Certificate in
BUSINESS MANAGEMENT

Online Class

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Fundamentals of Management

Chapter (5) Developments of Management Thoughts and concepts

i. What is Management?
ii. Scientific Management
iii. Bureaucratic Approach
iv. System Theory
v. Contingency Theories
vi. Contemporary Management concepts

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IV. Developments of Management Thoughts and concepts

i. What is Management?

" Management is the art of getting things done through people. "

Peter Drucker

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IV. Developments of Management Thoughts and concepts

ii. Scientific Management

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ii. Scientific Management

In 1911, Frederick W Taylor's view was that all work processes can be systematically analyzed and broken down into a series of discrete tasks, and that one best way can be determined to undertake each task.

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i. Scientific Management (cont.)

The main elements of this view of management are:

- **the detailed and careful analysis of all processes and tasks within the organization to identify each component part;**
- **the review of all routines and working methods, using (principally) time and motion studies – what we would now just call "work study" – to find the best way to do the job.**
- **the standardization of all working methods, equipment and procedures, so that the precise way in which each task should be done can be laid down and monitored;**

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ii. Scientific Management (cont.)

- the scientific selection and training of workers who would then become first-class at their particular jobs;
- the introduction of payment on a piecework basis, which would both be an incentive to maximize productivity and produce high wages for the workers, although there would be penalties for falling below the prescribed standard – "a fair day's pay for a fair day's work" in Taylor's words.

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iii. Bureaucratic approach

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Bureaucracy and its operation

Weber saw bureaucracy as being the ultimate expression of organizational form:

" The decisive reason for the advance of bureaucratic organization has always been its purely technical superiority over any other form of organization. "

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Bureaucracy and its operation

The major characteristics are summarized below;

- **Specialization**
- **Hierarchy of authority**
- **System of rules and procedures**
- **Impersonality**
- **Employment**

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Bureaucracy and its operation

- **Specialization**

The regular activities required for the purposes of the organizations are distributed in a fixed way as official duties.

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Bureaucracy and its operation

- **Hierarchy of authority**

A detailed and precise stratification exists throughout the organization. Each manager has clearly defined authority over subordinates in a particular field, and they must obey. Each office is supervised by the one above it.

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Bureaucracy and its operation

- **System of rules and procedures**

The dominance of the system of rules and procedures should ensure that uniformity of performance follow, irrespective of the abilities and personality of the individual office holder.

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Bureaucracy and its operation

- **Impersonality**

Bureaucratic organizations treat all employees equally. They also treat all customers equally and do not allow individual differences to influence them.

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Bureaucracy and its operation

- **Employment**

There is a great deal of certainty and security about working in a bureaucracy, and the overall treatment of staff both derives from the above characteristics and supports the whole fabric of the organization.

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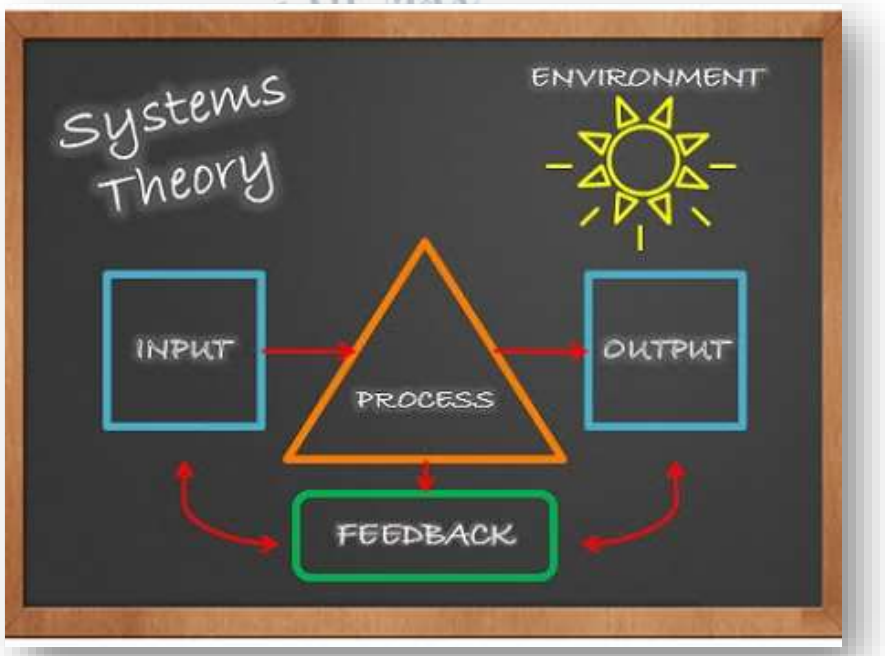
iv. System Theory



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iv. System Theory

Systems theory is a conceptual framework based on the principle that the component parts of a system can best be understood in the context of the relationships with each other and with other systems, rather than in isolation.

