

CHAPTER 2: Management History

Suggested Bible verses to introduce class periods for this Chapter

Select the version of the Bible that you prefer.

Psalm 22:27 All the ends of the earth will remember and turn to the LORD, And all the families of the nations will worship before Thee.

Ecclesiastes 12:1 Remember also your Creator in the days of your youth, before the evil days come and the years draw near when you will say, "I have no delight in them."

Front-loading Activity

Consider using one of the **In-class Exercises** at the end of the chapter as a means to introduce the essential question that follows.

Suggested Essential Question to Explore in this Chapter

Introduce the chapter by presenting the following question (or a similar question):

1. **How might one's perspective make a difference when thinking about management?**

As you conclude the lectures and class discussions of the material in the chapter, return to the essential question. Divide the class into small groups and ask the groups to propose possible answers to the essential question. Then ask students to put in their own words an essential question which embraces the major learning point from this chapter from their perspective. Alternatively, in follow up to the class period emphasis on the material, engage in an online threaded discussion or blog exploring the essential question ideas of the students.

LEARNING OBJECTIVES

- Understand the importance of history making and storytelling for managers and leaders.
- Explain the biblical teachings related to managerial behavior.
- Understand that the basic managerial principles were developed in ancient times.
- Explore the contributions of selected management thinkers during the 19th and 20th centuries, and understand the influence that technology and world events have had on management in history.
- Explore why some management ideas have declined in popularity.
- Consider the paradox of memory.

Teaching Notes and Engagement Activities	Chapter Key Idea Outline
<p>The "Little Debbie" story turns out well – but, as Chapter 2 will remind us, not all history, biblical or business, is about triumphs. Tragedies are also a part of life. Stress to students the importance of a story is what we learn. We can misread history's lessons, either</p>	<ol style="list-style-type: none"> 1. The Snack Cake King. <ol style="list-style-type: none"> a. Management history is the story of people who encountered organizational challenges and sought to meet those challenges with new ideas and unique (for their time)

by failing to act for fear we will fail again, or acting out of ego believing we are exempt from history's lessons. Encountering history constructively requires honesty and humility.

Organizations and their members "live out" of history every day. Both personal and professional "habits" are developed over time and reflect our understanding of issues and people historically. It is important for new employees to listen and learn about how things have come to be. Sometimes "things" will make sense – sometimes they will not. History IS pervasive – it does not have to be logical.

Each student in your class has a story. They have lived through almost twenty years of history by the time they arrive in your class.

Ask:

- **What are the five most important events that have happened in your lifetime that have shaped the person you are today?**
- **Do you know the career history of your father or mother? What choices did they have to make? What do they regret?**

initiatives.

- b. The story of O.D. McKee focuses attention on several important themes that occur throughout the history of management:
 - i. The need for both entrepreneurial imagination and enterprise construction
 - ii. The challenge of effectiveness (doing the right things) and efficiency (doing things right)
 - iii. The desire for expansion and the challenge of building an organization that could withstand that growth and prosper

When students encounter any historical account they should ask these things:

- (1) What problems or issues were the individuals or institutions wrestling with?
- (2) What responses did they decide to take and what was their reasoning?
- (3) Were the responses effective – or not?
- (4) Were there any special conditions that should temper the lessons we learn from this particular "slice" of history?

It would help students gain a deeper understanding of the power of stories if they recognize that personal and organizational stories can also LIMIT our understanding and weaken our ability to move forward to encounter today's and tomorrow's issues. Ask students to make a chart similar to Exhibit 2-1 that lists ways such stories can actually hurt us (for example, inducing fear of taking risks, assuming that past success necessarily will be repeated in the future.

2. Who Cares About the History of Management?

- a. This section addresses the question of relevance – why students should care about history (other than that it might appear on a test!).
- b. The text suggests several reasons for history's relevance:
 - i. The decisions and actions of the organization's founders shape the organization's vision and values
 - ii. We can gain wisdom from the stories of how managers have come to think and act as they do
 - iii. The past story of an organization influences employees, managers and other stakeholders in the present
 - iv. Career success can be enhanced by understanding how the organization (and

<p>Ask:</p> <ul style="list-style-type: none"> • How have decisions made by business organizations had an impact on your home community? • The United States has a history of entrepreneurial efforts by individuals who created new businesses – how might their stories have shaped the way we think about how business should be conducted in the US? • If you knew your actions at your university would leave a legacy for future students to follow, how would this influence your choices? • In what ways do you believe God has shaped, and is shaping, your story in the past and present? <p>Ask:</p> <ul style="list-style-type: none"> • Why do you like stories? • Why is history so dull and boring to some people? • Why do companies tell stories to potential customers? • Why do people tell stories about managers? 	<p>its people) arrived at where they are</p> <p>c. Exhibit 2-1: The Value of Storytelling for Managers</p>
<p>One of the very special advantages of a biblical view of management is the focus on CHARACTER. Contemporary studies of leadership have repeatedly demonstrated the important resource a manager has is their CREDABILITY with others. TRUST is earned through consistency under trying circumstances. One could say that “trust” is the lubricant that allows us to maintain our work together even under the friction of differences.</p>	<p>3. Management Pyramid</p> <ol style="list-style-type: none"> a. The Management Pyramid is re-introduced in every chapter to provide continuity of perspective. b. Exhibit 2-2 focuses on the impact of historical management thought on <ol style="list-style-type: none"> i. The actions today’s managers believe are effective and ethical ii. The way today’s managers conceive of employee responses, leadership roles, and community responsibilities iii. The beliefs, values and assumptions that frame the kind of character and conduct to which today’s managers think they should ascribe

Students may well recognize the Bible as an historic record – in fact some will believe it is both ancient AND out of date). What they may be surprised to find that the Bible is full of stories and ideas about management practices, policies and philosophies. For all those students who believe the Bible is just a fantasy collection of fables, outdated rules and regulations, and unreliable pseudo-historic accounts, learning that the Bible is a very real story about people as they encountered God and sought to respond to those encounters.

