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## Introduction



In this section you'll find two types of theories. The first comes from the very early days of management when writers tried to identify and describe the functions of management. They tell you what you should be doing. The second type tells you how you should do it.

The one thing that none of the theories say is 'To thine own self be true' (Shakespeare, Hamlet). What this means in management terms is that if you try to copy someone else's approach you will fail. You have to become the unique manager that you were meant to be. That doesn't mean that you can't have role models.

Not all theories suit every management situation, take what you read and adopt and adapt those ideas, or parts of ideas, that appeal to you. Those you feel comfortable with and which you think will work in your organisation. Don't use any approach that you feel uncomfortable with.

Having observed managers in action, done a bit of reading on management theory, looked at other successful managers and gained hands-on experience of managing, your own unique management style will evolve. Continue to feed its development through reading, observation, thinking and analysis.

The more you know about your management style and how it impacts upon other people the more effective you'll be. But remember, it's always easier to con your boss into believing that you're a great manager than your own staff. Like your partner, staff see the real you day-in and day-out. So seek feedback from them and address any weaknesses they identify.

Good luck

## **Theory One**

### **Fayol's 14 Principles of Management: Part 1 – Structure and Control**

Use to remind you that as a manager you must use your authority to ensure that the organisation's structure and systems for managing staff and resources are working effectively.

*Henri Fayol's 14 principles of management first appeared in (1916).*

*The relationships between employers, managers and staff have changed since then, as has the terminology used. However, Fayol's insights remain relevant.*

*Fayol believed that managers had a responsibility to ensure that the organisation's structure was effective and fit for purpose and that they must manage human and other resources effectively.*

#### **He believed that managers should:**

- Exercise authority.
- Ensure that unity of command exists.
- Ensure that there is a clear chain of command within the organisation.
- Provide unity of direction for all staff.
- Manage the supply of human and other resources.
- Exercise staff discipline.
- Coordinate key activities through centralisation.

## How to Use It

- You have the right to direct staff and expect compliance. If you fail to use your authority (see Theories 76 and 77) staff will think you weak. Don't be embarrassed, shy or doubtful when giving instructions (see Theory 11). If someone fails to comply with your request don't ignore it. Repeat your request and if they continue to ignore you look at what sanctions you can apply (see Theory 17). Under no circumstances capitulate and do the job yourself.
- Promote what Fayol called unity of direction, i.e. in any organisation there can only be one head, one plan and one vision. Ensure that staff understand the chain of command (authority), are familiar with the organisation's structure and where they fit into it and that they are committed to the organisation's aims.
- Organise your team on the basis that everyone reports to a single line manager. If someone has two managers disputes over work priorities will arise and your staff will play one manager off against another.
- You want a relationship with staff that is based on mutual respect, trust and frankness. However, this does not mean that discipline should be sacrificed. There will be rules of behaviour in your organisation, many of them unwritten, which you must apply consistently to all staff including yourself.
- You are responsible for ensuring that staff have the right resources at the right time to do their job. Staff will judge you on how successful you are at obtaining these resources. Constantly monitor the situation, predict future requirements and move to fill any shortfalls immediately. Think ahead.
- Always place the needs of the organisation above your own or those of your team. If the organisation fails then you and all your staff are out of a job. So avoid sub-optimisation even if it makes you or your team look good.

## Questions to Ask

- Do any of my team report to two or more managers?
- Are my team's aims and objectives aligned with those of the organisation?

## **Theory Two**

### **Fayol's 14 Principles of Management: Part 2 – Working Relationships**

Use when you need to quickly review your key responsibilities to the organisation and staff.

*Given that Henri Fayol started work as an engineer in 1860, he held surprisingly modern views concerning the treatment of staff by the organisation.*

#### **Fayol argued that managers should:**

- Seek efficiency through the division of work.
- Subordinate their needs and those of their team to the needs of the organisation.
- Ensure that staff are fairly remunerated.
- Ensure equity of treatment for all staff.
- Provide job security as far as possible.
- Encourage staff initiative.
- Establish a sense of esprit de corps (team spirit).