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The System Approach

- Sub-systems
- Boundaries and the environment
- Objectives and goals

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The System Approach

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The Organization as a system

- the technical sub-system
- the psycho-social sub-system
- the structural sub-system

The addition, Kast and Rosenzweing proposed two further elements:

- the goals and values sub-system
- the managerial sub-system

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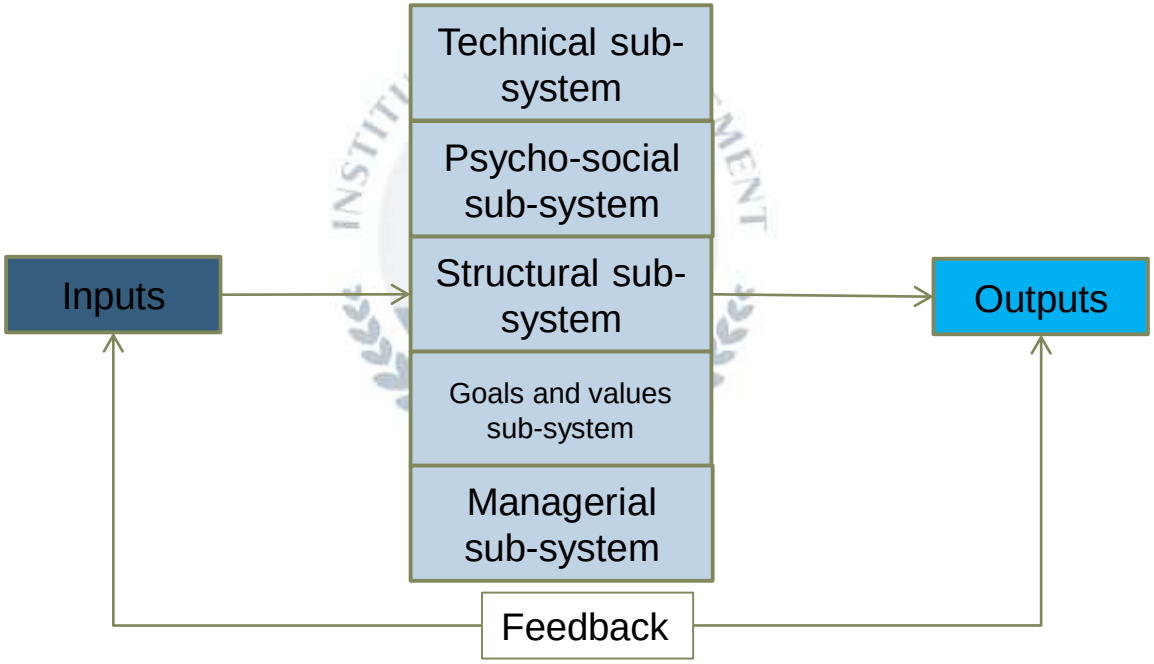
The Organization as a system



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v. Contingency Theories

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v. Contingency Theories

Contingency theory does not aim to help us identify any particular approach to organization and management. Rather, it takes the view that there is no one best form of organization and that one needs to consider the impact of the situation in which the organization finds itself – the form of the organization and management will, or should, be conditioned by the demands placed upon it.

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v. Contingency Theories (cont.)

There are two key studies

- Joan Woodward – the influence of Technical Process
- Burns and Stalker – the influence of the Environment

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IV. Developments of Management Thoughts and concepts

Joan Woodward – the influence of Technical Process

Woodward identified three board categories, based on the degree of technological control over the production process.

- Unit or small batch production
- Large batch and mass production
- Process production

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IV. Developments of Management Thoughts and concepts

Burns and Stalker – the influence of the Environment

The propose two ideal types of management organization which form the extremes of a continuum along which most organizations can be placed:

- The mechanistic system
- The organic system

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VI. Contemporary Management Concepts

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VI. Contemporary Management Concepts

Three approaches have emerged in the last twenty years which are worthy of inclusion herein our review of the development of management thinking. There are certain similarities between two of them in that they are both based on analyses of highly successful undertakings.

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Thank You For Your Attention!

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