Ask:

- **How have decisions made by business organizations had an impact on your home community?**
- **The United States has a history of entrepreneurial efforts by individuals who created new businesses – how might their stories have shaped the way we think about how business should be conducted in the US?**
- **If you knew your actions at your university would leave a legacy for future students to follow, how would this influence your choices?**
- **In what ways do you believe God has shaped, and is shaping, your story in the past and present?**

The author's statement that "For Christians, the story of business is the story of the human response to God's call to bear His image as we subdue the earth and fill it," is called the Creation Mandate, and it first occurs in the book of Genesis. The point to make is that WORK, and its management, was not an afterthought on God's part. It was central to God's eternal plan.

Ask: **How does knowing that the creator God is also the author of work change your view of what it means to both engage in work and manage the work of others?**

4. Faith Perspective on Management History

i. Joseph

- i. The power of a resolve for excellence
- ii. The cost of integrity
- iii. The power of political sophistication
- iv. Knowledge of economics
- v. Knowledge of human resource management
- vi. The power of integrity
- vii. The power of vision and strategic thinking and planning

ii. Moses

- i. Training and preparation for leadership is crucial
- ii. A passion for justice underwrites commitment
- iii. Following the management principles of division of labor, span of control and delegation is essential
- iv. The need for humility in acknowledging mistakes and accepting the consequences is essential to integrity.

iii. Solomon

- i. An early hunger for wisdom and a close relationship to God
- ii. The seduction of success
- iii. A legacy of a promise squandered

iv. Management Wisdom in the Hebrew Bible

- i. This section presents a set of management principles drawn from a variety of Old Testament sources. The listing is illustrative, not definitive.
- ii. Managers must not forget that, like themselves, subordinates were created in the image of God.
- iii. The goal for managers is to follow God's character of loving kindness and faithfulness as they exercise their authority, just as God exercises his authority over the whole earth.
- iv. Managers will destroy their own soul if they are cruel to their subordinates. But if they are good, their soul will be nourished.

Each of the stories in **Exhibit 2-3** “Managers in the Bible,” is unique ... but it will be good to ask students, “What do the experiences of these biblical managers share in common?” (For example, all managers encounter some degree of conflict and opposition.)

The story of Moses is a classic example of a person called at an early age to become the reluctant leader of a new enterprise (the nation of Israel). The biblical account is presented with great honesty – it speaks of both successes and failure at the personal, interpersonal and community levels. Any of the biblical characters mentioned would make great “management biographies.”

Ask:

- **What does this person teach us about the role of our personal strengths and weaknesses in managing others?**
- **What does this person teach us about the importance of personal thoughts and feelings to a manager’s professional performance?**
- **What characteristics do I see in this person that I would like to see more of or less of – and what might I do to move in this direction?**

Concerning “Management Wisdom in the Hebrew Bible:” The importance of this section cannot be overemphasized – students can learn so much of importance that it would be useful to have them outline in detail this section. Point out to them some of the underlying and enduring truths developed here, perhaps in the form of deep tensions: the connection between personal and professional integrity; the opportunities and threats of leadership positions; the need to both communicate and listen.

Solomon was granted by God the privilege of wisdom. This wisdom is displayed in the biblical books of Proverbs, Ecclesiastes and Song of Solomon. A great activity for students would be for students to review one or more chapters in Proverbs to see what management-related issues the bible book speaks to.

- v. When it is in the manager’s power to do good to a worker who deserves it they must not withhold this.
- vi. In everything that is done as a manager, it is honor to God and obedience to Him that is paramount.
- vii. If a manager expects to enjoy the honor of being placed over others, he must also learn humility, for it is in humility that wisdom is obtained.
- viii. Managers should act with integrity and justice. They should not act rashly but instead be quick to seek advice.
- ix. The wise manager will not speak in anger but will control his or her emotions.

Ask:

- **What does the book of Proverbs have to say about the power of what we say and how we say it?**
- **What does the book of Proverbs have to say about the importance of solid and stable character?**
- **What does the book of Proverbs say about the relationship of strong moral standards and interpersonal success?**

Ask: **To what degree is management “forced” on an organization vs. management springing naturally out of the needs to organize things?**

About Jesus as a manager: We would never want to trivialize the ultimate aim of Jesus’ earthly ministry – he came as Savior and Lord. However, he did interact with people as a leader, he did cope with the stresses of leadership. Many of his stories (parables) focused on work-related situations. So, there is much students can learn.

Biblical implications for workplace practices can be compatible with or conflicting with contemporary management theory and practice. The leadership implications from the Hebrew Old Testament seem reasonable. Yet, we should challenge our students to ask how “practical” these implications are in the real world of competitive and challenging contemporary business.