## HOW TO USE IT

- The division of work into a series of repetitive tasks is no longer acceptable. Today people expect fulfilment from their job (see Section 3). However, more effective and efficient ways of working can nearly always be found. Review annually the allocation of work and working practices within your team.
- You must subordinate your needs and those of your team to those of the organisation. In the long run you will benefit as you will be seen as someone who sees the bigger picture.
- Your pay and that of your staff should be comparable with others in the organisation doing a similar job. Wide differentials cause resentment and undermine teamwork (see Theory 27). Monitor pay rates and take action when required.
- Staff want consistency and fairness from their manager. If you are inconsistent in your actions you will create uncertainty in the minds of staff. By all means be friendly and approachable but remember that one day you may have to discipline or sack one of your team so maintain a professional distance.
- You cannot afford to have favourites. You must treat all staff equitably.
- New staff will become proficient quicker if you make them feel welcome and secure in their job. Suspend judgement on their performance until they have had sufficient time to show their true worth.
- Encourage all staff to exercise their initiative within clearly defined limits.
- There are many ways to forge team spirit. In the military, esprit de corps is built on shared hardship. You might decide that a regular meal out with staff is preferable to a march across the Brecon Beacons in February. Although there will always be one or two people you'd like to send there.
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## Questions to Ask

- Do I have any favourites among the staff?
- Is there any member of staff I dislike dealing with? Do I treat them differently to other staff or over compensate because of my feelings towards them?

## **Theory Three**

### **Taylor and Scientific Management:**

Use when **staff resources are tight and you need to increase productivity.**

*Frederick Taylor rose from shop floor labourer to become a Director at Bethlehem Steel, the largest steel maker in the United States. He was a contemporary of Fayol but was more interested in efficiency than the social aspects of managing people. His book *The Principles of Scientific Management* (1913) cemented his reputation as the father of scientific management.*

### **Taylor believed that:**

- The job of a manager was to plan and control work and that there was a single most efficient way to do any job.
- Used time and motion techniques to break down each work process into its constituent parts and eliminate unnecessary actions. Using these principles he reduced the number of actions a bricklayer took from 18 to 5 and in the process saved time and money. His work laid the foundation for the division of labour and mass production which Henry Ford applied so successfully in car manufacturing.
- Argued that the best way to ensure maximum efficiency was to carefully select and train staff and provide additional opportunities for those that showed potential. This was revolutionary at a time when most workers were given no formal training. Outstanding workers were identified by placing a chalk mark on their work bench (*Benchmarking see Theory 74*).

## How to Use It

- Review how each job is done in your team and ask the following questions:
  - Do we need to do this job?
  - Can it be done more efficiently?
  - Does the work allocated to each member of staff match their abilities/strengths?
  - Do staff need additional training to improve their efficiency and effectiveness?
- Decide how work can be reallocated and reorganised to improve efficiency, increase throughput and play to the individual strengths of staff (*See Section 6*).
- Following reorganisation evaluate how effective the changes have been and tweak as required. It's very unlikely that you will get it right first time.
- Regularly review (at least annually) the work that staff do and look for efficiency gains. If you think that a report you issue is no longer used don't ask the recipients if they need it. They'll almost certainly say 'yes'. Instead, produce the report but don't send it out and see if anyone shouts. If after three months no one has screamed, ditch it.
- Additional training can improve your team's productivity greatly. For example, how sure are you that every member of the team can use all of the facilities available on your computer systems?
- Remember Taylor's ideas don't just apply to the shop floor. Inefficient working practices are rife in most offices.
- When undertaking the review of work canvass ideas from the wider team on how the task could be done more efficiently.

## Questions to Ask

- Does the team struggle to meet deadlines and/or have periods when they have very little work? If yes, can the timetabling of work be improved?

