

MANAGEMENT

Historical development of the management

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Objectives of the presentation:

- **to present the essence and principles of management;**
- **introduction to the different developmental stages of management;**
- **defining the typical features of contemporary management.**

Presentation outline:

- 1. Introduction to the issue**
- 2. Mechanical management approach**
- 3. School of human relations**
- 4. Humanistic approach of management**
- 5. Modern approaches influencing the view of management**
- 6. Post-modern approaches influencing the view of management**
- 7. Characteristics of contemporary management**

1. Introduction to the Issue

A hand is Latin for = manus:



To drive is French = mènegeement



To drive is English = to manage

1. Introduction to the Issue

- Management means:
 - the art of managing, acting on a system, e.g. a company, and controlling its activities;
 - the process of creating and maintaining an environment in which individuals work together in groups to effectively achieve selected goals;
 - the designation of the managers of an organization..
- The origin and development of management theory is related to the development of business (feudalism) and the development of industrial production (industrial revolution).

1. Introduction to the Issue

- **Developmental stages of management:**
 1. **A mechanistic approach;**
 2. **School of human relations;**
 3. **Humanistic approach;**
 4. **Modern views;**
 5. **Postmodern views.**
- **The taxonomy of management development stages is quite diverse.**

2. Mechanical Management Approach

- **By the 1920s.**
- **A period of enormous technical and economic progress - exemplified by the precise functioning of machinery and its parts (e.g.: levers, gears, gearing, etc.).**
- **Organization must function like a machine according to clear parameters.**
- **If the roles, powers and responsibilities of individual workers are precisely defined, the organisation will work smoothly.**

2. Mechanical Management Approach

- **Three main management streams within this approach:**
 - **Scientific management;**
 - **Theory of bureaucracy;**
 - **Classical management.**

2. Mechanical Management Approach

2.1 Scientific Management

- **Frederick Winslow Taylor (1856 –1915)**
 - was one of the founders of management;
 - he drew up a number of principles and recommendations aimed at rationalising work (he carried out a number of studies leading to the streamlining of workers' activities in production);
 - introduced the principle of standardisation of work;
 - theoretical father of belt production;

2. Mechanical Management Approach

2.1 Scientific Management

- **Frederick Winslow Taylor (1856 –1915)**
 - **divided tasks into smaller "sub-tasks" (looking for the most efficient way to perform a given task);**
 - **the essence of Taylor's management system: the assignment of precisely defined tasks with precisely defined deadlines for the completion of work (these principles could not be applied unless accurate and thorough time studies were made of all the tasks that make up a day's work).**

2. Mechanical Management Approach

2.1 Scientific Management

- **Henry Ford (1863 –1947)**
 - the founder of modern American industry;
 - new view of management (building on Taylor and improving his processes);
 - the practical father of belt production - introduced belt production of automobiles (mass produced one type of automobile, the Model T);
 - higher efficiency of car production = higher wages for workers (they could afford to buy more than before);
 - negatives of belt production: employee dissatisfaction and high turnover.

2. Mechanical Management Approach

2.2 Theories of bureaucracy

- **Bureaucracy:**
 - **founder: Max Weber (1864 - 1920);**
 - **hierarchical organization;**
 - **designed logically to coordinate the work of individuals to accomplish many administrative tasks and organizational goals;**
 - **development is due to technical superiority over other forms of organization.**

2. Mechanical Management Approach

2.2 Theories of bureaucracy

- **Basic rules of bureaucracy management:**
 - **regularity of activities;**
 - **clear assignment of tasks to individual employees (as a formal obligation);**
 - **a clearly defined area of responsibility of each employee;**
 - **all operations are governed by rules - the existence of a permanent system of abstract rules (rules determine the procedure for the implementation of each task) .**

2. Mechanical Management Approach

2.2 Theories of bureaucracy

- **According to Max Weber, bureaucracy is the so-called ideal type (a model that can be approached by introducing elements of rational management).**
- **Negatives (the so-called vicious circles of bureaucracy):**
 - **suppression of personal individuality, initiative and creativity;**
 - **suppression of interdepartmental cooperation;**
 - **demotivation (motivated individuals may feel frustrated in such an organisation);**
 - **poorer coping with unexpected changes.**

2. Mechanical Management Approach

2.3 Classic Management

- **Founders: H. Fayol, F. W. Mooney.**
- **The formulation of several rules and fundamentals of the planning system that have become important rules for successful and functioning organizations.**
- **Modern systems of management by objectives were built on their ideas.**
- **The rules of classical management are still relevant today (especially the position of people in the organizational system).**
- **Negatives: organizations were designed like machines.**

2. Mechanical Management Approach

2.3 Classic Management

- **Basic principles of management according to classical management:**
 - ascending chain (strict adherence to hierarchy - information and communication from the highest superior to the rank and file);
 - authority and responsibility;
 - the principle of a single leader;
 - discipline and order;
 - stability of staff;
 - decency.