Ask:

- **How do the biblical principles of managing differ from what you want in a manager?**

The management ideas represented in the text come mainly from those factors which have influenced so-called western ideas. Management from other cultures can also be

v. Management Wisdom in the New Testament

i. Jesus

- a) The power of legitimate authority exercised with integrity
- b) The development of enduring mentoring relationships
- c) The need for a compelling vision and the demand for passionate commitment
- d) The requirement of servant leadership

ii. Management and the Early Church

- a) Transition from informal association to formal organization
- b) Experimenting with new organizational structures and processes
- c) Coping with the challenges of decentralization and growth
- d) The need for uniform policy and practice to create a unified, though diversified, community
- e) The necessity of clear channels of authority and accountability

5. Management History in Ancient Times

- a. Lesson 1: Management is a service provided to the community as a whole
- b. Lesson 2 – Management is needed for the

<p>considered.</p> <p>Ask students to research management ideas from:</p> <ul style="list-style-type: none"> • Ancient India • Ancient Rome • Ancient Greece • Medieval Spain (Arabic influences) • Ancient China • Ancient Babylon • Native American culture • Inca civilization <p>Ask:</p> <ul style="list-style-type: none"> • How are these ancient principles the same or different from what is taught in the Bible? • Are any of these principles out of date? 	<p>pursuit of commonly held values and goals</p> <ol style="list-style-type: none"> c. Lesson 3 (from Egypt) – Division of labor through specialized worker skills and tasks d. Lesson 4 (from Egypt) – operating with a clear chain of command e. Lesson 5 (from Egypt) – span of control f. Lesson 6 (from Egypt) – centralization and decentralization g. Lesson 6 - Establish respect for, authority over, and obedience from subordinates. h. Lesson 7 - respect and loyalty to superiors i. Lesson 8 - match the job with the person. j. Lesson 9 - plan ahead k. Lesson 10 - employ managerial control systems to make sure goals are achieved efficiently.
<p>Beyond the particular lessons students need to appreciate that the issues managers need to address have been around for thousands of years, As Solomon once asked, “Is there anything new under the sun?”</p> <p>The text raises the issue of “soldiering” – the informal restriction of production by workers.</p> <p>Ask: Does “soldiering” go on among students – that is, is there an informal “understanding” among students about how much work is proper in a class?</p> <p>Ask: Are there “time saving” ways to make their out-of-class work more efficient?</p> <p>Scientific management was very much an idea of its time. The Industrial Revolution resulted in millions of</p>	<p>6. Management History in Modern Times</p> <p>i. Frederick W. Taylor and the Scientific Management Movement (highlights of the text coverage)</p> <ol style="list-style-type: none"> i. Management as the formal, rational effort to improve organizational efficiency ii. Time and motion studies to determine best working practices iii. Doing and managing as distinct tasks and skill sets iv. Develop a science for each element of each individual’s work through analysis and time study replacing the old rule of thumb method. v. Scientifically select, train, and develop each worker. vi. Workers should be carefully selected for tasks they are best suited for. vii. Managers should cooperate with the workers to ensure that all work is done in conformity to the principles of the science that has developed. viii. Divide work and responsibility fairly between management and workers. Management’s role is to scientifically analyze and set the production quotas for workers. Workers must accept these

unskilled workers moving from farms and small towns to factories and large industrial communities. These “unskilled” workers were being managed by managers who were often equally unskilled. Taylor sought to build up both workers and managers.

Scientific Management set the stage for today’s collegiate business programs.

Ask students to apply these ideas to the college classroom. How would “adopting” these ideas influence the way teachers designed and delivered their courses?

Students should be encouraged to think of Fayol’s principles as propositions about the nature of work and the relationship between managers and employees.

Ask:

- **Which of these propositions do you think is most correct in light of your experiences?**
- **Which of these propositions do you feel least comfortable with in light of your experiences?**
- **Which of these propositions would you insist needs further clarification?**
- **Which of these propositions have the most application to the teacher0student relationship?**

quotas and commit to vigorous labor.

ii. Henri Fayol (1841-1925) – Fourteen Management Principles

- i. **Division of labor** is the most efficient way of organizing.
- ii. **Authority and responsibility parity.** When a manager is given the authority to make decisions, this person also should be held responsible for decisions that are made.
- iii. Workers should be expected to work with **discipline.**
- iv. **Unity of command:** Every worker should have just one supervisor who gives direction.
- v. **5. Unity of direction:** All managers and workers should understand the objectives of the organization and of their immediate tasks so that together they can work toward achieving the organization’s goals.
- vi. **Subordination of individual interests** to the interests of the organization and its goals.
- vii. **Remuneration:** workers should be paid fairly for their labor. Pay is a good motivator for good performance.
- viii. **Centralization vs. decentralization:**

The principles of bureaucracy seem to make sense – what is it about bureaucracies that leads them to become rigid and unwieldy and self-centered?

Defending bureaucracy is no easy task given its reputation for inaction and inattention. And, yet, it was Weber's wish to bring about the opposite results. The well-functioning bureaucracy would lead to efficiency in operation, expertise in execution and ethicalness in handling client and customer concerns.

Some decisions, especially financial ones, must be made by top-level leaders. Other decisions should be given to lower-level managers and workers to make (decentralization).

