

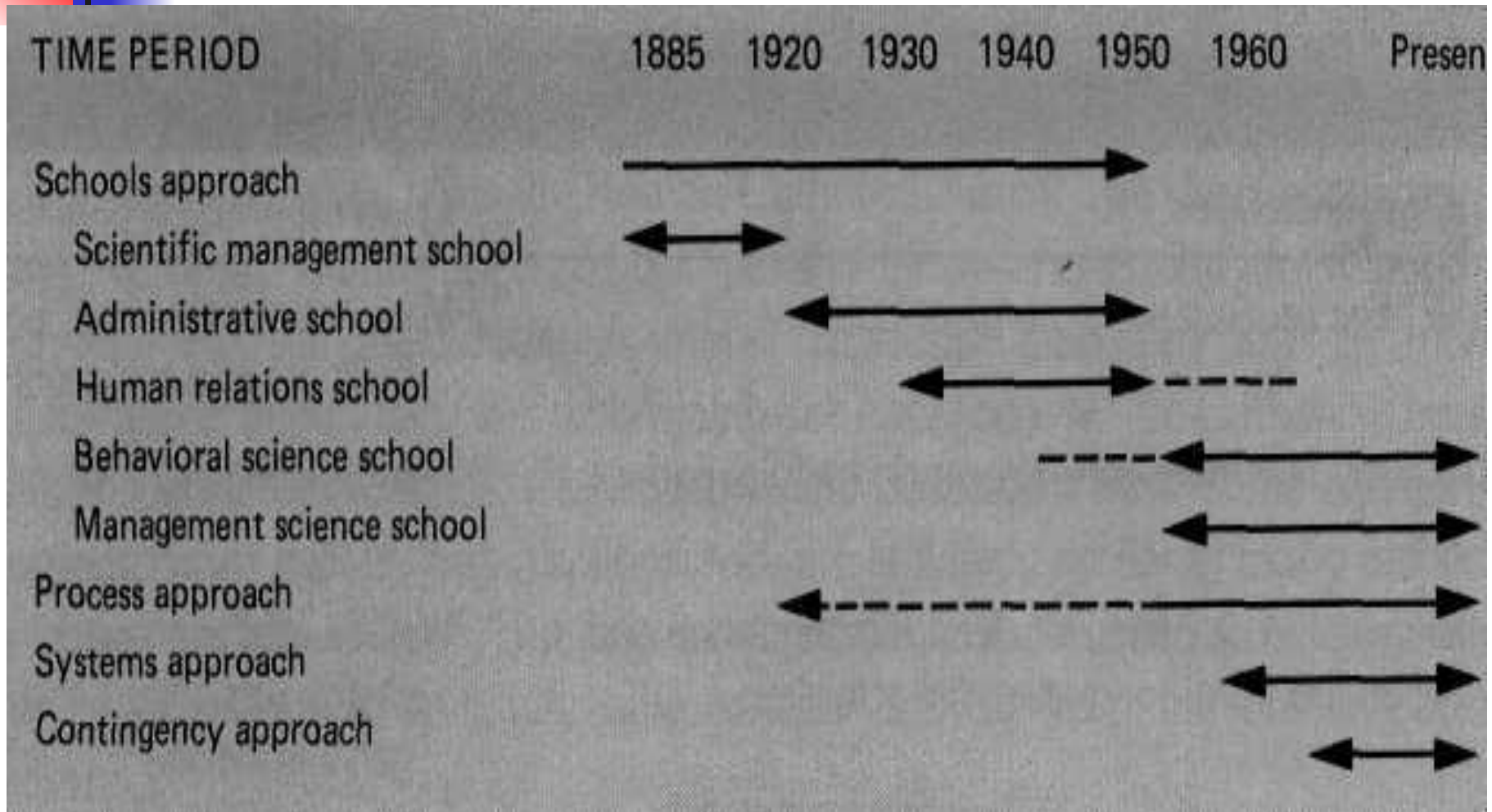


History of Management

Approaches to Management



Approaches to Management





Approaches to Management :1

The *schools approach* (actually four approaches) views management from four distinct perspectives. These schools are scientific management, administrative, human relations and behavioral science, and management science or quantitative.