## ***Theory Four***

### **Mayo and the Hawthorne Experiments:**

*Use in conjunction with theory 26 to identify factors that actually motivate staff*

*In the late 1920s, Elton Mayo and his team from Massachusetts Institute of Technology carried out a series of experiments with manual workers at General Electric's Hawthorne Plant. The results seemed to defy the received wisdom of the time and continue to be of interest today.*

### **The Hawthorne researchers found that:**

- There was no correlation between productivity and working conditions. Productivity went neither up nor down significantly when conditions were either degraded or improved.
- Belonging to a group was the single most important motivational factor. Staff found status and a sense of belonging within the group. They feared being excluded from the group or letting their mates down with shoddy work and did everything they could to be seen as a 'good un'. Often these groups were informal in nature and yet they exercised enormous influence over the behaviour of members.
- Productivity increased as a result of the researchers and management talking to the staff, asking for their views and treating them as individuals and not just hired hands. Effectively, treating staff with respect and as intelligent individuals paid dividends.

## How to Use It

- Recognise that working conditions by themselves have very little effect on motivation or productivity. Only when they fall below an acceptable level do they demotivate staff (see Theory 26).
- Knowing that staff are more motivated when they belong to a group is a key piece of information. Yes, you want your staff to work as one team but also encourage them to form separate mini groups, because smaller groups exercise greater influence over their members. It's not by chance that the basic operating unit of the SAS is four troopers.
- Whenever possible encourage good-natured competition between the mini groups. To avoid things getting too serious offer a trophy of no particular value to the 'best team' each month.
- Now that you know that productivity increases when managers talk to staff get out of your office and indulge in a bit of management by walking about (see Theory 10). If possible get senior managers to talk to your staff. This is easily done. Instead of having a private briefing from your boss or director on the organisation's latest strategy ask them to brief you and your team together (always assuming that nothing confidential is involved). When they have left you can answer any questions that your team have.
- Everyone wants to feel valued. We spend most of our waking life at work and we need to believe that it has a purpose. So treat people with respect, as intelligent individuals, and watch productivity grow.
- Remember Taylor's ideas don't just apply to the shop floor. Inefficient working practices are rife in most offices.
- When undertaking the review of work canvass ideas from the wider team on how the task could be done more efficiently.

## Questions to Ask

- How much do I know about the people who work for me?
- Do I encourage staff to talk to me about their ambitions and problems?

## Urwick's Ten Principles of Management:

*Use the span of control principle to ensure that managers aren't overloaded and that all staff have individual support.*

*Lyndall Urwick worked in the armed forces, industry and management consultancy and it's clear that his views on management were influenced by his military service.*

### Urwick's Ten Principles are:

- |                                    |  |
|------------------------------------|--|
| <b><i>Continuity:</i></b>          | The organisation's structure should be designed to ensure the organisation's survival.                             |
| <b><i>Balance:</i></b>             | The various teams and departments within an organisation should be kept in balance in terms of position and power. |
| <b><i>Definition:</i></b>          | All jobs and the duties that go with them must be clearly defined.   |
| <b><i>Specialisation:</i></b>      | Each group should have one function.   |
| <b><i>The objective:</i></b>       | Every organisation should have one overriding purpose.   |
| <b><i>Authority:</i></b>           | Every group can only have one manager.   |
| <b><i>Correspondence:</i></b>      | Managers must have the necessary authority to fulfil their responsibilities.                                       |
| <b><i>Coordination:</i></b>        | Managers are responsible for organisation and coordination.  |
| <b><i>The span of control:</i></b> | A manager should not have direct line management responsibility for more than six or seven staff.                  |
| <b><i>Responsibility:</i></b>      | The manager must take responsibility for his/her staff.  |

## How to Use It

- Work with other managers in your organisation to ensure that the organisation's structure is fit for purpose and that the allocation of resources between sections/departments is based on need, not political manoeuvring by managers. Failure to do this will lead to sub-optimisation.
- Define the duties and limits of initiative attached to each post.
- Where appropriate use specialisation to improve productivity.
- Align your objectives with those of the organisation. If you don't you will be constantly fighting a battle you can't win.
- Avoid the situation where you share responsibility for staff with another manager. If reporting lines are unclear then sort them out (see Theory 1).
- Before accepting a job check that you have the authority to meet your responsibilities. For example, if you have tight production deadlines do you have the last word on who is appointed to your team?
- You are responsible for the co-ordination and organisation of your staff and resources. Ensure that your team has the resources and systems they need to do their job (see Theory 1).
- The introduction of flatter, less hierarchical structures means fewer managers and more people reporting to them. But people want to be treated as individuals. Use the span of control and work through six trusted lieutenants. They can each closely manage six people. Now 42 people are being given individualised attention. Go one level lower and it's 258.
- You're responsible for everything that goes on in your team. Take responsibility and staff will trust and respect you.
- When undertaking the review of work canvass ideas from the wider team on how the task could be done more efficiently.