3. School of Human Relations

- **Founder: Elton Mayo (1880 - 1949).**
- **In contrast to mechanistic management, the approach was dedicated to improving social relationships between people (see managerial grid).**
- **Essential role: motivating employees, which affects their satisfaction.**
- **Sense of social and work environment (noise, temperature, lighting, etc.) that increases work productivity.**
- **Hawthorne effect: performance improvement due to the inclusion of a worker in a research project.**

3. School of Human Relations

- **Important conclusions:**
 - **decline of the working environment will not reduce labour productivity;**
 - **an increase in wages causes an increase in labour productivity;**
 - **an increase in labour productivity also occurs when there are no changes in the work group.**
- **The reasons for the above conclusions are the workers' belonging to the group, feeling important in front of other workers, feeling that management is interested in their needs (the workers tried to prove that they are worthy of such interest and that they are a good work group).**

4. Humanistic Approach of Management

- **The focus shifts from human relations to the level of personal satisfaction of the employee (elaboration of the "soft" level of the managerial grid).**
- **At the first place of attention is the personality of the person and his/her development.**
- **The humanistic approach perceives the person as an active being with the potential for development.**

4. Humanistic Approach of Management

- **Douglas McGregor (1906-1964): a social psychologist who came up with Theory X and Y.**
- **Theory X and Y:**
 - applied in people management;
 - is based on the different behavior of the average employee;
 - the manager deals with the employee according to which type is stronger for the employee;
 - the manager applies different management approaches to different employees.

4. Humanistic Approach of Management

- **Theory X:**
 - negative view of employees;
 - employees are not interested in the company, they work under duress, they have no ambitions, they are lazy, they try to avoid work, and therefore they must be led and controlled by managers.
- **Theory Y:**
 - a positive view of employees;
 - employees like to take responsibility, they can manage themselves, they need to self-realize, they identify with the goals of the organization .

4. Humanistic Approach of Management

- **Abraham Harold Maslow (1908 - 1970): Maslow's Pyramid of Needs (a hierarchical arrangement of human needs depicted in the shape of a pyramid).**
- **It is based on a vertical chaining of needs, from lower to higher.**
- **Satisfaction of lower needs is necessary to satisfy higher needs (in practice, sometimes higher needs prevent the acquisition of lower needs).**
- **The most important need, from the point of view of work performance, considers the humanistic approach to self-realization (realization of abilities, realization of potential, desire to do work that the employee enjoys) - to increase work productivity, the organization should enable employees to achieve the need for self-realization.**

5. Modern Approaches

- **The basic idea: to create different approaches that have a common basis.**
- **The common ground of these different approaches is to find a universal principle that:**
 - **make it possible to clarify all company developments;**
 - **explain the rational operation of organizations.**
- **This approach talks about the requirement of modern times, the so-called KISS approach - Keep It Simple and Short.**

5. Modern Approaches

- **Explaining the positives and negatives of running an organization and finding a way to address the shortcomings in the organization.**
- **Negative:**
 - **modern approach is based on similarities in individual organizations - it encounters the problems of unexpected changes in today's world (inability to reliably capture the chaotic course of events) .**

5. Modern Approaches

- **Theory „Z“:**
 - **1970s - Mild economic recession in the US and economic growth in Japan;**
 - **the effort of the USA and Europe to adopt the Japanese style of management;**
 - **effort not very successful due to the following cultural differences:**
 - **length of employment;**
 - **connection with specialization;**
 - **promotion speed;**
 - **control system (related to Japanese motivation - power of duty);**
 - **worker position (family member versus regular employee).**

6. Postmodern approaches

- **Responding to the inability of modern approaches to reliably capture the chaotic course of events.**
- **Approach: organizations are diverse and very different.**
- **The aim of postmodern views was to create a theory that would be simple and adapted to solve all problems.**
- **The postmodern view accepts the differences of individual organizations and tries to implement them into their essence.**

7. Characteristic features of current management

- **Independence and entrepreneurship (more decision-making powers and responsibilities are delegated to employees);**
- **developing creativity (selling more intellect and less material);**
- **globalization;**
- **transition from supplier to customer market (excess of supply over demand);**
- **the transition from mass production to satisfying the individual needs of the customer;**
- **the capital of companies is human capital;**
- **increasing pressure on the company's social and environmental activities;**
- **increasing the importance of know-how, innovation and knowledge at the expense of traditional resources (land and mineral wealth).**

**Thank You for Your
Attention**