- ix. **Scalar chain/line of authority:** Every worker should know exactly who their supervisor is and who is above this person in decision-making authority.
- x. Managers should **organize workers and materials** so that work is accomplished in an orderly manner.
- xi. Workers should be treated **fairly**.
- xii. Workers do better if they are not afraid they will be laid off and if they have opportunities to advance in responsibility.
- xiii. Managers should **encourage workers to take initiative** to solve problems that are within their ability.
- xiv. **Esprit de corps (morale)** among workers is an important component of productivity. Managers have an important role in maintaining workers' morale.

iii. Max Weber (1864-1920) – in defense of bureaucracy

- i. Efficient organizations have a hierarchical authority structure with multiple levels of supervision sometimes called a scalar chain of command.
- ii. Managers should be trained professionals.
- iii. Work should be divided allowing individuals to become experts at particular tasks.
- iv. Expertise should guide the selection of workers based on their technical qualifications for the tasks.
- v. Formal rules of behavior and procedures for work should guide employee behavior.
- vi. Rules applied impartially and uniformly across the entire organization promote fairness.
- vii. Pay rates should be based on how long a worker has worked for the

The informal organization described by Barnard is a shared set of perceptions and practices that evolves over time in an organization. Some call this the “real” culture that shapes the employees expectations and aspirations more so than the “official” culture.

The HRM movement was often criticized for what were seen as efforts to “control” or “manipulate workers.

Ask:

- **In what ways do organizations seek to control employee behavior today (for instance, drug tests, computer monitoring)?**
- **In what ways are managerial control efforts both reasonable**

organization and the different tasks the worker performs.

iv. Chester Barnard (1886-1961) – an early proponent of organic systems theory

- i. Authority of a leader comes from the consent of the followers.
- ii. The consent of subordinates to follow commands from their superiors is influenced by four key elements:
 - a) Subordinates must understand the executive’s communication. Without their understanding, authority is meaningless.
 - b) Subordinates must believe that the communication is consistent with organizational goals. If workers perceive inconsistency, they will question the authority of the command giver.
 - c) Subordinates must consider work assignments consistent with their own goals. If they do not, they will undermine authority.
 - d) Subordinates must be physically and mentally able to perform the tasks they are given.

v. The Human Relations Movement

- i. Robert Owens – Caring for employees as vital “machines”
- ii. Western Electric Hawthorne Plant studies revealed
 - a) The importance of small group dynamics
 - b) The importance of a worker’s sense of belonging and productivity
- iii. Mary Parker Follet and the study of
 - a) Conflict as it emerges and as it is managed
 - b) Shared responsibility for decision making

<p>AND a cause for concern?</p> <ul style="list-style-type: none"> • What is the essential purpose of a business: to maximize profits and wealth for shareholders or to seek to create value for all stakeholders? <p>Obviously management involves human behavior ... what the HRM brought was an understanding of the complexity of individual and interpersonal dynamics and their impact on institutional effectiveness and efficiency.</p> <p>Drucker focused on the moral responsibility of the manager and argued that business by its very nature carried social responsibilities.</p> <p>Invite students to research the possible management influences of the following events:</p> <ul style="list-style-type: none"> - World Wars I and II - The Great Depression of 1929-36 - The invention of television - The computer revolution - The internet - Cell phones <p>These thinkers are just a sample of the many who have influenced management practices.</p> <p>Ask:</p> <ul style="list-style-type: none"> • Which is the most interesting to you? Why? • How can knowing historical influences make you a better manager? 	<p>vi. Peter Drucker (1909-2005) – (perhaps) the most important management voice of the 20th century</p> <p>vii. Management and the consequences of history.</p> <ul style="list-style-type: none"> i. Management always takes place within the context of broader historical influences. ii. Some management ideas were developed in response to specific historical situations. iii. Still others are the result of the emergence of new technology.
<p>One could argue that the rise and fall of particular management ideas depends on the situation that companies and their industries are in over time. Also, while some of the management ideas have fallen out of favor, in</p>	<p>7. The Rise and Fall of Management Ideas.</p> <ul style="list-style-type: none"> a. Multiple chains of command b. Management by Objectives. c. Sensitivity training. d. Quality Circles.

<p>some cases the germ of the idea has stayed.</p> <p>Ask:</p> <ul style="list-style-type: none"> • Why do you think some management ideas fade away? • What makes one management idea remain popular while another idea fades away? 	<ul style="list-style-type: none"> e. Self-managed Teams. f. Five Myths about “new” management ideas: <ul style="list-style-type: none"> i. Newness ii. Universality iii. Simplicity iv. The Panacea v. No Trade-offs g. Using an Organization’s History to Learn <ul style="list-style-type: none"> i. Capturing the details of how an organization successfully changes h. Using the Case Study Method to Learn
<p>Remind students that tensions are not always bad. Tensions represent opportunities and motivation to handle our responsibilities with drive and maturity. They also reveal where managers must focus their thinking when there are competing values or interests at stake.</p> <p>Ask:</p> <p>Which of these tensions have you felt as a student, and how have you handled these (encourage students to talk about their successes and failures)?</p>	<p>8. Paradoxes of Memory.</p> <ul style="list-style-type: none"> a. Organizational memory. Organizational members must at the same time believe and doubt their past experiences. Thus, organizational memory is both friend and foe to managers. b. Personal memory and religious faith. Religious faith is anchored in the belief that some things do not change and that people do change. Religious faith allows a person to look forward and backward at the same time, drawing on the lessons learned from the past while looking to the future with hope and assurance. If we are to find meaning in our lives, we must remember; however, we cannot afford to get stuck dwelling on the mistakes we have made in the past.
<p>Answers to Discussion Questions</p> <p>When presenting these discussion questions during a class period, you may find that students are hesitant to speak up in the context of the whole classroom. If this occurs, divide students into small groups of three to five persons per group. Ask them to discuss the question in their small group first. After three or four minutes of small group discussion, ask students to report what they heard in their small group. Restructuring the classroom in this way usually increases the participation and active engagement.</p> <p>Some of these questions do not have a “right” answer.” These questions are not meant to have students just parrot back what the textbook says. Remind students that the questions are meant to be catalysts for them to think deeply and creatively about the textbook material, and then to encourage them to respond thoughtfully and creatively to the issues the question is addressing. Remind that simple “yes” or “no” answers are not what you are looking for and that it is as important WHY a student believes something as it is WHAT they believe.</p>	