## Questions to Ask

- Do I spend too much time doing 'my work' rather than managing staff?
- How good am I at communicating with the staff under my control?
- Do I really know what is going on?

## **Theory Six**

### **Drucker on the Functions of Management:**

*Use as your foundational management beliefs. Everything you do should flow from these fundamental statements. All else is embroidery.*

*Many people believe that Peter Drucker was the first true genius that the study of management produced.*

*He helped establish the discipline of management and foresaw numerous trends in management many years in advance of anyone else.*

*For example, he wrote about decentralisation in the 1940s, coined the term 'the knowledge economy' in 1969 and was talking about the social responsibilities of managers in the 1970s.*

*It was Drucker who in plain English suggested that the purpose of every business organisation was to create and maintain a customer.*

*He didn't talk about maximising profits. He knew that only by building and maintaining customers can a business hope to make a profit, because it's customers that create profits.*

### **Drucker also argued that Managers were responsible for:**

- Setting the organisation's/team's objectives.
- Providing and organising the resources required to achieve the objectives.
- Motivating staff to achieve the objectives.
- Monitoring staff performance against the objectives.
- Improving performance by continually developing themselves and their staff.

## How to Use It

- Identify who your customers are. Ask yourself: Who buys my goods or services? If you deal with the public this may be obvious, but if you provide a service to other parts of your organisation it may be more difficult.
- Once you have identified your customers ask: Am I meeting their needs? What can I do to enhance the service or product I provide? (see Section 8). Based upon your answers develop a plan to provide customers with the best possible service.
- Provide targets and objectives for all staff. Set 80% of the targets at a level that is relatively easy for staff to achieve. This will turn people on to success and motivate them to meet the more challenging targets (see Theory 88).
- Monitor performance. Establish a reporting system that shows performance against target, explains the reason for any discrepancies and is produced in time for you to take corrective action quickly.
- Constantly monitor the physical and staffing resources that you need to achieve your targets and take action to remedy any shortfalls before they become a problem.
- Motivate and communicate with your staff by sharing information and listening to what they have to say (see Section 3).
- You are your own greatest asset. Invest time and energy in developing both your technical and managerial skills. Keep yourself marketable. Attend interviews regularly and if asked to define management or the role of managers trot out Drucker's list of management responsibilities as if they were your own. Your staff are your second greatest asset so develop, train and support them.

## Questions to Ask

- Do I really think of myself as a manager and act accordingly?
- Do I see my job in terms of the work I do or helping others do their job?

## Theory Seven

### McGregor's X and Y Theory:

Use to identify which stereotypical type of manager you are closest to and consider how this impacts on your actions and how you are perceived by staff.

Douglas McGregor identified two different sets of assumptions made by managers about their staff. Each set of assumptions represents an extreme view of people and can be summarised as follows:

<b>Theory X</b> managers believe that most people ...		<b>Theory Y</b> managers believe that most people ...
Are driven by monetary concerns	↔	Are driven by job satisfaction
Will avoid work when possible	↔	Actively seek work
Lack ambition and dislike responsibility	↔	Show ambition and seek responsibility
Are indifferent to organisational needs	↔	Are committed to organisational objectives
Lack creativity and resist change	↔	Are creative and welcome change

McGregor believes that every manager's actions are governed by how they view human nature.

A **Theory X** manager will attempt to exercise tight control by close supervision, demands for strict adherence to rules and threats of punishment.

A **Theory Y** manager will create an environment where effort is recognised and rewarded and praise is given regularly.

