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MANAGEMENT SOCIETIES AND ASSOCIATIONS: DOMESTIC

SEE *Domestic Management Societies and Associations*

MANAGEMENT SOCIETIES AND ASSOCIATIONS: INTERNATIONAL

SEE *International Management Societies and Associations*

MANAGEMENT STYLES

A manager's style is determined by the situation, the needs and personalities of his or her employees, and by the culture of the organization. Organizational restructuring and the accompanying cultural change has caused management styles to come in and go out of fashion. There has been a move away from an authoritarian style of management (in which control is a key concept) to one that favors teamwork and empowerment. Managerial styles that focus on managers as technical experts who direct, coordinate, and control the work of others have been replaced by those that focus on managers as coaches, counselors, facilitators, and team leaders.

Successful management styles involve building teams, networks of relationships, and developing and motivating others. There is a greater emphasis on participative management styles and people management skills. In an article titled "Types of Managers and Management Styles" published in the *Fascicle of Management and Technological Engineering*, Mircea and Delia point out that accommodative management styles that encourage teamwork and employee participation in decision-making processes motivate employees and promote long-term growth prospects of organizations

compared to authoritative management styles. Management theorists have repeatedly found evidence to support the advantages of management styles such as participative management; Theory Y versus Theory X; Theory Z; Total Quality Management (TQM); Management by Walking Around; Management by Objectives; and employee empowerment.

PARTICIPATIVE MANAGEMENT

Participative management involves sharing information with employees and involving them in decision-making. Employees are encouraged to run their own departments and make decisions regarding policies and processes. Participative management has often been promoted as the quick cure for poor morale and low productivity. It is not, however, appropriate in every organization and at every level. This is because employees must have the skills and abilities to participate, and they must have the technical background, communication skills, and intelligence to make decisions and communicate those decisions effectively. The organization's culture must support employee involvement and the issues in which employees get involved must be relevant to them.

Representative participation allows workers to be represented by a small group who actually participate. The goal of representative participation is to redistribute power within the organization. Employees' interests become as important as those interests of management and stockholders.

According to Stephen P. Robbins, author of *Essentials of Organizational Behavior*, the two most popular forms of representative participation are works councils and board representatives. Works councils are groups of employees who have been elected by their peers and who must be consulted by management when making personnel decisions. Board representatives are employees that sit on the board of directors and represent labor interests.

As with participative management, representative participation is a poor choice for improving performance or morale. Evidence suggests that the overall influence of representative participation is small. The employees involved in representing personnel receive more benefit than those they represent.

THEORY X AND THEORY Y

Douglas McGregor's Theory X assumes that people are lazy and do not want to work; it is the job of the manager to force or coerce them to work. McGregor's Theory X makes three basic assumptions: (1) The average human being dislikes work and will do anything to get out of it; (2) most people must be coerced, controlled, directed, and threatened or punished to get them to work toward organizational objectives; and (3) the average human being

prefers to be directed, wishes to avoid responsibility, has relatively little ambition, and places job security above ambition. According to this theory, responsibility for demonstrating initiative and motivation lies with the employee, and failure to perform is his or her fault. Employees are motivated by extrinsic rewards such as money, promotions, and tenure.

Theory Y suggests employees would behave differently if treated differently by managers. Theory Y assumes that higher-order needs dominate individuals. The set of assumptions for Theory Y is: (1) the average human does not dislike work, and it is as natural as play; (2) people will exercise self-direction and self-control in order to achieve objectives; (3) rewards of satisfaction and self-actualization are obtained from effort put forth to achieve organizational objectives; (4) the average human being not only accepts but also seeks responsibility; (5) human beings are creative and imaginative in solving organizational problems; and (6) the intellectual potential of the average human is only partially realized. If productivity is low and employees are not motivated, then it is considered failure on the manager's part.

THEORY Z

William Ouchi studied management practices in the United States and Japan and developed Theory Z. Theory Z combines elements of both U.S. and Japanese management styles and is sometimes called Japanese Management. It assumes that the best management style involves employees at all levels of the organization. Specific characteristics included in Theory Z are long-term employment, less specialized career paths, informal control, group decision making, and concern for the individual (beyond work-related issues). This theory satisfies both lower order and higher order needs. Looking out for employees' well-being satisfies the lower-level needs. Incorporating group processes in decision making satisfies middle-level needs and encouraging employees to take responsibility for their work and decisions satisfies higher-level needs.

