

## Management in the Future: The Same as the Past?

### *Introduction*

As you have read through the previous Units, you have learned about the ways in which management practices have changed through the years. Taylor's Scientific Approach of the late 1800's focused on efficiency of movement and the work required to complete a specific task. In the early 1900's, Foyal took management principles to the next level, stating that by understanding the functions of planning, organizing, commanding, coordinating, and controlling, individuals could learn to be good managers. Max Weber's theory, proposed at the same time as Taylor's Scientific Approach, focused on the hierarchical structure of clear lines of authority, which gave managers control over their employees.

As the 20<sup>th</sup> century progressed, so did management theories. Elton Mayo's Hawthorne Studies proved that meeting the social needs of workers could enhance the workplace and positively impact productivity. Maslow's Hierarchy of Needs focused on the relationship between motivation and personal development.

Contemporary theories have come to include the Systems Approach, which recognizes the role that each division and department plays within the whole organization; the Contingency Approach, which recognizes that all business situations are different; and Chaos Theory, which states that any system can exist without a specific direction or without predictability.

Despite the progression of management theories, many of our most basic management principles are still in place. For example, while technology has enabled us to access greater amounts of information at an ever-increasingly rapid pace, the ways in which people use that information has not changed dramatically. We still need to apply that information for goal-setting, decision-making, planning, etc. Technology has also enabled companies to bring new products to market quicker than in the past, yet many practices for motivating employees have not changed in their foundational principles. This can be seen in managements' ongoing applications of Maslow's Hierarchy of Needs, Herzberg's Two-Factor theory, and other motivational theories discussed in earlier units of this course. It is true that employee motivational practices have evolved to address employee needs for job satisfaction, personal growth, social responsibility, etc.; however, the foundations from which these new motivational practices are formed remain rooted in our most basic of needs, which are identified in early theories.

Another example is to look at the traditional Marketing Mix of the four P's—product, price, place, and promotion. Technology has created modern methods of delivering information to consumers, yet the messages remain the same.

Further, if a company has a poor product, it does not matter how efficiently that product was produced. If a company has an ineffective advertising campaign, it does not matter whether that message is communicated through traditional media vehicles such as television and radio, or if the message is communicated through the Internet, social media, or smartphones. While the tools we use have changed, the basic foundation for what we need to deliver in terms of quality products and services have not.

In this reading, we will explore the proven basics of management practices and pose a theory as to why we should return to those basics, while incorporating them into new advances in management.

### *Using Traditional Models of Management vs. Modern Methods*

There is continued evidence that as companies in today's business world take the time to recognize the value of their employees and to consider employee needs, companies are more profitable in the long term.

According to the United States Department of Labor's OSHA (Occupational Safety and Health Administration), companies that implement safety and health management practices reduce employee injuries and illnesses by 20–40% (OSHA). As a result, companies run more efficiently and productively. OSHA cites a Fortune 500 company that increased productivity by 13% as well as a small 50 employee manufacturing company that reduced the number of faulty products produced while saving over \$250,000 as a result of implementing safety and health programs. (Note: OSHA does not name the organizations for confidentiality reasons.)

As another example, Reebok has built an employees-only gym to encourage fitness and overall improved health. In 2011, hundreds of employees used the gym and had collectively lost over 4,000 pounds. The result of this initiative is healthier employees who take fewer sick days, have lower health care costs, and have reduced amounts of stress. Patagonia, a company that sells products for climbers, surfers, skiers, and other outdoor adventurers, encourages its employees to use the company's products during the workday on company time. This helps employees have time away from the office, enjoy outdoor activities, and have a direct relationship with the ways in which the products are used. Employees become more creative about developing new products, learn how to better communicate product benefits to consumers, and get to participate in activities they enjoy.

Despite many companies' attempts at new management approaches, as seen in the examples above, the majority of organizations still employ the traditional models of hierarchy, organizational structure, strategic planning, and organizational control. While following models that are pervasive throughout the

business world may not induce innovation or increased competitive advantage, these models tend to feel safe and can be justified based on past results.

### Why Stay with Tradition?

There are several reasons organizations continue to use traditional management models.

