

Management Theory



Matching terms

| Definitions | Terms |
|--|---|
| The systematic study of good management principles | Management theories |
| A management style which argues that businesses should involve workers in the decision-making process and have some degree of control over their work. | Participative/democratic leadership style |
| A management theory which argues that managers should adapt different management styles according to circumstances | Contingency theory |
| Groups within the workplace united by shared goals that seek to command greater power | Coalitions |
| A management theory which emphasises the need to design workplace roles specifically in order to maximise productivity. | Classical-scientific theory |
| A management which involves ensuring that workplace tasks are carried out as planned and rectifying any problems that arise. | Controlling |
| The lines of authority and communication within the organisation | Chain of command |
| The number of subordinates that a manager supervises | Span of control |
| An organisational approach in which each employee focuses on a specific task in order to improve the overall productivity | Division of labour |
| A management function that involves stimulating workers' interests and efforts to achieve the business's objectives | Motivating |
| A management theory which encourages managers to acquire and exercise power within a business | Political theory |

True or False

- | | | |
|----------|----------|-----------|
| 1. True | 5. False | 9. True |
| 2. False | 6. False | 10. False |
| 3. True | 7. True | |
| 4. False | 8. True | |

Multiple Choice

- | | | |
|----|---|---|
| 1 | C | Behavioural |
| 2 | D | Classical-scientific |
| 3 | D | Political |
| 4 | B | Behavioural |
| 5 | A | Classical-scientific |
| 6 | B | Classical-scientific |
| 7 | B | Behavioural |
| 8 | D | Leadership style |
| 9 | A | Difference between behavioural and classical scientific |
| 10 | C | System |
| 11 | C | Difference between management theories |
| 12 | B | Classical-scientific |
| 13 | A | Contingency |
| 14 | A | Political |
| 15 | B | Political |

Short Answer Questions

Question 1

- (a) The manager's leadership style is democratic. Rather than dictate what the approach should be, the manager has asked Emma for her ideas. This indicates a consensus style of leadership which is typical of behavioural management theory.
- (b) A benefit of a flat management structure is that it eliminates a number of levels of middle management. Apart from streamlining the organisation by reducing bureaucracy and reducing management salaries this will improve the communication between workers and top levels of management.

Another benefit that will occur is that workers will find their jobs more rewarding. Unlike the monotonous division of labour which occurs with a classical-scientific structure, workers under behavioural theory are more likely to be working in workplace teams where there is more interaction between workers about task structure and production process

- (c) It would be quite easy for David to adopt an autocratic management style which is part of the classical-scientific management theory and make a pronouncement about the marketing campaign, without any contribution from workers. One advantage of the autocratic style is that decisions are made quickly and the business proceeds. However, David has chosen the behavioural approach which invites ideas and suggestions from workers. This allows the business to have the benefit of their experience. Under an autocratic approach, the manager would probably not have had that communication with Emma. She would not have emailed him in the first place and he would not have asked for her ideas.

Question 2

- (a) The first change which could affect management skills is a shortage of skills in the available pool of labour due to the ageing population (social influence). As people in the post-war baby boom era leave the workforce there are fewer people with the skills and knowledge to replace them. This may result in management of many businesses to adopt a teamwork approach to overcome the skills and knowledge shortage.

The second change in the labour market is high employment levels (economic influence). Over the last few years, the unemployment rate has been falling to levels not seen since the early 1970s. The impact of this is a labour market where workers have more bargaining power with regard to working conditions and salaries. This could influence managers when negotiating workplace agreements with workers.

- (b) The stimulus suggests that managers need to have a strategic focus more than ever now that the dynamics of the labour market are changing. To be empowered, managers firstly need to access information which involves implementing controls and assessing the information which these controls provide. After information has been obtained, managers need to make decisions, many of which will centre around strategic planning. Part of the process of implementing the strategic plan of the business will involve organising and scheduling various aspects of the business so that these will contribute to the success of the strategic plan.
- (c) A major strength of the behavioural theory is that with emerging skills shortages, teamwork will contribute to gaps in the areas of skills and knowledge. Another strength of the behavioural theories is that they rely on fewer levels of management and there is closer contact between top management and ordinary workers. Although this relationship would tend to be democratic there would be closer direction of activities by senior managers.