TOTAL QUALITY MANAGEMENT

Total Quality Management (TQM) is a management style that integrates all functions of a business to achieve a high quality of product. The major hallmarks are customer satisfaction, quality as the responsibility of all employees, and teamwork. As an integrated method, it involves every aspect of the company. The entire workforce, from the CEO to the line worker, must be involved in a shared commitment to improving quality.

TQM encourages employees to grow and learn and to participate in improvements, so it exemplifies a participative management style. TQM also encourages an ever-

changing or continuous process, and emphasizes the ideas of working constantly toward improved quality.

Americans W. Edward Deming and Joseph M. Juran were the pioneers of the quality movement. Both did their major work in post-World War II Japan, and are credited with the major turnaround in the quality of Japanese products by the 1970s. In the 1980s both men were highly influential in the quality management movement in the United States.

MANAGEMENT BY WALKING AROUND

Management by Walking Around (MBWA) is a classic technique used by good managers who are proactive listeners. Managers using this style gather as much information as possible so that a challenging situation does not turn into a bigger problem. Listening carefully to employees' suggestions and concerns will help evade potential crises. MBWA benefits managers by providing unfiltered, real-time information about processes and policies that is often left out of formal communication channels. By walking around, management gets an idea of the level of morale in the organization and can offer help if there is trouble.

A potential concern of MBWA is that the manager will second-guess employees' decisions. The manager must maintain his or her role as coach and counselor, not director. By leaving decision-making responsibilities with the employees, managers can be assured of the fastest possible response time.

According to Max Messmer, another mistake managers make is to inadvertently create more work for employees. By offering suggestions that may be interpreted as assignments, managers can increase the workload and slow down progress.

Messmer illustrates an example of a team working on a project that needs a supplier of plastic molding. When the manager shows up, the team has reviewed three companies and selected the best one. The manager also knows of a good company, and suggests that team members give this company a call. They may not feel comfortable in saying that the decision has already been made, and will take the extra time to call the company in order to please the manager.

MANAGEMENT BY OBJECTIVES

Management by Objectives (MBO) is a company-wide process in which employees actively participate in setting goals that are tangible, verifiable, and measurable. Management theorist Peter Drucker pioneered this style in his 1954 book titled *The Practice of Management*.

MBO provides a systematic method of assuring that all employees and work groups set goals that are in alignment with achieving the organization's goals. Xerox, Intel,

and Du Pont are just a few examples of companies that use MBO at all levels of the organization. Overall organizational objectives are converted into specific objectives for employees. Objectives at each level of the organization are linked together through a “bottom up” approach as well as a “top down” approach. In this manner, if each individual achieves his or her goals, then the department will achieve its goals and the organization objectives will in turn be met.

There are four steps involved in the MBO process: setting goals, participative decision-making, implementing plans, and performance feedback. Top managers work with middle managers and middle managers work with lower level managers to set goals for their departments. Each manager then works with employees in the department to set individual performance goals. The participative decision-making step allows managers and employees to jointly set goals, define responsibility for achieving those goals, and set the evaluation process.

Managers are allowed to implement their plans and control their own performance. This step of MBO utilizes every manager’s expertise to benefit the organization and permits managers to continuously improve their skills.

The final step is to continuously provide feedback on performance and achievement of objectives. By periodically reviewing employees’ performance, goals can be modified or new goals can be set. This step complements the formal appraisal system because the continuous feedback throughout the year keeps individuals informed of their progress.

As with any other management style, the organization’s culture must be conducive for MBO to work. Top management must be committed and involved in the MBO program for it to be beneficial. This management style is not without its problems. Managers often set their departmental goals and objectives too narrowly at the expense of the organization’s strategic goals or objectives.

Another problem arises when managers are not flexible in setting up the goal-setting and evaluation processes, and employees lose the ability to respond to issues quickly. Unrealistic expectations about results are often a problem with MBO programs as is the unwillingness of management to allocate rewards based on the accomplishment of individual goals.