The *process approach* sees management as an ongoing series of interrelated management functions.



Approaches to Management:2

- The *systems approach* stresses that managers should view an organization as a set of interdependent parts, such as people, structure, tasks, and technology, that try to attain diverse objectives in a changing environment.
- The *contingency approach* stresses that the appropriateness of various management techniques is determined by the situation. Because there are so many factors in both the organization and the environment, there is no single "best" way to manage. The most effective technique in a particular case is the one most appropriate for that situation.



Schools approach:1

Four distinct schools of management thought evolved during the first half of last century.

In chronological order they are:

the scientific management school,

the administrative school,

the human relations and behavioral school,

the management science (quantitative) school



Schools approach:2

The strongest adherents of each at one time believed that they had found the key to attaining organizational objectives most effectively. Later studies and breakdowns in application proved that many of their answers to management problems were at best partially correct in certain limited situations. Yet, each of these schools has made a lasting contribution to the field. Even the most progressive contemporary organization still uses some concepts and techniques originated by these schools.



The process approach

- This major conceptual breakthrough is widely accepted today. The process approach was first suggested by writers of the administrative management school, who attempted to describe the functions of the manager. However, administrative writers tended to consider these functions to be independent of one another. The process approach, in contrast, considers management functions to be interrelated.



The process approach

- Management is considered a process because the work of attaining objectives through others is not a one-time act but an ongoing series of interrelated activities. These activities, each a process by itself, are essential to organizational success, and are referred to as the management functions. Each managerial function is also a process because each consists of a series of interrelated activities.
- We consider the management process to consist of the functions of planning, organizing, motivating, and controlling. These four primary functions are interrelated through the linking processes of communicating and decision making.

Planning

The planning function involves deciding what the organization's objectives should be and what its members should do to attain them. Basically, the planning function addresses three fundamental questions:

1. Where are we now? Managers must assess the organization's strengths and weaknesses in important areas such as finance, marketing, production, research and development, and human resources.

2. Where do we want to go? By assessing the opportunities and threats in the organization's environment, such as competitors, customers, laws, political factors, economic conditions, technology, suppliers, and social and cultural changes, management decides what the organization's objectives should be and what could hinder the organization in attaining objectives.

3. How are we going to get there? Managers need to decide both generally and specifically what the organization's members must do to attain objectives.



Organizing

- Organizing is the creation of structure. There are many elements that must be structured for the organization to carry out plans and thereby attain its objectives.

Motivating

- The manager must always keep in mind that the best-formulated plans and finest organizational structures have no value whatsoever unless somebody actually performs the work of the organization. The role of the motivating function is to get members of the organization to perform their delegated duties according to plan.
- From the late eighteenth century to the twentieth it was widely believed that people would always work harder if given an opportunity to earn more. We now realize that to motivate effectively a manager must determine what the needs of workers actually are and provide a way for workers to satisfy them through performance.



Controlling

- Almost everything the manager does involves an event in the future. Controlling is the process of ensuring that the organization is actually attaining its objectives.



The Linking Processes

The four management functions of planning, organizing, motivating, and controlling have **two** elements in common: All require **making decisions** and all require **communication**, both to obtain information for making a good decision and to get that decision understood by others in the organization. Because of this bond and because they connect and interrelate the four functions, communication and decision making are often referred to as the linking processes.



