

# Comparative Management Philosophies

*Michael E. Porter, Tom Peters, and Fred E. Fiedler*

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## Outline

- I. Introduction: History and Evolution of Modern Management**
- II. Classical Era Management Philosophies**
- III. Neoclassical Era Management Philosophies: *Human Relations***
- IV. Human Resources: *Human Relations***
- V. Human Relations Movement: *Human Resources***
- VI. Michael E. Porter: *The Five Forces Model***
- VII. Tom Peters: Eight Attributes of Management Excellence**
- VIII. Comparison of Models**
- IX. Conclusion: *Personal Management Philosophy***

## Introduction: History and Evolution of Modern Management

Throughout history management practices have changed, adapted, and evolved. Management has been around, in some form, dating as far back as the building of the Ancient Egyptian Pyramids. Pharaohs used engineering technology, divine power, and slaves to manage the construction of these large indescribable pyramids; whose origins are still not completely understood (Attie).<sup>1</sup> From the Egyptians use of slaves to the dawn of the industrial revolution management has seen many forms. Management evolved from classical management philosophies involving bureaucratic management and scientific management, which emphasized efficiency, routines, and structure, neoclassical philosophies that emphasized behaviorism, and human relations, and finally to modern day focuses on strategy, leadership, and people.

## Classical Era Management Philosophies

Beginning in the late 1800's the classical school of thought was established, which encompassed bureaucratic, scientific, and administrative approaches to management (Allen).<sup>2</sup> As industrialization continued organizations became larger and competition increased. The need for professional management of workers and the business environment became crucial to business success. Competition increased the need for standardization, productiveness, and efficiency which marked the beginnings of management theories that are still used and critiqued today.

Max Weber, known as the father of modern sociology, analyzed bureaucracy as the most logical and lucid structure for operating large complex organizations. The theory of bureaucracy

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<sup>1</sup> Attie Designs. *Mystery of the Egyptian Pyramids*. Retrieved June 3<sup>rd</sup> 2008. Copyright 2008. <http://www.ancient-egypt-online.com/ancient-egyptian-pyramids.html>

<sup>2</sup> Allen, Gemmy. *Management Modern*. Management History. Retrieved June 3<sup>rd</sup>, 2008. Copyright 1998. [http://telecollege.dcccd.edu/mgmt1374/book\\_contents/1overview/management\\_history/mgmt\\_history.htm](http://telecollege.dcccd.edu/mgmt1374/book_contents/1overview/management_history/mgmt_history.htm)

hinges on authority figures and the maintenance of laws, procedures, methods, and rules. Bureaucracy theory implements a hierarchy within an organization that gives key players positional authority over subordinates to ensure organizational tasks and goals are carried out. Bureaucratic authority also stems from charismatic authority which depends on a person's individual mannerisms and behaviors that are respected by subordinates. Bureaucracy effectiveness depends on<sup>3</sup>:

- 1. Clearly defined and specialized functions**
- 2. Use of legal authority**
- 3. Hierarchical form**
- 4. Written rules and procedures**
- 5. Technically trained bureaucrats**
- 6. Appointment to positions based on technical expertise**
- 7. Promotions based on competence**
- 8. Clearly defined career paths (Allen) <sup>4</sup>**

The Classical period of management also gave way to the Father of Scientific Management Fredrick Taylor. In 1911, Taylor published *Principles of Scientific Management* in which Taylor proposed work methods and routines that promised to increase worker productivity (NetMBA).<sup>5</sup> The birth of scientific management changed the way jobs were performed; before, skilled craftsmen performed tasks using their own methods to accomplish tasks, after, jobs became routine enabling unskilled craftsmen to perform jobs. Scientific Management focused on increasing the efficiency, productivity, and time usage of human workers as well as maximizing other productive resources. The Scientific Management Model further supported the use of bureaucracy as workers were given specific routine steps to complete their job that were to be followed with no exceptions (NetMBA).<sup>6</sup>

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<sup>3</sup> Allen. [http://telecollege.dcccd.edu/mgmt1374/book\\_contents/1overview/management\\_history/mgmt\\_history](http://telecollege.dcccd.edu/mgmt1374/book_contents/1overview/management_history/mgmt_history).