On the other hand, one weakness of behavioural theory in this era of emerging skills shortages lies in the democracy and participative leadership style. With fewer skilled workers available there may need to be greater direction of workers by supervisors and the division of labour typical of the classical theory may be more appropriate than the laissez-faire approach of the behavioural theory which in this case would be a weakness.

Question 3

- (a) A coalition is an association of at least two groups where the goals or purposes of the groups are similar or shared. The groups combine their resources to achieve their common goals.
- (b) Political management theory centres on the way managers accumulate and use power to achieve their goals and the goals of the business that they manage. In order to accumulate and use power managers need to develop the second feature, that of establishing coalitions with those who can assist them to achieve their goals but who will respect their referent power
- (c) Workplace coalitions have the potential to cause conflict within a business because sometimes members of a coalition may use their influence and power to achieve goals which have not been approved by the business. Another source of conflict is the “in-group” “out-group” rivalry. Those within the coalition may be the subject of jealousy or even hatred by those outside the particular coalition. In the diagram the Accounts Payable Officer may be the subject of considerable jealousy because of the sibling relationship with the managing director.

- (d) Because the political management theory relies on the accumulation and use of power, one strength of this approach is the possibility of developing and using an expanded power base to achieve goals.

A weakness of political management theory occurs through the use of coalitions where the chain of command can, on many occasions, not be clear. In the example given in the diagram, the Accounts Payable Officer may wield more power than the Chief Financial Officer (CFO)

Question 4

- (a) One skill that the manager would need is people skills. The stimulus indicates that the employees had complained about the problem and the skills of consultation with employees and more democratic processes would improve the situation.

Another skill needed would be that of complex problem solving and decision making. The manager would need to solve this problem which would give the business bad publicity. With an autocratic management style, an appropriate decision would be to ensure in the future that the company only used ingredients that had not passed their use-by-date. It would be necessary to implement controls to ensure this. The manager would also need to authorise a reassuring press release to counter the bad publicity.

- (b) The manager must reconcile this conflict of interest between the customers and the business. Perhaps one way of doing this is by the business adopting an appropriate code of practice with regard to production standards and consumer service. Codes of practice, when formulated and adopted by a business should guarantee social justice in all business activities – in this case being ethical about the inputs used in the production of biscuits.
- (c) Effective management occurs as a result of managers taking the right decisions on behalf of the business. As a part of being an effective manager is the ability to develop and maintain effective communications with employees. Managers who follow the behavioural theories are most likely to adopt a consensus style of communications with employees where there will be productive, two-way communication. If this occurs managers can be provided with timely information and will thus be more likely to make the right decisions. This will assist them in managing effectively.
- (d) Behavioural theories would be appropriate theories for this manager to adopt. The main cause of the problem – the failure of management to listen to employees was because of the autocratic leadership style as a result of classical-scientific theories being used. In other words, the problem was made worse because of a lack in communication. Communication between the rank and file workers and top management are likely to be much better with the adoption of behavioural management theories. One problem of adopting a behavioural approach would be the need for a consensus approach to decision making which would cause this process to be slower.

Question 5

- (a) The contingency theory of management holds that the approach of a manager depends on a particular situation. The contingency approach can be said to be a combination of other management theories and each situation will be best dealt with by taking an appropriate decision. Above all, the contingency approach advocates flexibility.
- (b) A business organised under contingency theory will have an approach to organising production based on job design, where management will design tasks which are appropriate for the skills and aptitudes of the workers. The theory also suggests that there is no fixed response to a given set of circumstances. Leadership styles must vary according to the challenge or problem. This is where control systems in place in the business are important in gathering information.
- (c) Contingency theory of management is sensitive to the size of the organisation and probably works better in a smaller business where it is easier to be flexible. In a very large organisation, a classical-scientific approach may be more appropriate. As long as the approach required depends on division of labour, close supervision and many levels of management, the classical-scientific approach will be appropriate. This may be the case in a large Public Service department. Both management systems have their place with modern organisations.