This being said, we are able to discern between effective and ineffective responses by the following criteria:

- Does the response reflect and accurate understanding of what the textbook said (definition of terms especially)?
- (For written answers) Is the response well written (spelling, grammar)?
- Does the response reflect an understanding of the primary intent of the question?
- Does the response properly address workplace concerns versus being too vague and/or unapplied?
- Does the response clearly discuss both WHAT the student believes and WHY they believe that?

1. Why have some management ideas such as chain of command or division of labor stood the test of time from ancient days until now, while other ideas have declined in usefulness or simply disappeared altogether?

A productive discussion with students might involve the way ideas of any sort are created and validated. Some ideas are time and situation bound – others can be generalized. Only time and testing in the real world of business determine whether an idea and the insights it purports to offer are valid because real people in real businesses find the idea works.

2. On what basis can we say that Solomon was the best manager to have lived before the time of Christ? In what ways might he also have been the worst manager?

Student responses will depend on how they define “best” manager. Best in terms of results, in terms of character, best in terms of furthering God’s goals, best in terms of impact on people? Solomon, ultimately, was ONLY a human – and subject to all the weaknesses to which all humans are subject.

3. Thinking about the future generation of workers, which older management ideas might be at risk of declining in popularity? Why?

Students should be encouraged to clearly articulate the key characteristics of the “millennial generation.” One report characterized millennials as

- Celebrating diversity
- Being Optimistic AND /realistic
- Self-inventive/individualistic
- Willing to rewrite the rules
- Fast paced and hectic lifestyle
- Irrelevance of institutions
- Internet
- Technology savvy
- Multitask fast
- Nurtured and protected

Among the many ideas such characteristics may challenge would be chains of command, institutional rules, and there being one-best way to do anything.

4. If you lived during Frederick W. Taylor’s time, what advice would you have given him to improve the approach he took regarding scientific management?

Students are likely to focus on the “human nature” and its richness and complexity – something Taylor ignored. They should also challenge Taylor’s strange idea of multiple bosses – an idea that rightly has long been rejected as both impractical and theoretically suspect.

5. Are the contributions from the human relations movement more important than the contributions from the scientific management movement? Why?

Students could defend either position. The HR argument would likely speak to the softer “relational” issues such as communication, motivation and informal groups, The SM argument would focus on efficiency, productivity and rational workplace design.

6. Do you agree or disagree with Chester Barnard that authority flows upward rather than downward?

Students should probably focus on the differences between various kinds of authority. Positional authority does flow from the top-down, Personal authority does flow from the bottom up as employees accept the expertise and ability of the leader.

7. If Barnard is correct regarding authority flowing upward, how much authority does the chief executive actually have?

One way to discuss this is to encourage students to take BOTH points of view. In one respect, the CEO has great power – to mandate direction, to allocate resources, to hire and fire, to broker external agreements, etc. This would be the authority to DO things. At another level, the CEO actually has little direct influence over others except in a small circle.

8. Are the principles of scientific management inherently in conflict with Judeo-Christian teachings of respect for human beings created in the image of God?

Again, students could argue BOTH SIDES of this. The conflict would come with the reductionist view of SM about the motives of people (*economic only) and the way they should be managed (closely supervised in very restricted forms of job assignments).

9. If sin had not entered the human experience, how might the history of business been different?

Clearly, there is no one right answer – but the effects of sin are deep and enduring. Just as Adam and Eve would discover that the “ground” would become difficult to work with, so would all human relationships become hard to manage. Without sin, one might argue that management would be unnecessary because people would naturally work together in harmony. However, one could argue that no matter how well motivated and generous, people would still need to have their working together managed due to complexity and the need for coordination.

10. In the New Jerusalem as a city (Revelation 21), what economic organizations might exist?

This is really a theologically stretching question. If economics is about the allocation of scarce resources, and if in the New Jerusalem there is no scarcity, then economics as we know it would not be needed. If, on the other hand, economics is defined as establishing a network of trading relationships that make resource allocations rational and efficient, then even in the New Jerusalem economics will be needed.

11. What kinds of things must people remember if they are to find meaning in their lives? What kinds of things should they forget to avoid self-destruction?

Encourage student to articulate what they mean by a “meaningful life.” One idea worth considering is whether we love people and use things, or love things and use people.

12. Of all the historical management ideas reviewed in this chapter, which seem to be the most important? Why?

The answers will vary – look for clear reasoning and concrete discussion of why that idea is so important.

Several **In-class Exercises** are designed to engage students in debate and discussion of important issues.

SUPPLEMENTAL INFORMATION FOR CHAPTER 2

THE RULE OF ST. BENEDICT & HENRI FAYOL

During the sixth century a European monk St. Benedict outlined a set of rules that became the guide for monastic community life. This guide has become known as *The Rule of St. Benedict*. Thousands of years before Henri Fayol wrote his theories of management, Benedict recorded his prescription for how a well-operated monastery should be run. Notice the striking similarity between Benedict's Rule and Fayol's teachings.

