CHAPTER 2

Traditional and Contemporary Issues and Challenges

Summary of Learning Objectives and Key Points

1. Justify the importance of history and theory to management and discuss precursors to modern management theory.
   - Theories are important as organizers of knowledge and as road maps for action.
   - Understanding the historical context and precursors of management and organizations provides a sense of heritage and can also help managers avoid repeating the mistakes of others.
   - Evidence suggests that interest in management dates back thousands of years, but a scientific approach to management has emerged only in the last hundred years.

2. Summarize and evaluate the classical perspective on management, including scientific and administrative management, and note its relevance to contemporary managers.
   - The classical management perspective had two major branches: scientific management and administrative management.
   - Scientific management was concerned with improving efficiency and work methods for individual workers.
   - Administrative management was more concerned with how organizations themselves should be structured and arranged for efficient operations.
   - Both branches paid little attention to the role of the worker.
3. Summarize and evaluate the behavioral perspective on management, including the Hedonoth studies, human relations movement, and organizational behavior, and note its relevance to contemporary managers.

- The behavioral management perspective, characterized by a concern for individual and group behavior, emerged primarily as a result of the Hawthorne studies.

- The human relations movement recognized the importance and potential of behavioral processes in organizations but made many overly simplistic assumptions about those processes.

- Organizational behavior, a more realistic outgrowth of the behavioral perspective, is of interest to many contemporary managers.

4. Summarize and evaluate the quantitative perspective on management, including management science and operations management, and note its relevance to contemporary managers.

- The quantitative management perspective and its two components, management science and operations management, attempt to apply quantitative techniques to decision making and problem solving.

- Their contributions have been facilitated by the tremendous increase in the use of personal computers and integrated information networks.

5. Discuss the systems and contingency approaches to management and explain their potential for integrating the other areas of management.

- The three major perspectives should be viewed in a complementary, not a contradictory, light. Each has something of value to offer.
• Two relatively recent additions to management theory, the systems and contingency perspectives, appear to have great potential both as approaches to management and as frameworks for integrating the other perspectives.

6. Identify and describe contemporary management issues and challenges.

• A variety of popular applied perspectives influence management practice today.

• Important issues and challenges facing managers include employee retention, diversity, the new workforce, organization change, ethics and social responsibility, the importance of quality, and the continued shift toward a service economy.