<sup>4</sup> Allen. [http://telecollege.dcccd.edu/mgmt1374/book\\_contents/1overview/management\\_history/mgmt\\_history](http://telecollege.dcccd.edu/mgmt1374/book_contents/1overview/management_history/mgmt_history).

<sup>5</sup> NetMBA. Fredrick Taylor and Scientific Management. Internet Center for Management and Business Administration. [http://radicalpedagogy.icaap.org/content/issue3\\_2/rees.html](http://radicalpedagogy.icaap.org/content/issue3_2/rees.html).

<sup>6</sup> NetMBA. [http://radicalpedagogy.icaap.org/content/issue3\\_2/rees.html](http://radicalpedagogy.icaap.org/content/issue3_2/rees.html)

Following Taylor's works, Frank and Lillian Gilbreth performed analysis of the various motions it took to do routine jobs and tasks. Frank became known as the father of Time and Motion Studies. His contributions to management relied on his observations of the combined physical motions it took to perform a given task. Analyzing these motions and breaking them into time units, Frank and Lillian believed that they could design work methods whose times could be estimated in advance. They believed that there was one best way to perform a task, and that they could break motions down into individual components and eliminate wasted time and unnecessary motion. Their studies led them to coin the term "therbligs," which were symbols on operator charts that represented various elements of a task such as search, select, grasp, transport, hold, and delay, which entailed the best way to perform a task and the time it should take to perform that task (Allen).<sup>7</sup>

The final component of the Classical School of management entailed two key players Henri Fayol and Mary Parker Follett. The administrative management component focuses on outlining the functions of managers and the functions they must undertake. Fayol's development of the five management functions and 14 principles of management, although criticized, are still widely used in many complex transformations in organizations today (Howell).<sup>8</sup>

### **Five Management Functions**

- 1. To forecast and plan the future and to prepare plans of action**
- 2. To organize the structure, people and material**
- 3. To command activity**
- 4. To coordinate, unify and harmonize effort**
- 5. To control to assure policies and plans were followed**

### **Fourteen Management Principles**

- 1. Specialization – division of labor**

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<sup>7</sup> Allen. [http://telecollege.dccd.edu/mgmt1374/book\\_contents/1overview/management\\_history/mgmt\\_history](http://telecollege.dccd.edu/mgmt1374/book_contents/1overview/management_history/mgmt_history)

<sup>8</sup> Howell, Gregory A. Leadership and Project Management: Time for a shift from Fayol to Flores

- 2. Authority with responsibility**
- 3. Discipline**
- 4. Unity of command**
- 5. Unity of direction**
- 6. Subordination of Individual Interests**
- 7. Remuneration**
- 8. Centralization**
- 9. Chain / line of authority**
- 10. Order**
- 11. Equity**
- 12. Lifetime jobs (for good workers)**
- 13. Initiative**
- 14. Esprit de corps**

Mary Parker's contributions were beyond her years, as one of the first known women management gurus, she contributed the concepts of the universal goal; which stated that the universal goal of the organization is an integration of individual effort into a synergistic whole. She came up with the universal principle, which focuses on circular or reciprocal response emphasizing feedback to the sender (the concept of two-way communications). The law of the situation was also an important contribution made by Mary Parker. It emphasizes that there is no one best way to do anything, but that it all depends on the situation. The Classical Era management gurus were mainly task focused, operationally focused, and supervisor focused and little attention was given to the management of employees. The Classical Era gave way to the Neoclassical Era that focused on the human aspect of organizations and the shortcomings of Classical Era theories.

### **Neoclassical Era Management Philosophies: *Human Relations***

The Neoclassical Era gave way to the emergence of behavioral or human relations management's in the 1920's. Elton Mayo, along with a group of researchers, conducted the first studies in human relations at a plant in Cicero, Illinois called the Hawthorne Plant of the Western Electric Company. The findings from these studies would become known as the Hawthorne

Effect and would be used for two decades as a basis for managing human relations that concluded:

**1).The aptitudes of individuals are imperfect predictors of job performance.**

- i. Although they give some indication of the physical and mental potential of the individual, the amount produced is strongly influenced by social factors.