From: Kennedy, M. H. (1999). Fayol's principles and the Rule of St. Benedict: Is there anything new under the sun. *Journal of Management History*. 5(5), 269.

ST. BENEDICT 6 th CENTURY	HENRI FAYOL 19 th CENTURY
Mad provision for clear division of work in the monastery: deans, artisans, porters, novice master, guest master, etc. Assigning jobs to individuals should be done in consideration of individual's character and intelligence.	Division of work ; specialization of labor belongs to the natural order. It produces less waste, higher quality and improved teaching.
The authority of the abbot (the leader of the monastery) must be obeyed by all. The abbot must be wise in how he deals with various individuals. Some he will reprove; others he will encourage.	Authority and responsibility ; the right to give orders and expect obedience. Authority should be commensurate with responsibility.
The abbot must be firm in disciplining the undisciplined and restless. Yet for those who are obedient and docile, he must appeal to their greater virtues.	Maintaining discipline is the responsibility of the leader. The leader should be fair but willing to impose punishment for those who are undisciplined.
While monks may voice their opinions on matters of monastic life, the abbot is the one in charge.	Unity of command : each worker should have just one person who is their superior.
Monks were expected to align their behavior with that of the rule of the monastery.	Unity of direction means that every worker's task should be aligned with the overall goals of the organization.
Monks are expected to submit to the will of the monastery. They are to hold in check selfishness, laziness, personal ambition and all human passions that emphasize self-interest rather than the interests of the community.	Subordination of individual interests to the common good of the organization.
Monks did not receive wages for their labor but they were provided housing, food, clothing, and tools with which to work.	Remuneration (compensation) must be fair and satisfying to employees.
In the monastery the abbot holds central authority for all the major decisions that are made. Even so, monks were encouraged to speak their opinions.	Centralization of leaders' decision-making authority can be either closer to or farther away from the front-line workers depending on the specific case.

Monasteries used a scalar chain of command. Abbott is elected by the monks. Next in command is the Prior; after that the Deans. Other monks were supervisors.	The scalar chain of command or line of authority for communication and delegation should be unambiguous.
Resources such as tools and clothing are cared for using a check-out system like a library. Tasks are assigned and monks were expected to keep the rank they were assigned.	Order should prevail in the organization. Every material and every employee should have an assigned place.
The abbot must show love to everyone and use fair discipline for all.	Equity: Employees must be treated with kindness and fairness.
Monks were accepted into the monastic community with the understanding that it was a life-long commitment. The monastery should be reasonable self-contained so that monks do not have to leave to provide for their own welfare.	Stability of personnel tenure: Successful management depends upon a dependable work force.
Zeal in the work of a monk is a sign that the monk is working for the glory of God.	Initiative: Success comes from employees who approach their work with enthusiasm. Ideal employees are those who take initiative in their daily work.
Christian unity and harmony in the community of faith is vital. Harmony is achieved by following other guidelines such as avoiding quarrels, arrogance demonstrating mutual respect, praying for enemies and quickly resolving disputes.	Esprit de corps: maintaining good morale among workers promotes harmony and unity that strengthens the organization.

The Man Who Keeps Falling in Love with His Wife

From: Wearing, D. (2005). *Forever today: A memoir of love and amnesia*. London: Doubleday.

Clive Wearing gives new meaning to the oft-used declaration, “You’ve got a hole in your head” only for Wearing it is the truth and because of it he has no ability to remember events in his life. In March of 1985 Clive Wearing, a musical composer and conductor, came down with what people thought was the flu. The next thing his wife Deborah knew Clive was wandering the streets of London in a kind of living death. He had been suffering not from the flu but from encephalitis that wiped out the hippocampus of the brain. It is the hippocampus that is needed to remember our history.

In Clive’s case his illness-induced amnesia is permanent. It is like living in an abyss constantly surrounded by strangers where every few seconds you “wake up” believing that you have been in a coma. Clive can remember a few details like his own name and the names of his siblings and the name of his wife. But every seven seconds his short-term memory of events clears like a computer memory chip being wiped clean. Nothing is placed into long-term memory. His wife leaves the room to go into the kitchen. When she returns a few seconds later, Clive reacts with overwhelming relief at not being alone in the terror of not grasping details of reality. He embraces her sobbing, clinging.

His memory is so short that it’s as if he doesn’t hear or see anything. He starts to say something and by the time he is in the middle of his sentence, he forgets what he is going to say. Coherent conversations, watching television or reading a book are impossible. He has no dreams, no thoughts. He cannot tell the difference between day and night.

For years following the illness Clive could carry on just one conversation repeated every few seconds. Over time he has come to understand more of his condition and his brain has adapted by gradually placing into long-term memory basic information such as where to find a coffee cup. Strangely enough Clive can still read music, sing and play music. And he has learned to talk backwards saying things like, “O harobeD, I evol ouy!”

What would be life be like if you lost our ability to have a history filled with specific details of events and situations from your past?

DANIEL DEFOE ON RELIGION AND BUSINESS

Defoe, D. (1969). *The complete English tradesman in familiar letters*. Volume 1. New York: Augustus M. Kelley [Originally published in 1727]. p. 50 – 52.