EMPLOYEE EMPOWERMENT

Employee empowerment is a style of management that puts managers in the role of coach, adviser, sponsor, or facilitator. Empowerment involves delegating the decision-making authority regarding the action to be taken on a task that is considered to be important to both the manager and employee. The main reasons for implementing an empowerment program are to provide fast solutions to business

problems, to provide growth opportunities for employees, and to lower organizational costs while allowing the manager to work on multiple projects.

Employee empowerment is the most effective when management has set clear obtainable goals and defined specific accountability standards. The success of employee empowerment relies on the ability of management to provide resources such as time and money, support by way of legitimacy, and relevant and factual information so employees can make educated decisions. Training employees to take responsibility and make sound decisions that are supported by upper management as well as lower level managers are other areas that are important to the success of empowerment programs.

Employees benefit from empowerment because they have more responsibility in their jobs. Employee empowerment increases the level of employee involvement and therefore creates a deeper sense of satisfaction and higher levels of motivation.

However, there are potential problems with empowerment programs that often result in unfavorable outcomes. Many times managers delegate trivial, unimportant and boring tasks to employees and they retain the complicated and important tasks for themselves. Empowerment will not work unless the authority and decision-making tasks are perceived as meaningful by the employee.

Another problem arises when managers not only assign meaningless tasks to their employees but also then expect the employee to continuously consult them for approval. Managers must evaluate their employees’ skills and abilities and determine if the organization’s culture can support an empowerment program before beginning.

SELF-MANAGED WORK TEAMS

Employee empowerment led to the development of self-managed work teams. This management style delegates the authority to make decisions such as how to spend money, whom to hire, and what projects to undertake. Self-managed work teams are generally composed of ten to fifteen people and require minimal supervision. Xerox, General Motors, PepsiCo, Hewlett-Packard, and M&M/Mars are just a few organizations that have implemented self-managed work teams. According to Stephen P. Robbins, one in every five companies uses self-managed work teams.

Managers must select a management style that is best suited for them, their department, their subordinates, and finally the organization they work for. The situations managers encounter may require varying management styles depending on a specific assignment, the employees being managed, or the manager’s personality. Management style can ultimately determine the performance outcome of employees and a company’s growth depends on the

management styles of its executives. Therefore, in order to determine the most appropriate management style, it is necessary to first review previous results produced as a result of a particular management approach.

For example, Toyota has registered unprecedented growth and success as a result of a radical shift in management policy from an authoritative management style to a uniquely tailored management style called Toyota Production System. This particular system allows employees to exercise their skills independently and utilize tools within their reach to perform their duties and solve problems as they arise. Toyota production system management style has enabled the company to benefit from continued innovation from all categories of its employees from managers to junior staff.

Management positions require a certain degree of authority and therefore managers may often find themselves in leadership positions. However, not all leaders are managers and not all managers are leaders. Managers who possess good leadership skills influence and motivate employees to achieve organizational goals. It is therefore noteworthy to mention that certain leadership styles lend themselves to effective management styles as well.

SEE ALSO *Leadership Styles and Bases of Power; Leadership Theories and Studies; Quality and Total Quality Management; Theory X and Theory Y; Theory Z*

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MANAGEMENT THOUGHT

The schools of management thought are theoretical frameworks for the study of management. Each of the schools of management thought are based on somewhat different assumptions about human beings and the organizations for which they work. Since the formal study of management began in the late nineteenth century, the study of management has progressed through several stages as scholars and practitioners working in different eras focused on what they believed to be important aspects of good management practice. Over time, management thinkers have sought ways to organize and classify the voluminous information about management that has been collected and disseminated. These attempts at classification have resulted in the identification of management schools.

Disagreement exists as to the exact number of management schools. Different writers have identified as few as three and as many as twelve. Those discussed below include (1) the classical school, (2) the behavioral school, (3) the quantitative or management science school, (4) the systems school, (5) and the contingency school. The formal study of management is largely a phenomenon that began in the twentieth-century, and to some degree the relatively large number of management schools of thought reflect a lack of consensus among management scholars about basic questions of theory and practice.

Table 1 provides a brief summary of five major schools of management thought, their approximate dates of origin, and their relative areas of emphasis. The following sections discuss each of the management schools in more detail. In addition, three contemporary management perspectives are discussed.

THE CLASSICAL SCHOOL

The classical school is the oldest formal school of management thought. Its roots pre-date the twentieth century. The classical school of thought generally concerns ways to manage work and organizations more efficiently. Three