**2).Informal organization affects productivity. The Hawthorne researchers discovered a group life among the workers.**

- ii. The studies also showed that the relations that supervisors develop with workers tend to influence the manner in which the workers carry out directives.

**3). Work-group norms affect productivity.**

- iii. The Hawthorne researchers were not the first to recognize that work groups tend to arrive at norms of what is "a fair day's work," however, they provided the best systematic description and interpretation of this phenomenon.

**4). The workplace is a social system.**

- iv. The Hawthorne researchers came to view the workplace as a social system made up of interdependent parts (Clark).<sup>9</sup>

Following the Hawthorne studies, Chester Bernard developed a framework that dealt with the functions of executives. He provided insight to the executive's influence on supervisors as a direct relationship with their willingness to follow the supervisor's commands. This is known as the Acceptance Theory of Authority which states that supervisors only have as much authority as their subordinates allow them to have (Clark).<sup>10</sup> He affirmed that the function of executives and managers was to:

- 1. Establish and maintain an effective communication system**
- 2. Hire and retain effective personnel**
- 3. Motivate those personnel**

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<sup>9</sup> Clark Donald. A Time Capsule of Training and Learning. Hawthorne Effect. Retrieved June 5<sup>th</sup>, 2008, Update April 2000. <http://www.nwlink.com/~donclark/hrd/history/hawthorne.html>

<sup>10</sup> Clark. <http://www.nwlink.com/~donclark/hrd/history/hawthorne.html>

Barnard further elaborated that the willingness of the supervisor to follow a superior's command depended upon four conditions (Allen)<sup>11</sup>:

- 1. Employees must understand what the manager wants them to do.**
- 2. Employees must be able to comply with the directive**
- 3. Employees must think that the directive is in keeping with organizational objectives.**
- 4. Employees must think that the directive is not contrary to their personal goals**

Behavioral approaches to management gave way to further development of individual skills among employees. The behavioral approach still focused on managing the behavior of individuals by enhancing the supervisor's authority thus increasing the productivity of workers. Empowerment of employees was still not considered an affective way of managing an organization although Mary Follett had stated theories that supported it years ago.

### Human Relations Movement: *Human Resources*

In America, following the Great Depression in the 1930's, the rise of labor unions and government regulations reacted to the dehumanizing labor conditions that were convoluted during the Classical Era and Behavioral Era. These changes gave way to modern management as we know it today. Organizations sought after value and potential in employees as well as their exceptional capabilities. Organizations began seeing the upside of employee development and the dependency of individual success on organization success. With behavioral approaches displaying limited effectiveness, motivation and leadership approaches became of great concern to managers and executives.<sup>12</sup> During the human resource era, management practitioners vitalized creativity, competence, and employee worth, and sought techniques to increase

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<sup>11</sup> Allen. [http://telecollege.dcccd.edu/mgmt1374/book\\_contents/1overview/management\\_history/mgmt\\_history](http://telecollege.dcccd.edu/mgmt1374/book_contents/1overview/management_history/mgmt_history).

<sup>12</sup> Allen. [http://telecollege.dcccd.edu/mgmt1374/book\\_contents/1overview/management\\_history/mgmt\\_history](http://telecollege.dcccd.edu/mgmt1374/book_contents/1overview/management_history/mgmt_history).



employee motivation and independence. These management philosophies gave way to studies entailing tremendous amounts of information regarding management behaviors and actions, specifically related to leadership.

Today, many experts analyze past management theories and develop new improved models in an effort to increase the effectiveness and education of management students and practitioners. These efforts have developed management and leadership models that many managers refer to in efforts to hone their skills. Experts in the management field, Frederick Taylor, Max Weber, Henri Fayol, the Gilbreths, to name a few have laid the foundation for modern industrialist and corporate business philosophies. Of those who have published management and business models, in our modern era, a select few stand out above the rest. Management gurus Michael E. Porter and Tom Peters have established their reputations as top management gurus of our time through various publications and experience. The following will compare and contrast their proposed management models, analyze the contingency model of leadership, and provide insights into the management philosophy of Troy N. Chapman.