In his two volume work on business, Daniel Defoe made some interesting comments on the relationship between business and religion relevant to managers: “Three things are chiefly before us in the appointment of our time; 1. Necessaries of nature. 2. Duties of religion, or things relating to a future life. 3. Duties of the present life, viz. Business and Calling...II. Duties of religion: These may be call’d necessities too in their kind, and that of the sublimest nature; and they ought not by any means to be thrust out of their places, and yet they ought to be kept in their places too.” “The duties of life, I say, must not interfere with one another, must not jostle one another out of the place, or so break in as to be prejudicial to one another. It is certainly the duty of every Christian to worship God, to pay his homage morning and evening to his Maker, and at all other proper seasons to behave as becomes a sincere worshiper of God; nor must any avocation, either of business or nature, however necessary, interfere with this duty, either in public or in private. This is plainly asserting the necessity of the duty, so no man can pretend to evade that. But the duties of nature and religion also have their particular seasons, and those seasons so prosper to themselves, and so stated, as not to break in or intrench upon one another, that we are really without excuse, if we let any one be pleaded for the neglect of the other.” “The Devil, if it be the Devil that tempts, for I should not wrong Satan himself, plays our duties often one against another; and to bring us, if possible, into confusion in our conduct, subtly throws religion out of its place, to put it in our way, and to urge us to breach of what we ought to do: beside this subtle Temptor, for as above I won’t charge it all upon the Devil; we have a great hand in it ourselves; ...this subtle tempter hurries the well-meaning Tradesman, to act in all manner of irregularity, that he may confound Religion and Business, and in the end may destroy both.”

EDWIN T. FREEDLEY: COMMON SENSE IN BUSINESS

In the 1852 Edwin T. Freedley (1827 – 1904) gathered together what he considered the best practical business knowledge of his day and published it. So popular was his book that in 1878 he expanded on his original theme. Tucked among all the practical advice in his books is instruction regarding the Bible’s teaching on selected business issues. Here is an example from his second book.

“Let him who desires to test the strength of his principles, or improve his moral nature by wholesome discipline, embark in trade. Let him who considers himself a skilful arbitrator or adjudicator of nice questions in morals or metaphysics, place himself in a position where, every day of his life, he must adjust those in which he himself is an interested party. Let him who thinks himself a proficient in moral or mental arithmetic, try calculating a problem in which his liberty, his home, his fortune, are involved...Life is a probation, and business may be designed as a means of perfecting the moral nature. But it is a proof that science and religion should come down from their “starry heights,” and aid the poor sons of toil in their daily trials...”

What is Freedley’s point?

In answer to the question “What is meant by that passage of Scripture which says, ‘It is easier for a camel to go through the eye of a needle than for a rich man to enter into the kingdom of God?’” Freedley wrote: “The whole spirit of Christianity, while favorable to enterprise and an equitable interchange of commodities, is adverse to the accumulation of great riches in the hands of individuals; and it is probable that the passage of Scripture referred to means exactly what it says, or, in other words, that – the possession of great wealth being of itself evidence that the man possessing it has not been charitable in proportion to his means, has not loved his neighbor as himself – one of the two great commandments on which hang all the law and the prophets – it will be easier for a camel to squeeze through the ‘Needle’s Eye’ at Jerusalem than for him who has acquired much more of this world’s goods than his neighbors, and held on to them, to enter into the kingdom of heaven.” Freedley, E. T. (1878). *Common sense in business, or Practical answers to practical questions on the true principles and laws of success*. Philadelphia, PA: S. A. George & Company. p. 38 – 39.

What do you think about Freedley’s interpretation of Matthew 19:24?

ALFRED MARSHALL: COMPARING RELIGION AND BUSINESS

The 19th century political economist Alfred Marshall had this to say in comparing religion and business:

“...man's character has been moulded by his every-day work, and the material resources which he thereby procures, more than by any other influence unless it be that of his religious ideals; and the two great forming agencies of the world's history have been the religious and the economic... Religious motives are more intense than economic, but their direct action seldom extends over so large a part of life. For the business by which a person earns his livelihood generally fills his thoughts during by far the greater part of those hours in which his mind is at its best; during them his character is being formed by the way in which he uses his faculties in his work, by the thoughts and the feelings which it suggests, and by his relations to his associates in work, his employers or his employees.” Marshall, A. (1890). *Principles of economics: An introductory volume*. CITY: PUBLISHER. Book 1, Chapter 1.

THE EIGHT RULES OF SCIENTIFIC MANAGEMENT - US DEPARTMENT OF COMMERCE 1927

From: Anonymous. (1927). Scientific management: The United States Department of Commerce suggests eight rules. *New York Times*. May 8. E 19.

In 1927 the US Department of Commerce published a Bulletin recommending the eight rules of Scientific Management taught by W. H. Lefingwell:

1. “Define your purpose. You must know what is to be done before you can know how. This is your master task.
2. Analyze your problem. Your master task will then break up into many detail tasks. Consider them all – neglect none.
3. Seek the facts. Study every condition governing each task and the undesirable element to be retained. Then standardize right conditions.
4. Devise the one best method. Aim to conserve energy, time, space, material. Determine relation of details to master task.

5. Find the person best fitted. For each task certain personal qualities are essential. In each person certain qualities predominate. Find the person best fitted.
 6. Teach the person best fitted the one best method. Not by driving, but by thorough, patient teaching are understanding and skill developed.
 7. Plan carefully. Right planning of arrangement and sequence of work will enable you to accomplish tasks in logical order, accurately, quickly, economically.
 8. Win cooperation. Cooperation means working together. It cannot be demanded; it must be won. Accept your share of the responsibility. Respect the rights and aspirations of others.
- This is scientific management, and through scientific management may we expect to eliminate waste.”