The system approach

- The application of **systems theory** to management has made it easier for managers to see the organization as an entity of interrelated parts that is inextricably intertwined with the outside world. It also has helped to integrate the contributions of the schools that dominated early management thought.
- A **system** is an entity composed of interdependent parts each of which contributes to the characteristics of the whole

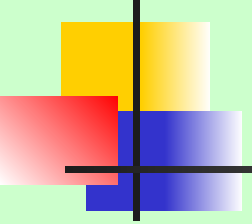
The system approach:

Open and Closed Systems

- There are two major types of systems, closed and open. A closed system has firm, fixed boundaries; its operation is relatively independent of the environment outside the system. A watch is a familiar example of a closed system. The interdependent parts of a watch move continuously and precisely once the watch is wound or a battery is inserted. As long as the watch has sufficient energy stored within it, its system is independent of the external environment.

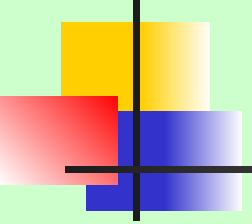
The system approach:

Open and Closed Systems

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- An open system is characterized by interaction with the external environment. Energy, information, and material are exchanged with the environment through the system's permeable boundaries. The system is not self-sufficient but dependent on energy, information, and materials from outside. In addition, the open system has the capacity to adapt to changes in the external environment and must do so to continue operating.

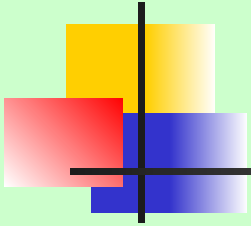
The system approach:

Open and Closed Systems

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- Managers are concerned primarily with open systems because **all organizations are open systems**. All organizations are dependent on the world outside themselves for survival. Even a monastery needs to bring in people and supplies and to maintain contact with its parent church in order to operate over the long term. Early schools approaches to management failed to hold up in all situations because they assumed, at least implicitly, that organizations are closed systems.

The system approach:

Open and Closed Systems



Inputs

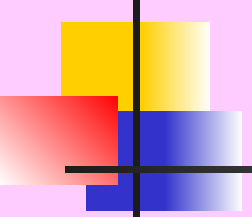
Information
Materials
Capital
Human resources

Throughput

Processing
and
transforming
inputs
(dependent on
management
effectiveness)

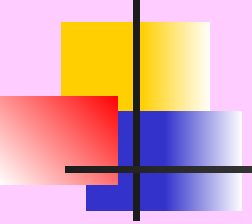
Outputs

Products or services
Profit (business)
Social responsibility
Market share
Growth
Employee satisfaction



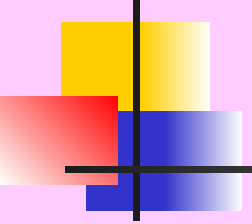
The contingency approach

- The contingency approach tries to match specific techniques or concepts of managing to the specific situation at hand in order to attain organizational objectives most effectively.
- The contingency approach focuses on situational differences both between and within organizations. It tries to determine what the significant variables of the situation are and how they influence organizational effectiveness. The methodology of the contingency approach can be expressed as a four-step process.



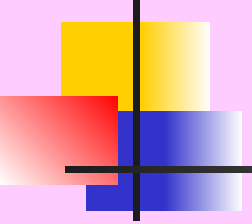
The contingency approach

- 1. The manager must become familiar with the tools of the management profession that have proven effective. These include understanding the management process, individual and group behavior, systems analysis, techniques for planning and control, and quantitative decision-making techniques.



The contingency approach

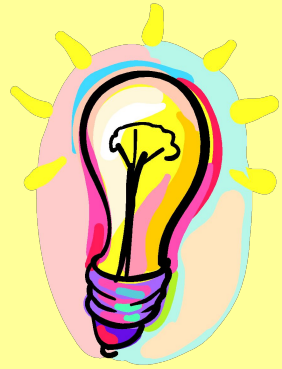
- 2. Every management concept and technique has both advantages and disadvantages, or trade-offs, when applied to a specific situation. The manager must be able to predict the probable consequences, both good and bad, of applying a given technique or concept. To give a simple example, offering to double the salary of all employees in exchange for added work would probably increase their motivation considerably, at least temporarily. Traded off against this are the added costs, which may cause the organization to go broke.