#### [Michael E. Porter: \*The Five Forces Model\*](#)

Michael E. Porter is the leading management guru of today's business environment and is considered the Father of the Modern Strategy Field. The contributions he has made will be looked back in the same light as management gurus before him. Porter's contributions to management include competitive strategy, the competitiveness and economic development of nations, states, and regions, and the application of competitive principles to social problems such as health care, the environment, and corporate responsibility. Porter's contribution's entails complex models and theories that coincide with the complex changing environment today's organizations face and provides tools for managers to assess business decisions. Porter's most

notable management theory is emboldened in The Theory of Competitive Strategy Model (Akbari).<sup>13</sup>



from "The Five Competitive Forces That Shape Strategy" by Michael E. Porter, *Harvard Business Review*, January 2008

In 1979 Porter used micro-economic principles to develop five forces that could determine the attractiveness of the industry. These five principles are outlined below:

- 1. The bargaining power of customers**
- 2. The bargaining power of suppliers**
- 3. The threat of new entrants**
- 4. The threat of substitute products**
- 5. The intensity of competitive rivalry (Porter)<sup>14</sup>**

Today's industries are ever changing and operate within many markets. General Electric and Procter and Gamble are two Powerhouse companies, whose business strategies may require the use of Porter's Five Forces Model. Porter's five forces focus on important decisions criteria managers must consider when deciding industries to enter or exit. Porter stresses that executives must consider each market force with diligence by the following criteria.

<sup>13</sup> Akbari Hamid. *Theories Used in IS Research. Theory of Competitive Advantage*. York University. Retrieved June 7<sup>th</sup>, 2008. Updated October 16<sup>th</sup>, 2005. <http://www.istheory.yorku.ca/competitivestrategy.htm>

<sup>14</sup> Porter Michael E. *Five Competitive Forces*. 12Manage Executive Fast Track. Retrieved June 6<sup>th</sup>, 2008, Copyright 2008. [http://www.12manage.com/methods\\_porter\\_five\\_forces.html](http://www.12manage.com/methods_porter_five_forces.html)

When considering the bargaining power of customers, executives must consider the concentration of buyers and sellers in an industry. He poses the question, “Are there a few dominant buyers and many sellers in an organization (Akbari)?”<sup>15</sup> They must also consider the differentiation possibilities of the products, profitability of buyers, role of quality and service, threat of backward and forward integration, and ease of buyers switching suppliers (Akbari).<sup>16</sup> When organizations analyze the bargaining power of suppliers the organization must consider, the concentration of suppliers, branding, profitability, threat of supplier forward integration, threat of buyer backward integration, quality, service, and cost of switching customers. Another concern for strategic managers is the threat of new entrants. When analyzing the threat of new entrants managers must consider economies of scale, capital/investment requirements, cost variations, distribution channels, government subsidies, access to technology, brand loyalty, retaliation, government regulations (Porter).<sup>17</sup> Using these criteria a manager can develop extensive knowledge of the economic, market, and operational conditions in the industry to determine its attractiveness.

When analyzing the threat of substitute products managers obtain extensive knowledge of competitor products. When assessing substitute products managers should consider; the quality of the substitutes, buyer’s willingness to substitute, price, performance, and ease of switching substitute products. The final force that must be considered is the intensity of competitive rivalry. Analyzing the intensity of competitive rivalry analyze size of the market and industry leaders. If there are many firms in the market all containing relatively equal market share then it will increase the intensity of the industry. If there are clear leaders in the industry intensity tends to be weaker. Industries that exhibit high fixed costs are higher intensity markets, and the degree of

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<sup>15</sup> Akbari. <http://www.istheory.yorku.ca/competitivestrategy.htm>

<sup>16</sup> Akbari. [http://www.istheory.yorku.ca/competitive\\_strategy.htm](http://www.istheory.yorku.ca/competitive_strategy.htm)