FREDERICK W. TAYLOR – THE FATHER OF SCIENTIFIC MANAGEMENT

Some professors may want to assign students to read Frederick Taylor’s little book on Scientific Management. Students can also be assigned to read the short article by Wrege and Hodgetts (2000) in which they review the veracity of Taylor’s pig iron experiment story. What follows is an introduction and study guide that professor can provide students leading up to a seminar-type discussion on Taylor’s contribution to the field of management. Wrege, C. D., & Hodgetts, R. M. (2000). Frederick W. Taylor’s 1899 pig iron observations: Examining fact, fiction, and lessons for the new millennium. *Academy of Management Journal*. 43(6), 1283-1291.

FREDERICK W TAYLOR’S *SCIENTIFIC MANAGEMENT* INTRODUCTION & STUDY GUIDE

During the 1880s in the United States, small businesses were becoming sizeable corporations. This is especially true for industrial organizations. Railroads now crisscrossed the country providing access for goods shipped from the heartland to eastern cities and Europe. This transportation network contributed to increased demand for products. Increased demand stimulated businesses to increase production. Responding to growing demand meant increasing the size of organizations. Though it was not adopted quickly in business, telegraph technology was already revolutionizing communication. Customers could obtain information about prices and the availability of substitute goods to a degree never heard of before.

Other fields of endeavor such as medicine, agriculture, petrochemicals, metallurgy advanced as knowledge produced from scientific research diffused throughout society. Inventions of the gasoline combustion engine, the diesel engine, welding, the typewriter, the electric light, and other technologies all had transforming effects on business and culture.

At the same time social reform movements were growing in parallel to, and in part a reaction to, technological and scientific advancements and the growing complexity of organizations. Working conditions generally were still unsafe and unsanitary. Workers became disenfranchised as they saw business owners profiting at their expense. Organized labor helped workers change from a fragmented collection of individuals, each of which had little influence with managers and owners, to focused collective bargaining units that offered hope of relief from workers’ frustrations.

In this environment of growing organizations, growing worker frustration, and growing markets, Frederick Taylor and other engineers including Frank Gilbreth, Harrington Emerson, and Henry Gantt began to promote a concept that would become the backbone of industrial competitive advantage for decades to come – applying the principles of science to solve economic problems. The goal in any commercial situation (though primarily practiced in industrial settings) became to find “one best way” to structure and standardize work procedures for optimum output.

Efficiency engineers began using stop-watches and data tally sheets. As engineers learned more about specific work tasks, they began requiring changes on the part of workers and managers. The broke

down work activities into their component motions as they looked for the simplest and fastest ways to perform highly repetitive tasks. While business owners began to see the value of scientific management, their managers and workers were somewhere between less enthusiastic and openly resistant. Workers came to hate the efficiency engineer and his stop watch. Taylor was openly task oriented. Some of his associates promoted the value of task management but were more people oriented.

Some scholars consider Taylor's book on Scientific Management to be the most influential management book of the 20th century. (Bedeian & Wren, 2001) Taylor's fame and the movement he promoted spread internationally. In Russia the acceptance may have been more rhetorical than real (Wren & Bedeian, 2004), while in other countries such as Great Britain, Germany (Shearer, 1997), Japan (Freeman, 1996), China (Morgan, 2006), Taylorism was more firmly accepted into industrial cultures.

Many see the scientific management movement as the important first step in the process of improving the competitive advantage of business. What Taylor knew as scientific management has matured into a legacy of various quality and performance improvement initiatives that are still highly prized in business.

QUESTIONS FOR DISCUSSION

As you read Taylor's book and the accompanying article reading assignment consider the following questions:

1. Taylor promised that the principles of scientific management would be the solution to age-old conflict between workers and managers. After reading his book, what flaws in this philosophy might have prevented his promise from being realized?
2. How would you describe Taylor's theory of human motivation?
3. How do you characterize Taylor's view of human nature: Optimistic or Pessimistic? What evidence can you find in the book in support of this?
4. If you were a worker at a steel mill, how would you feel about Taylor's principles of scientific management being applied to your work? If you were a manager, how would you feel?
5. Taylor asserts that the principles of scientific management have national and even international consequences. Is this claim justified? Why?
6. Evaluate Taylor's rebuttal to critics that scientific management is abusive to workers. Is his rebuttal satisfying? Why?
7. Contrast "the old view" of management with the new view of scientific management that Taylor promotes.
8. Why do you think that making the change from the old view of management to scientific management can take several years?
9. Taylor grew up in a Christian Quaker family. What passages of Scripture may have influenced his interest in pursuing efficiency using the principles he describes?
10. In about ten times Taylor directly or indirectly mentions the need to uncover the truth about a work situation. Why is the pursuit of the truth so important for managers?
11. In their article reviewing Taylor's stories regarding his experiments at Bethlehem Steel, Wrege and Hodgetts (2000) attempt to show that his story is more fiction than fact. Evaluate their criticism of Taylor's story. On what basis, if any, are they justified in making this claim?
12. If, as Wrege and Hodgetts (2000) say that Taylor fabricated details of the story about his pig iron experiments and left out other pertinent information, does this disprove the overall value of scientific management principles? What is the basis for your answer?
13. What is the role of story as a platform to transmit ideas that offer the promise of improving life as we know it? If the story is not completely factual in every detail, what danger exists that such a story might be used to coerce people in behaving in ways that the story proponents desire?