The contingency approach

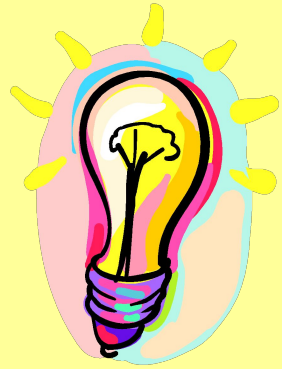
- 3. The manager needs to be able to interpret the situation properly. It must be determined correctly which factors are most important in a given situation and what effect changing one or more of these variables would probably have.
- 4. The manager must be able to match the specific techniques with the fewest potential drawbacks to the specific situation, thereby attaining organizational objectives in the most effective way under the existing circumstances.

SUMMARY



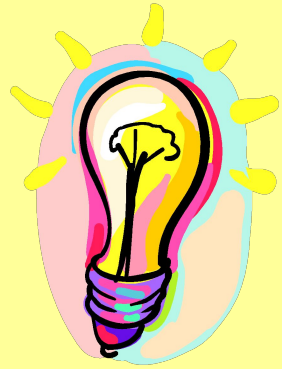
- 1. The practice of management is as old as organizations, but management did not become a **recognized discipline** or widely appreciated until about 1910.

SUMMARY



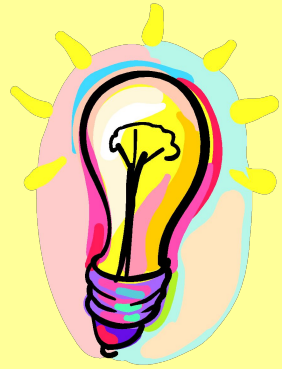
- 2. Scientific management focused on redesigning tasks to improve efficiency at the nonmanagerial level. The classical school tried to identify broad, universal principals for administering an organization. The behavioral school's view was that understanding human needs and social interaction were the key to organizational success. All these schools made important, lasting contributions to management, but because they advocated a "one best way," examined only part of the internal environment, or ignored the external environment, none proved wholly successful in all situations.

SUMMARY



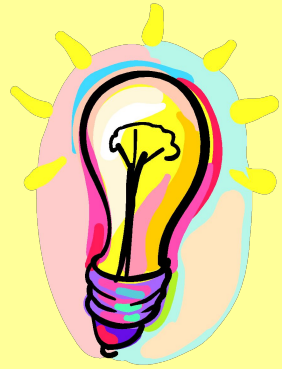
- 3. The management science school uses quantitative techniques such as models and operations research to aid decision making and improve efficiency. Its influence is growing as an adjunct to the current widely accepted conceptual frameworks: the process approach, the systems approach, and the contingency approach.

SUMMARY



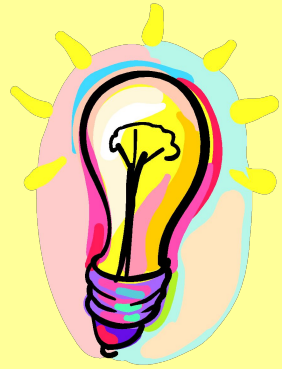
- 4. The concept of a management process applicable to all organizations originated with the classical school. This book considers the core functions to be planning, organizing, motivating, and controlling. Communicating and decision making are considered linking functions because they are required to perform all four basic functions.

SUMMARY



- 5. The systems approach views the organization as an open system consisting of several interrelated subsystems. It imports resources from its environment, processes them, and exports goods and services to the environment. Systems theory helps managers grasp the interrelationships among parts of the organization and between the organization and its environment.

SUMMARY



- 6. The contingency approach extended the practical application of systems theory by identifying major internal and external variables that affect the organization. Because it holds that concepts or techniques must be appropriate to the specific situation at hand, the contingency approach is often called situational thinking. In the situational perspective there is no "best" way to manage.