<sup>17</sup> Porter. [http://www.12manage.com/methods\\_porter\\_five\\_forces.html](http://www.12manage.com/methods_porter_five_forces.html)

product differentiation carries weight as well. Industries that specialize in the distribution of commodity goods such as coal, iron, steel etc. typically face higher competitive intensity (Porter).<sup>18</sup> A manager in this situation may induce that the best way to compete in this market is by committing to timely, personalized, and quality service to its buyers, but would still have little leeway in product differentiation and many times prices are regulated. Competitive intensity increases when competitors are pursuing rapid growth strategies or when barriers to exiting an industry are high. Lower intensity industry conditions occur when the cost of buyers switching suppliers is high, when organization's milk profits in mature industries, and exit barriers are high (Porter).<sup>19</sup>

Porter's use of the five forces model was the early form of strategic decision models that are used in SWAT analysis in many organizations today. Porter's vision of the surrounding environment effects on organizational effectiveness pioneered the way for strategic managers around the world, as he is one of the most highly regarded management gurus of the past 40 years. Porter's management philosophy revolves around executive decision making and strategic analysis. Where Porter focuses on management strategy and CEO leadership his model provides little advice on the management of people.

#### Tom Peters: *Eight Attributes of Management Excellence*

Where Michael E. Porter focused on strategic leadership and organizational decision making to achieve organizational success, Tom Peters believes that true success comes from managing the people, customers, values, action, execution, and an entrepreneurial spirit (Peters).<sup>20</sup> Tom Peters refocused corporate strategist to rethink their strategies that focused on the

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<sup>18</sup> Porter. [http://www.12manage.com/methods\\_porter\\_five\\_forces.html](http://www.12manage.com/methods_porter_five_forces.html)

<sup>19</sup> Porter. [http://www.12manage.com/methods\\_porter\\_five\\_forces.html](http://www.12manage.com/methods_porter_five_forces.html)

<sup>20</sup> Peters, Tom. *Tom's Bio*. Tom Peters. Retrieved. June 9<sup>th</sup>, 2008. Copyright 1999-2008. [http://www.tompeters.com/toms\\_world/press\\_kit/who\\_is.php](http://www.tompeters.com/toms_world/press_kit/who_is.php)

numbers and attend to the factors that controlled everyday operational success. Peters most framework regarding his theory on management is the Eight Attributes of Management Excellence.

- 1. A Bias for Action-** Excellent companies get on with it and are not paralyzed by analysis and procrastination.
- 2. Close to the Customer-** Excellent companies listen to their customers and act on what they say.
- 3. Autonomy and Entrepreneurship-** Excellent companies encourage innovation and creativity in their employees.
- 4. Productivity for People-** Excellent companies treat all their employees with respect. Employees at all levels are ‘seen as a source of ideas, not just acting ‘as a pair of hands.’
- 5. Hands on and Value Driven-** Excellent companies have a value-driven philosophy, and top management stays close to the workplace.
- 6. Stick to Knitting-** Excellent companies know their core business and stick to it.
- 7. Simple form, Lean staff-** Excellent companies have a simple organizational structure with minimal top level staffing.
- 8. Simultaneous loose-light properties-** Excellent companies have core values but encourage autonomy at all levels.<sup>21</sup>

Along with Peter’s guiding management principles he has been on the forefront of employee empowerment and advancement. Peter’s developed the saying “A Brand Called You.” In a Fast Company Article Peters states, “It’s time for me -- and you -- to take a lesson from the big brands, a lesson that’s true for anyone who’s interested in what it takes to stand out and prosper in the new world of work.” Emphasizing the brand called you Peters encourages employees to reshape their careers around the idea of a brand you (Peters).<sup>22</sup> He explains that creating an individual identity by adding value to the organization will maintain and promote career advancement in today’s competitive global labor market. Peters stressed the importance of serving and marketing to women customers and the baby boom market. His most recent

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<sup>21</sup> Allen Melanie. *Customer Relationship Management*. Select Knowledge Limited. Retrieved June 10<sup>th</sup>, 2008. Copyright 2001. <http://books.google.com/books?>

<sup>22</sup> Peters. [http://www.tompeters.com/toms\\_world/press\\_kit/who\\_is.php](http://www.tompeters.com/toms_world/press_kit/who_is.php)

management tirade is directed at the health care system that is lacking in use of technology, preventative care, questionable patient safety record keeping, and so-called evidence based medicine (Peters).<sup>23</sup> His effects on management are felt throughout the business community and have reshaped the way manager's approach business and have earned him the title of the father of post-modern corporations.

