

## Management and Organizational Behavior

Historical Foundations of Management - 3

---

---

---

---

---

---

---

## Modern Approaches

- Systems Thinking
- Contingency Thinking

---

---

---

---

---

---

---

## Systems Theory

- A framework for organizing our thinking
- System - Collection of interrelated parts that function together to achieve a common purpose
- Open systems

---

---

---

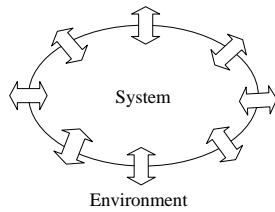
---

---

---

---

## Open System



---

---

---

---

---

---

---

## Systems Theory

- A framework for organizing our thinking
- System - Collection of interrelated parts that function together to achieve a common purpose
- Open systems
- Relationships, interactions, interdependence

---

---

---

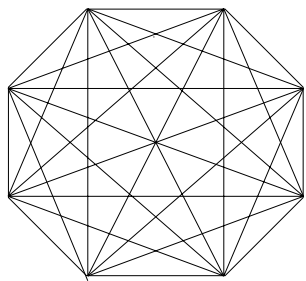
---

---

---

---

## Systems are Wholes



---

---

---

---

---

---

---

## Systems Theory

- Boundaries are arbitrary – defined by the individual using systems theory
- Stakeholders, constituencies
- Subsystems
- Suprasystems

---

---

---

---

---

---

---

## Characteristics of a System

- Input

---

---

---

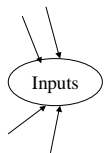
---

---

---

---

## Systems View



---

---

---

---

---

---

---

### Characteristics of a System

- Input
- Transformation Process, throughput

---

---

---

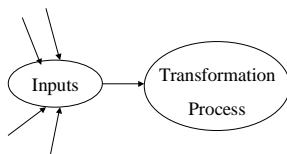
---

---

---

---

### Systems View



---

---

---

---

---

---

---

### Characteristics of a System

- Input
- Transformation Process, throughput
- Output

---

---

---

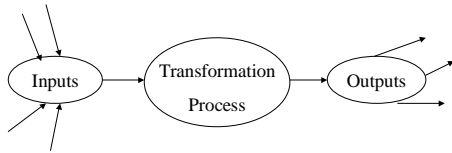
---

---

---

---

## Systems View



---

---

---

---

---

---

---

## Characteristics of a System

- Input
- Transformation Process, throughput
- Output
- Information input, including feedback

---

---

---

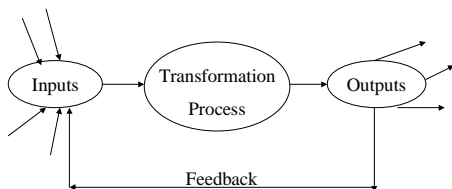
---

---

---

---

## Systems View



---

---

---

---

---

---

---

### Characteristics of a System

- Input
- Transformation Process, throughput
- Output
- Information input, including feedback
- Cycle of events
- Differentiation – division of labor
- Integration - coordination

---

---

---

---

---

---

---

### Characteristics of a System

8. Negative Entropy
9. Equifinality
10. Steady State & Dynamic Homeostasis

---

---

---

---

---

---

---

### Department of Business Administration as a System

- Input
  - Tuition
  - Textbooks
  - Classrooms
  - Students
  - Faculty

---

---

---

---

---

---

---

Department of Business Administration  
as a System

- Transformation Process
  - Classes
  - Assignments
  - Research

---

---

---

---

---

---

---

Department of Business Administration  
as a System

- Outputs
  - Educated people
  - New employees
  - Grades
  - Degrees

---

---

---

---

---

---

---

Department of Business Administration  
as a System

- Information input - Feedback
  - Grades
  - Course evaluations
- Cycle of events
  - Semester
  - Program

---

---

---

---

---

---

---

Department of Business Administration  
as a System

- Differentiation – division of labor
  - Different fields of specialty
  - Different courses
  - Different faculty
- Integration – coordination
  - Schedule
  - Program

---

---

---

---

---

---

---

Department of Business Administration  
as a System

- Negative entropy – growth
  - # students
  - # programs
  - # faculty
- Equifinality – equal ends
  - Same major, different sets of courses
  - Same degree, different majors

---

---

---

---

---

---

---

Department of Business Administration  
as a System

- Steady State & Dynamic Homeostasis
  - Some things remain constant, e.g., courses
  - Some things change routinely, e.g., students