## How to Use It

- Don't assume that modern managers should embrace Theory Y and disregard Theory X. In the real world you may have to deal with people whose only motivation is to earn as much money as possible for the least amount of effort.
- Recognise that if you choose Theory X your style will be about command, control and fear and that you will rely on coercion (see Theory 17), implicit threats and tight supervision to manage your staff. Do you want this?
- If you choose Theory Y you will promote cooperation, rewards and good working relationships. But how are you going to deal with those members of staff who see such an approach as weakness?
- Adopt an approach that lies somewhere between the two extremes of X and Y but recognise that there is a danger in switching between them. Staff expect managers to be consistent (see Theory 12). Switching approaches may cause confusion.
- To avoid confusion set clear limits for staff actions. Identify those rules, procedures and deadlines where you expect total compliance. Make it clear what failure to comply will mean and enforce your rules consistently.
- Manage your team's remaining activities using a Theory Y inspired approach. Make yourself available to staff, listen to what they have to say and recognise that sometimes staff need you to believe in them before they can do their best work.
- Always maintain basic ground rules. They keep you and the organisation safe from ne'er-do-wells who just want to take you for a ride.

## Questions to Ask

- On a continuum, where Theory X is 1 and Theory Y is 100, where would you place yourself?
- On the same continuum, where would your staff place you?
- Given your organisation's culture (see *Section 5*) how acceptable is your approach?

## **Theory Eight**

### **Peters and Waterman's Theory of Management:**

*Use as a strategy to raise your organisation's performance by listening to your customers and frontline staff.*

*Tom Peters and Robert Waterman wrote the mega hit *In Search of Excellence*. Their aim was to identify the key features of excellent organisations. In later books Peters expanded on these ideas.*

### **To achieve success and remain successful organisations must:**

- Use transformational leadership (*see Theories 20–22*) to inspire and motivate staff. For this to work managers and staff must share a common set of values and act with integrity.
- Listen to the customers and frontline staff, as often managers are too remote to know what customers think, feel or want.
- Recognise that product innovation and improved working practices often come from frontline staff. Such staff should be recognised and celebrated, not ignored or marginalised as often happens.
- Celebrate the organisation's history and build a shared organisational culture using its achievements, past events, stories and symbols as raw material (*see Section 5*).
- Challenge bureaucracy wherever it grows and create pockets of excellence.
- Encourage managers to be proactive, with a bias towards taking action, rather than reacting to events.
- Use a loose–tight approach when exercising staff control. This allows staff to exercise their judgement within clearly defined parameters.
- Stick to what they know and understand.

### **How to Use It**

- Peters and Waterman promote a state of mind rather than a single theory. If you like their ideas you need to think as they do and listen to frontline staff and customers (*see Theory 10*).
- Work with staff to develop a set of shared values and vision for your team (*see Theories 20–22*). This is not easy and won't happen overnight. Start by asking: Why are we here? What's our purpose? Then take it from there.
- At every opportunity listen to what customers say. Don't become defensive. Take on board their complaints and comments and work out what can be done to improve the situation (*see Section 8*).

- Build good lines of communication with frontline staff, listen to what they say and act upon it. Use them to identify opportunities for innovation. If an idea works share the credit for success with them. That way more ideas will flow in.
- With the same passion as a member of the Spanish Inquisition seek out and destroy areas of bureaucracy in your organisation and build pockets of excellence.
- Use spare time to find problems and deal with them before they can grow.
- Just as you want to exercise your discretion, allow staff space to explore their own ideas. Don't yank too hard on the lead when they reach the limits of their discretion.
- Stick to what you know. Don't get involved in work you don't understand unless you are willing to learn about the issues involved. In the late 1990s Warren Buffet was ridiculed for not investing in the burgeoning technology sector because, as he said, 'I don't understand these businesses'. By 2002, after the Dot Com Bubble had burst, he was seen as a genius.

### **Questions to Ask**

- Is the organisation's culture compatible with Peters and Waterman's ideas?
- Given my position how much of Peters and Waterman's approach to management can I adopt?