“Tom Peters has probably done more than anyone else to shift the debate on management from the confines of boardrooms, academia, and consultancies to a broader, worldwide audience, where it has become the staple diet of the media and managers alike. Peter Drucker has written more and his ideas have withstood a longer test of time, but it is Peters—as consultant, writer, columnist, seminar lecturer, and stage performer—whose energy, style, influence, and ideas have shaped new management thinking (Peters).”<sup>24</sup>

Much like those before him Peters has revolutionized the field of management providing platforms for young and up-and-coming individuals to grasp, question, reshape, and innovate the management field.

### [Comparison of Models](#)

Michael E. Porter and Tom Peters both have many things in common. Both people are professionals and highly touted leaders in the management field. It is their charisma, intelligence, and work ethic that have given them the power to persuade so many. Their contributions to management have had resounding effects and have incorporated past and present ideas into their models. These two management authorities will undoubtedly be in the ranks of top management gurus for years to come.

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<sup>23</sup> Peters. [http://www.tompeters.com/toms\\_world/press\\_kit/who\\_is.php](http://www.tompeters.com/toms_world/press_kit/who_is.php)

<sup>24</sup> Peters. [http://www.tompeters.com/toms\\_world/press\\_kit/who\\_is.php](http://www.tompeters.com/toms_world/press_kit/who_is.php)

The two models discussed previously are both strong models but both touch on specific actions managers of organizations must take to achieve and maintain success. Porter's focus on strategic planning, critics argue gave way to bottom lined focused executives indulging in efforts that would only increase profits. These strategies although effective can result in poor ethical decision making and nearsightedness. Organizations must take care to use this model appropriately to assess long-term organizational stability. As complexity increases in rapidly changing businesses caution must be taken to stay within the limits of the business and maintain a steady growth rate. Strategic planners must be precise in their calculations and formulate enough evidence to support decisions being made.

To ensure that strategic plans are accepted strategic planners should incorporate employees and stakeholders in the process of strategic planning. Seeking various stakeholders opinion's helps ensure that the organization is moving in a necessary, responsible, and practical direction. Failure to incorporate employees in decision making processes can lead to resistance and lack of motivation. Incorporating stakeholders and allowing innovation in strategic plans will open up room for improvement in the strategic planning as businesses change. In instances where a changing environment can dispense unexpected circumstances, top executives must have the ability to assess situations clearly and abandon the strategic plan if necessary. Reluctant corporations, such as Kodak Film Company, have felt the implications of this first hand when they refuse to adapt or change with the environment. Kodak films took huge losses and had to cut many employee jobs when they failed to enter the digital camera market. In order to avoid these situations managers must be will to actively adapt to change and closely monitor the external environment surround the organization. Managers must take copious amounts of responsibility for organizational actions to ensure the company is seen in a positive light by

society. The model does not lack in providing a strategic planning model its shortfall lies in its lack of attention to people.

Peter's management philosophy has redirected the flow of the leadership management. Where Porter's Five Forces Model focuses on the bottom line, Peter's model focuses on managing the employees, customer, values, employee innovation, entrepreneurship, and business culture. His theory invokes that people are the means through which business success is achieved. Managing the people under a contingent set of goals and objective, but being flexible in the way those goals are achieved break through the borders of traditional strategic plans that can be inflexible. Peter's approach to management focuses on team building, empowerment, visioning, and goals setting. His management philosophy takes striking resemblance to early management guru Mary Parker Follett. Tom Peters' influences have created more innovative, vision focused organizations. The contributions of past management gurus are building blocks of today's fast paced business environment. There have helped shape business into what it is today and will impact it for years to come. As new managers enter the field and changes in the environment call for new theories and strategy formulation young managers must seek opportunities to learn, grow, and innovate.

