cope with external factors affecting management system
- ☐ EFL Brech: Scientific approach towards the management structure and organizations structure

## **2) GENERAL ADMINISTRATIVE THEORISTS**

This group of writers, who focused on the entire organization, developed more general theories of what managers do and what constitutes good management practice.

## 14 principles of management

1. Division of Work
2. Authority
3. Discipline
4. Unity of Command
5. Unity of Direction
6. Subordination of individual interest to group interest
7. Remuneration
8. Centralization
9. Scalar Chain
10. Order
11. Equity
12. Stability
13. Initiative
14. Espirit de corps

### 3) QUANTITATIVE APPROACH TO MANAGEMENT

The quantitative approach to management, sometimes known as operations research or management science , uses quantitative techniques to improve decision making.

#### HR Movement

- The field of study concerned with the actions (behaviors) of people at work is organizational behaviour. Organizational behavior (OB) research has contributed much of what we know about human resources management and contemporary views of motivation, leadership, trust, teamwork, and conflict management.

George Elton Mayo: Hawthorne experiment:

1. Supervisors should not act like supervisors - they should be friends, counselors to the workers
2. Managers should not try to micro-manage the organization by an overriding concern for product or job quality at the expense of the macro-social, or humanistic, characteristics of work
3. People should be periodically asked how they feel about the work, their supervisors, and co-workers
4. Humanistic supervision plus morale equals productivity
5. Those who don't respond to group influence should be treated with sarcasm
6. Workers should be involved or at least consulted before any change in the organization
7. Employees who leave should be exit-interviewed - turnover should be kept to a minimum



Douglas Mc Gregor: He divides leadership in two styles labeled theory “X” and theory “Y”.

**Theory x ('authoritarian management' style):**

- ❑ The average person dislikes work and will avoid it he/she can.
- ❑ Therefore most people must be forced with the threat of punishment to work towards organizational objectives.
- ❑ The average person prefers to be directed; to avoid responsibility; is relatively un-ambitious, and wants security above all else.

## **Theory y ('participative management' style):**

- ❑ Effort in work is as natural as work and play.
- ❑ People will apply self-control and self-direction in the pursuit of organizational objectives, without external control or the threat of punishment.
- ❑ Commitment to objectives is a function of rewards associated with their achievement.
- ❑ People usually accept and often seek responsibility.
- ❑ The capacity to use a high degree of imagination, ingenuity and creativity in solving organizational problems is widely, not narrowly, distributed in the population.
- ❑ In industry the intellectual potential of the average person is only partly utilized.



**Maslow's Hierarchy of Needs is shown above. The pyramid illustrates the five levels of human needs. The most basic are physiological and safety/security, shown at the base of the pyramid. As one moves to higher levels of the pyramid, the needs become more complex.**

## **MBO –Peter Drucker:**

Management by objectives (MBO) Method:

This method of appraisal was introduced and made popular by Peter F. Drucker. Management by objectives requires the manager to get specific measurable goals with each employee and then periodically discuss his or her progress towards these goals.

# MBO Strategy : Three Basic Parts

- All individuals within an organization are assigned a special set of objectives that they try to reach during a normal operating period. These objectives are mutually set and agreed upon by individuals and their managers.
- Performance reviews are conducted periodically to determine how close individuals are to attaining their objectives.
- Rewards are given to individuals on the basis of how close they come to reaching their goals.

# Six MBO Stages

- Define corporate objectives at board level
- Analyze management tasks and devise formal job specifications, which allocate responsibilities and decisions to individual managers
- Set performance standards
- Agree and set specific objectives
- Align individual targets with corporate objectives
- Establish a management information system to monitor achievements against objectives

## 8 Key Result Areas Where Managers Must Pursue Clear Objectives

- Marketing
- Innovation
- Human organization
- Financial resources
- Physical resources
- Productivity
- Social responsibility
- Profit requirements

# MBO Advantages & Disadvantages

- **Advantages**

- MBO programs continually emphasize what should be done in an organization to achieve organizational goals.
- MBO process secures employee commitment to attaining organizational goals.

- **Disadvantages**

- The development of objectives can be time consuming, leaving both managers and employees less time in which to do their actual work.
- The elaborate written goals, careful communication of goals, and detailed performance evaluation required in an MBO program increase the volume of paperwork in an organization.