

## 2.2.9: Summary

### ✓ Example 2.2.9.1

#### **14 principles of management**

Created by Henri Fayol.

#### **Adam Smith**

Adam Smith proposed the ideas of division of labor, specialization, and coordination within a corporation.

#### **Carl G. Barth**

Carl G. Barth (1860–1939), mathematician, developed a slide rule for calculating how much steel to cut.

#### **Chester Barnard**

Chester Barnard (1886–1961) argued that the executive purpose was to gain resources from members within the organization by ensuring that they perform their jobs and that cooperation exists between various groups within the organization.

#### **Compromise**

In a compromise, neither side gets what it wants. The best each side could get is what each can agree to.

#### **Contingency school**

The contingency school explained that there were no universal laws in management, due to a wide variety of variables that influence relationships and create unique situations, and that each situation required a different response.

#### **Dominance**

In dominance, one dictates the terms of the arrangement.

#### **Elton Mayo**

Elton Mayo (1880–1949) researched, theorized, and developed human relations theory based on an experiment at the Hawthorne plant on how to manage workers and to improve production.

#### **Five functions of management**

Created by Henri Fayol: planning, organizing, staffing, controlling, and directing.

#### **Frank and Lillian Gilbreth**

Their major contribution was **motion studies**.

#### **Frederick Winslow Taylor**

Taylor is known as the father of scientific management.

#### **Hammurabi**

The Code of Hammurabi was a listing of 282 laws that regulated conduct on a wide variety of behaviors, including business dealings, personnel behavior, interpersonal relations, punishments and a wide variety of other outcomes.

#### **Henri Fayol**

Fayol's administrative theory was the first general statement on management theory.

#### **Henry Gantt**

Henry Gantt (1861–1919) developed the Gantt chart, which allowed for the process of control to occur.

#### **Industrial Revolution**

The Industrial Revolution occurred between roughly 1760 and 1900 and saw the emergence of the modern factory.

### **Integration**

In integration, both parties state their preferences and attempt to reach an agreement.

### **Italian Renaissance**

The Italian Renaissance was a major leap of knowledge and learning that had economic and business implications.

### **Joan Woodward**

A British scholar who did her work in the 1950s and 1960s. She argued that contingencies, such as technology, play a role in how much training workers should receive.

### **Mary Parker Follett**

Mary Parker Follett (1868–1933) found a way to utilize the tenets of the human relations movement to solve some of the issues with scientific management.

### **Max Weber**

Weber developed the idea that organizations should be formalized and legalistic in their operations.

### **Modern bureaucracy**

Decisions should be made on a formal basis, rather than what a bureaucrat felt was correct. Weber stressed that knowledge, not birth circumstances, should be the basis of hiring and promotion within a bureaucracy.

### **Motion studies**

Film studies of work.

### **Nebuchadnezzar**

Nebuchadnezzar (605 BC–c. 562 BC) was a pioneer in the development of incentives in that he gave greater rewards to workers who were productive.

### **Open system**

An open system interacts with the environment to gain resources.

### **Sun Tzu**

Sun Tzu developed subdivisions, various rankings of authority, and the use of colors as coordination between units.

### **Unity of command**

Unity of command stresses that each worker should have only one supervisor.

### **Zone of indifference**

Workers would comply with orders if they were indifferent to them. This does not mean they have to agree with the orders. Rather the zone of indifference suggests that workers need merely to be indifferent to an order to follow it.

## **Summary of Learning Outcomes**

### **3.2 The Early Origins of Management**

#### **1. Describe management in the ancient world.**

We can track the concept of management from its development under the Sumerians. The Sumerians provided the concepts of writing and record keeping that allowed for an urban economy to develop, which in turn led to the establishment of small businesses. The Egyptians helped to pioneer the ideas of specialization of labor, span of control, and hierarchy of command. Sun

Tzu developed subdivisions, various rankings of authority, and coordination. The Greeks and Romans built forerunners of the modern corporation and guilds.

### 3.3 The Italian Renaissance

2. How did the Italian Renaissance affect the progression of management theory?

The Crusades and various travelers brought new knowledge from both the Muslim and Chinese societies. In addition, there was a rediscovery of trade throughout Europe. These factors led to the establishment of the Renaissance that took place initially in Italy. The development of the printing press saw a distribution of these ideas across Europe. The Renaissance saw a reemergence of trade. The Renaissance also saw the development of the idea of the corporation and double-entry accounting. In fact, some of the first multinational corporations have their genesis in the Italian Renaissance.

### 3.4 The Industrial Revolution

3. How did the Industrial Revolution affect the progression of management theory?

The Industrial Revolution was a product of a combination of factors, including the spread of learning from the Italian Renaissance, the improvement of transportation, the Market Revolution, and technology. In addition, scholars such as Adam Smith provided support for the ideas of division of labor, specialization, and coordination within a corporation, allowing for the development of factories. This economic shift created the need for managers.

### 3.5 Taylor-Made Management

4. How did Frederick Winslow Taylor influence management theory, and how did efficiency in management affect current management theory?

Taylor was the man that added the scientific method to management. He developed the four principles of scientific management and the notion of time study. Henry Gantt developed his famous chart, which allowed managers to track what was done versus supposed to be done. Frank and Lillian Gilbreth added motion study to Taylor's time management.

### 3.6 Administrative and Bureaucratic Management

5. How do bureaucratic and administrative management complement scientific management?

Henri Fayol and Max Weber made notable contributions to the development of management thought. Fayol focused on top managers, and Weber focused on middle managers. Fayol's administrative theory was the first general statement on management theory. He stressed the need for collective action and vision from top management. Weber developed the idea that organizations should be formalized and legalistic in their operations.

### 3.7 Human Relations Movement

6. How did Elton Mayo influence management theory, and how did the human relations movement affect current management theory?

Elton Mayo noted the role of non-monetary motivators and attitudes in terms of the workplace. Barnard developed the idea of the zone of indifference. Follett developed ways to resolve conflict without the use of compromise or domination.

### 3.8 Contingency and System Management

7. How did contingency and systems management transform management thought?

Systems management developed the concept that management is an open system in that organizations interact with the environment to gain resources. Since organizations require resources from the environment, this constrains what managers can do. The contingency school explained that there were no universal laws in management, due to a wide variety of variables that influence relationships. Modern management is based on theory.

#### ? Chapter Review Questions

1. What contributions did ancient civilizations make to management thought?
2. Describe the role of the Renaissance in shaping management thought.
3. How did the Industrial Revolution change business and the economy?
4. Describe scientific management. How was scientific management different from management techniques that came before it?

5. Who were the key contributors to scientific management?
6. Describe the Hawthorne studies. Was Elton Mayo a humanist?
7. What is the zone of indifference?
8. Describe Follett's concept of conflict resolution.
9. What does open systems say about management?
10. What is contingency management?

### Managerial Decision Exercises

1. Which management scholar do you find to be the most influential and important, and how would you incorporate their approach into your managerial approach?
2. Based on the reading in this chapter, defend or attack this statement that would be stated by a direct report: Management is unethical because it is about manipulating workers.
3. Which management scholar matches your viewpoints on the role of management?

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