1. *Comfort* – Traditional models of management are comfortable and familiar. Introducing a new model generally requires support for the ways in which that model might be successful. People will want to see examples of how a new model can be implemented and what other organizations have used it successfully.
2. *Power* – The current models of management enable those at the top to retain their positions of power. When people join an organization, they generally have personal goals of achieving promotions and rising to higher levels within the organization. Changing an organization's management structure would change the hierarchical order, resulting in individuals potentially losing their positions of authority and power. Employees would not accept a new structure willingly, so traditional models continue to remain in place.
3. *Certainty* – New models bring an atmosphere of uncertainty to an organization. People tend to function automatically in structures that are familiar and do not like to be faced with new methods or approaches. When a new management model is put into place, employees may be required to learn different skills; new technology might be used; new employees might be hired, etc. All of these changes upset the status quo and create an environment that is unfamiliar. As a result, employees may not be equipped to handle new issues that arise out of the new structure and will seek solutions from older models. People like to have certainty in their lives and will turn to those habits time and time again.
4. *Common Systems* – Companies follow the examples of other companies within their industry. It is very difficult for one company to make a change while all of the other organizations in that field stay the same. Will the new company be viewed as being innovative and modern? Or, will the company be viewed as a renegade and end up losing customers and employees?

The same can be said for individual departments within an organization. If a specific department attempts to make changes, other departments may feel threatened. Employees within that department may find that instead of carrying out their responsibilities, they may

have to defend their new structure, leading to wasted time and loss of productivity. Only when an entire industry or organization is open to taking on a new structure will overall changes be possible.

### Staying with Tradition

Within all of the possible changes to management methods, some basics of management should remain the same. To be effective, companies must still:

- *Make plans* – a plan identifies the goals an organization seeks to achieve and provides a methodology for achieving those goals. A plan provides a strategy and a means of determining if objectives have been met.
- *Be organized* – does the company have the human resources necessary to carry out its plans? Are the appropriate resources available? Is there a realistic timeline for carrying out required tasks?
- *Lead* – employees must know what is expected of them. They must also be given feedback on their progress.
- *Evaluate* – plans must be monitored to determine if progress is being made. Contingencies should be available for inevitable problems or setbacks.

### Integrating Modern Methods of Management

In light of the reasons why companies continue to use traditional methods of management, is there hope for new methods to be adopted? Should new methods be adopted? The answer to both questions is yes. However, new practices should be thoroughly explored and integrated slowly. To help ensure the success of new methods, an organization should:

- research practices that have been successfully put into place by other organizations,
- make sure that all participants can see the benefits to the new structure,
- roll out the plan in waves rather than implementing throughout the entire enterprise, and
- allow time for adjustments in the process.

Additionally, as new generations of workers enter the marketplace, we will see a greater acceptance of new methods and processes, as well as a desire to implement new ideas. In particular, people from Generation Y, who were born between 1977 and 1994, have grown up with technology and are comfortable and familiar with a constantly changing workplace environment. There are currently 71 million people from Generation Y. People from this generation are

sophisticated and technology-savvy, and they are open to new ideas in all aspects of business. (Schroer 2013)

As a result of their acceptance of change, they will not be afraid to bring new management practices to the organizations in which they work. An established company that has been using traditional methods may be more resistant to change but can still benefit from new ideas that are incrementally introduced. A newer organization will likely be more open to modern methods at an earlier point in the company's development. The key will be to ensure that new management practices are the right ones for that particular organization at that time. Having substantial and supportive information and an understanding of what methods will be best suited for a company will enable managers to make the right decisions for their organizations.

#### *Summary:*

- Although management theories have progressed, many of our most basic management principles are still in place.
- Evidence shows that new management practices can be beneficial, but companies still resist change.
- The basic foundation for what we need to deliver products and services to the marketplace has not changed, although the tools we use to deliver products and services have evolved.
- The reasons why organizations continue to use traditional methods of management include comfort, power, certainty, and industry-wide common systems.
- Even when new management methods are in place, companies must continue to plan, organize, lead, and evaluate to ensure success.
- Companies should introduce new methodologies slowly and illustrate corporate-wide benefits in order to gain acceptance.
- People from Generation Y are comfortable with new innovations and will help to bring to ideas to the corporate management environment.
- Organizations should evaluate both modern and traditional management styles to determine which management practices are best suited for their needs.

#### Reference:

Schroer, J. William. 2013. *The Social Librarian*. "Generations X, Y, Z, and Others."

United States Department of Labor. OSHA. "Safety and Health Add Value..." Retrieved from <http://www.osha.gov/Publications/safety-health-addvalue.html>.

