Evolution of Management
Video 2A
Learning Objectives
- Describe how management principles have changed over the years
  - Classical Management
  - Behavioral Management
  - Quantitative Management
  - Systems Management
  - Contingency Management
  - Quality Management

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Evolution of Management
What do these three structures have in common?
The 5 functions of Management

Industrial Revolution
- 18th century England transformed from an agricultural society to an industrial society
- Key inventions improved output & productivity
  - Steam engines replaced water wheels as source of power
  - Spinning Jenny led to advances in textile industry
  - Electricity more efficiently produced
  - Rail lines improved transportation of resources & products
  - Industrialization called for a concentration in workforce
  - People move to cities find work in factories
Birth of Classical Management

- Machines improved productivity = lower cost to consumer = more demand for goods = demand for factories
- Factory supervisors needed a way to "control" workers and processes in the factory
- Classical Management Theory
  - Focused on finding the "one best way" to perform and manage tasks
- Classical Scientific School
  - Focused on "getting work done on the factory floor"
  - Concerned about labor efficiency and productivity

Classical Scientific School

- Charles Babbage
  - Promoted division of labor
    - Break down into simple steps
    - Worker "masters" skill set quickly
- Frederick Taylor
  - Saw management as a scientific process
    - Time and motion studies
      - Focused on eliminating unnecessary steps & motions
      - Still used today
      - August Dvorak used time and motion studies to invent the Dvorak Keyboard in place of QWERTY keyboard
- Frank Gilbreth: Seeks "one best way" to lay bricks. Wanted to improve productivity
  - He developed many improvements in brick-laying. A scaffold he invented permitted quick adjustment of the working platform so that the worker would be at the most convenient level at all times. He equipped the scaffold with a shelf for the bricks and mortar, saving the effort formerly required by the workman to bend down and pick up each brick. He had the bricks stacked on wooden frames, by low-priced laborers, with the best side and end of each brick always in the same position, so that the bricklayer no longer had to turn the brick around and over to look for the best side to face outward.
Classical Scientific School

- Frank Gilbreth continued...
  - The bricks and mortar were so placed on the scaffold that the brick-layer could pick up a brick with one hand and mortar with the other. As a result of these and other improvements, he reduced the number of motions made in laying a brick from 18 to 4 1/2.

Classical Scientific school focused on defining, measuring, and controlling tasks

Problems with Classical Scientific School

- Treated humans as machines
  - Hangover from fascination of machines during the Industrial Revolution?
- Master/slave environment
  - Don’t think or be creative, do as told
    - Use “best process” I have developed.
  - Employees were not involved in deciding best processes
- Repetitive tasks
  - Employee boredom, failed to incorporate cross-training
- Focus was on quantity, not quality
  - Seller’s Market: Demand was incredibly high

Classical Administrative School

- Concerned with principles of becoming a manager (administrator)
- Henry Fayol:
  - Believed managers were made, not born
  - Developed principles managers should follow such as Unity of Command, Division of Work, Initiative
Fayol’s Principles of Management

- Division of Work
  - Believed specialization was key to improvements in productivity
- Authority
  - The right to give orders
- Discipline
  - The right to expect conformity
- Unity of Command
  - The right to receive orders from only ONE supervisor

Fayol’s Principles Continued...

- Unity of Direction
  - Having “One” head to ensure clear goals and objectives
- Subordination of individual to general interest
- Remuneration of Personnel
  - Compensation should be fair, reflect worth
- Chain of Command
  - Reporting relationships should be clear
- Equity
  - Practice justice, kindnesses to all
- Stability of Workforce—Keep what you got!
  - Timed needed to learn skills reduces productivity

Classical Administrative School

- Max Weber
  - Devised organizations based on control of knowledge
    - Known as a bureaucracy
  - Org chart reflected your knowledge and authority
    - Put people with knowledge in charge at the top
  - Failed to recognize communication barriers of such a hierarchical system
Classical Administrative School

- Mary Parker Follett
  - Opposed Weber’s bureaucracy
  - Defied common wisdom called for hierarchies, bureaucracy, command and control, and tight supervision of workers.
  - Argued for flatter organizations
  - Addressed the need for teams
  - Addressed issues of conflict resolution
  - Encouraged management and workers to cooperate
  - Her ideas helped form the foundation for the Behavioral School of Management

Note

Before continuing, please review the supplemental activity entitled “Hawthorne Studies” Then proceed viewing the video.

Behavioral Management Theory

- Discussion Questions
  - Why did output continue to increase when the women were returned to normal working conditions?
    - Self esteem improved. Felt important because the supervisor valued their input. Felt part of a team
    - The women were motivated by “social” factors instead of “monetary” factors. Set their own quotas
  - What conclusions/recommendations can be made from this case?
    - Treat humans as people, not machines!!!
  - Human Relations School (Behavioral Mgt)
Behavioral Management Theory

- Recognized people as individuals with needs
  - Elton Mayo’s Hawthorne Studies
    Recognized people as “social” beings
- Abraham Maslow
  - Recognized people have a need for things other than money
  - Developed the Pyramid of Needs
- Douglas McGregor
  - Theory X & Y Management

Pyramid of Needs

- Physical, Safety, Social, Self-Actualization

Applying Maslow’s Need Theory

- Physical Need: Workers need a comfortable work place
- Safety Need: Free from harm and pain
- Social Need: Acceptance by peers and management as individuals
- Self-Actualization: Independence and creativity

- Radically different compared to the control & command perspective
- Ignoring these needs adversely effects productivity, quality, and commitment
Behavioral Management Theory

- Douglas McGregor
- **Theory X Management**
  - Workers are lazy, inefficient, need to be controlled
  - Jobs must be broken down into simple parts
  - Autocratic Leadership
- **Theory Y Management**
  - Workers are responsible, intelligent, creative
  - Employees make important job decisions
  - Participative Leadership, Free Reign

Management’s perception of workers begins to change

Pros & Cons

**Behavioral School**

- **Pros**
  - People viewed as assets
  - Managers could make work “fun”
    - Not Repetitive
- **Cons**
  - Employee needs difficult to diagnose
  - Needs always change
  - Not respected as a “science” more an “art”

To continue this discussion entitled Evolution of Management please view Video 2B