---

---

---

---

---

---

---



### Systems Related Terms

- Stakeholders
- Boundary spanners
- Organization = System

---

---

---

---

---

---

---

### Definition of Organization

- People - social entity
- Purpose - goal directed
- Differentiation (division of labor) &
- Integration (coordination) - deliberately structured

---

---

---

---

---

---

---

### Systems Related Terms

- Stakeholders
- Boundary spanners
- Organization = System
- Synthesis

---

---

---

---

---

---

---

## Systems Thinking Summary

- Open systems assumed
- Relationships, interaction, interdependence
- Framework for thinking that emphasizes the whole
- The whole is greater than the sum of its parts

---

---

---

---

---

---

---

## Contingency View

1. There is no one best way to organize or to lead.
2. However, not all ways of organizing or leading are equally effective in every situation.

The challenge, then, is to discover how to organize and lead effectively in different situations.

---

---

---

---

---

---

---

## Contingency View

- **Organizational phenomena exist in logical patterns. Managers devise and apply similar responses to common types of problems**

---

---

---

---

---

---

---

## Modern Approach

Applies the behavioral sciences to the study of organizations

- Anthropology
- Political Science
- Economics
- Psychology
- Sociology

---

---

---

---

---

---

---

## Management Themes of the 21st Century

- Quality and performance excellence
  - Managers and workers in progressive organizations are quality conscious.
    - Quality provides competitive advantage.
  - Total quality management (TQM)
    - Comprehensive approach to continuous quality improvement for a total organization.
    - Creates context for the value chain.

Schermerhorn - Chapter 4

32

---

---

---

---

---

---

---

## Total Quality Management

- Employee Involvement
- Focus on Customer
- Benchmarking
- Continuous Improvement.

---

---

---

---

---

---

---

### Management Themes of the 21st Century

➤ Eight attributes of performance excellence:

- A bias toward action
- Closeness to the customer
- Autonomy and entrepreneurship
- Productivity through people
- Hands-on and value-driven
- Sticking to the knitting
- Simple form and lean staff
- Simultaneous loose-tight properties

---

---

---

---

---

---

---

### Management Themes of the 21st Century

➤ Global awareness

- Pressure for quality and performance excellence is created by a highly competitive global economy.
- Has fostered increasing interest in new management concepts.
- Adoption of Theory Z management practices.

---

---

---

---

---

---

---

### Theory Z - Japanese Mgt Practices

- Teamwork
- Trust
- Empowerment

---

---

---

---

---

---

---

### Management Themes of the 21st Century

- Contemporary businesses must learn to become learning organizations.
- Learning organization success depends on:
  - Culture that emphasizes information, teamwork, empowerment, participation, and leadership.
  - Leadership that emphasizes motivation and rewards, communication, conflict and negotiation, teamwork, and change management.

---

---

---

---

---

---

---

### Learning Organization

- Mental models – everyone sets aside old ways of thinking
- Personal mastery – everyone becomes self-aware and open to others
- Systems thinking – everyone learns how the organization works
- Share vision – everyone understands and agrees to a plan of action
- Team learning – everyone works together to accomplish the plan

---

---

---

---

---

---

---

### Management Themes of the 21st Century

- In the 21<sup>st</sup> century managers must be:
  - A global strategist
  - A master of technology
  - A consummate politician
  - A leader/motivator

---

---

---

---

---

---

---

## Paradigm Shifts

Monolithic ----- Pluralistic

- Monolith – single, solid entity
- Pluralistic – consider stakeholders

---

---

---

---

---

---

---

## Paradigm Shifts

- Monolithic ----- Pluralistic
- Competition ----- Collaboration

---

---

---

---

---

---

---

## Paradigm Shifts

Structure ----- Process

- Structure – formal structures, e.g., hierarchy
- Process – relationships, informal interaction

---

---

---

---

---

---

---

### Paradigm Shifts

- Monolithic ----- Pluralistic
- Competition ----- Collaboration
- Structure ----- Process
- National ----- Global

---

---

---

---

---

---

---

### Management Paradigm Shift

- Machine Paradigm
  - think of organizations as machines
- Organic Paradigm
  - think of organizations as organisms,  
as systems

---

---

---

---

---

---

---

### Management Paradigms

- | Machine                  | Organism                       |
|--------------------------|--------------------------------|
| • Efficient              | • Interdependence              |
| • Rational               | • Living                       |
| • Controlled             | • Changing                     |
| • Detailed               | • Interaction with environment |
| • Precise                | • Relationships                |
| • Repetitious activities |                                |

---

---

---

---

---

---

---