## **Theory Nine**

### **Covey's Seven Habits of Highly Effective People:**

*Use to identify a strategy for reaching your own aims and objectives and a philosophy for how you treat people along the way.*

*Stephen Covey's seven habits™ model can be split into personal and interpersonal habits.*

#### **Personal Habits – Working on Yourself - Are:**

- Be proactive: Managers should aim to shape the events and environment in which they work and not just sit back and wait for things to happen.
- Start with the end in mind: Managers should identify what they want to achieve. Once identified they must avoid distractions and constantly work on activities that take them towards their goals.
- Put first things first: Managers should prioritise those activities that will help them achieve their aims.
- Sharpen the saw: Managers are human. They need time to rest and renew themselves and update their skills.

#### **Interpersonal Habits – Working with Others - Are:**

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- Think win–win: When dealing with staff, customers, suppliers and even competitors wise managers look for common ground and a solution that suits all parties.
- Seek first to understand then try to be understood: Like doctors, managers should diagnose what the problem is before they prescribe the cure.
- Synergise - Synergy occurs when the outcome is greater than the sum of the parts. A case of  $2 + 2 = 5$ . Great teamwork can achieve this (*see Section 4*).

## How to Use It

- To be proactive get off your backside and work towards the achievement of your aims. Don't sit about waiting for things to happen. Look for opportunities to shape events and the environment you work in.
- Start with the end in mind by identifying your aims. What do you really want from life? Think about your earliest ambitions. What did you want to do when you were at school or just starting work? Now is the time to make your dreams concrete. Record them on paper as short (1 year), medium (2 to 3 years) and long-term (over 3 years) aims and tick them off as you achieve them.
- Put first things first and identify which work activities move you closer to achieving your aims. Sometimes you may have to do other work. That's OK. But get back to the important stuff ASAP.
- Sharpen the saw reminds you to look after yourself. Find time to relax, enjoy some R and R and update your professional skills.
- When you deal with staff, customers and even competitors seek first to understand what they are saying. By listening you will gain an insight into what they really want.
- Once you understand their wants you can identify a win-win solution that satisfies all parties. This will build trust which leads to better outcomes when you deal with the same people in the future.
- The relationships that you have established on a basis of mutual respect and fairness will release synergy rather than competition and improve future results beyond expectation.

## Questions to Ask

- What do I want from life?
- What are my aims and ambitions?
- How am I going to achieve my aims and ambitions?
- What's my plan?

## **Theory Ten**

### **Management by Walking About:**

*Use MBWA to avoid becoming detached from staff and what is going on in your organisation.*

*Like a lot of theories MBWA is something that good managers have been doing since Adam and Eve first expressed an interest in apples and it's impossible to identify where the idea originated.*

*But it's probably fair to say that both **Mark McCormack** and **Tom Peters** helped to popularise it.*

*The theory is simple. To avoid becoming isolated and losing touch with staff and the day-to-day operations of the organisation managers must get out of their office and walk around the factory, shop, site or office, listen to staff and observe what is going on at first hand.*

### **Use the walks as an Opportunity to:**

- Build trust and understanding with staff.
- Listen to what staff have to say and take on board their work problems and ideas.
- Look for examples of good practice that can be implemented elsewhere in the organisation.
- Look for examples of bad practice and eliminate them.
- Observe how other managers and supervisors interact with staff.
- Improve your knowledge of the business, its staff and products.
- Answer staff questions.
- Get to know people personally and what motivates/demotivates them.

## How to Use It

- Identify an aim for every walk you take. This may be to find out what staff think of new working procedures, identify a problem or good practice in a specific section, get a feel for staff morale generally and on rare occasions to promote a new initiative.
- Don't talk at staff. Listen more than you speak and ask staff for their ideas and views on work issues. Don't be afraid to spend a few minutes talking about football or what was on telly last night if that helps the person to relax and open up.
- Always deliver on any promises that you make and never commit to anything you can't deliver.
- Once back in the office jot down a few notes on what you found and analyse your data into three categories, i.e.
  1. Matters that require immediate action.
  2. Information that will inform your future actions.
  3. Factual information about the organisation and its processes that you were unaware of.
- Use the data collected to improve the organisation's behaviours, practices and processes and to inform your decisions.

## Questions to Ask

- When was the last time I 'walked the job'?
- Where does your information about the business come from?
- How many filters has it gone through before it reaches me?