### Conclusion: Personal Management Philosophy

Management is a combination of strategic vision and leadership capabilities. Without followers, manager influence is miniscule. Ensuring that people are focused on the goals of the organization by collaboratively assessing personal, business, and group expectations can greatly increase the willingness and motivation of employees to carry out the strategic plan.



As a future manager and business man I must carry with me the lessons I have learned through my management studies and practices. There are key issues that I will be mindful of and address in my personal management behavior to ensure that I create a successful business environment. The most common issue that comes to mind is that I must be open to new and creative ideas there is much work that has supported the value of empowering employees to managers and I must provide opportunities for employees to take ownership of their responsibilities, projects, and goals. When managing employees I must strive to provide learning opportunities to employees and do my best to keep highly motivated effective employees in my company. As I am put in position of power in my management career I must be wary of my effects on people. I will strive to increase my self awareness and I will do my best to make sure that employees are personally and properly rewarded. Ensuring that employees feel important is a key aspect of influencing positive behavior in organizations. In regard to employees that do not perform I will do my best to encourage and improve their skills however, I do believe that firing incompilant workers is an essential management skill. I will take Jack Welch's, GE's CEO from 1981 to 2001, advice in regard to firing employees he said, "My main job was developing talent. I was a gardener providing water and other nourishment to our top 750 people. Of course, I had to pull out some weeds, too (Welch)."<sup>25</sup> Welch also states, "Strong managers who make tough decisions to cut jobs provide the only true job security in today's world. Weak managers are the problem. Weak managers destroy jobs (Welch)."<sup>26</sup> Welch's philosophy entails beliefs that managers and people should find their place in the business environment. When an employee is not performing he or she may not belong with the organization and that they should move on. I take kindly to Welch's perspective because I believe in the same approach to managing people.

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<sup>25</sup> Welch, Jack. *Jack Welch Quotes*. Brainy Quote. Retrieved June 10<sup>th</sup>, 2008. Copyright 2008.  
[http://www.brainyquote.com/quotes/authors/j/jack\\_welch.html](http://www.brainyquote.com/quotes/authors/j/jack_welch.html)

<sup>26</sup> Welch. [http://www.brainyquote.com/quotes/authors/j/jack\\_welch.html](http://www.brainyquote.com/quotes/authors/j/jack_welch.html)

The people that want to work and will do their job should be compensated and I will do my best to keep them with the company. Others who don't perform should leave and look for an occupation or company culture that suits their needs. My management style will look for individuals that want to actively participate and are highly motivated. I developed a saying that vibrates my belief, "In my world the bold survive and shy sheep are ushered out." My approach to management and life is making sure that the people that surround me truly care about one another, themselves, me, and organizational goals.

In regard to strategic planning there is not enough time to do it thoroughly enough. Tremendous amounts of care and effort should be put into strategic planning and the use of information technology should be implemented. Strategic plans and vision should be a collaborative effort to ensure that employees, middle managers, and executives have say in organizational goals, culture, and values. In decision making I will continue to improve my abilities to hear other people and to implement their ideas into planning and decision making. Doing this is part of efforts I will take to increase organizational creativity, innovation, and entrepreneurial spirit. I will maintain an open door and open idea policy to ensure that ideas are considered. Managers should encourage flexibility when the cause is right and should not get trapped into sticking strictly to the plan. Deviations from plans can sometimes present the largest opportunities for growth and risk; however, taking risks is part of management that I will strive to succeed at. Management decisions should not be taken lightly as there are many organizational stakeholders and the effects of decisions can positively or negatively impact lives and the environment. I will take care in making decisions and will actively use the PrOACT model to ensure that critical decisions are well analyzed. The PrOACT model states that managers should analyze the problem, the objectives, alternatives, consequences, and tradeoffs

of risky decisions to gain a clear picture of the decision being made (Hammond).<sup>27</sup> Making use of this tool will help prevent poor decisions.

Overall, management must be focused on leadership. Managers should strive to increase employee productivity by motivating them to a point where they are self managed. They must be wary to maintain control of employees, and to emphasize respectful interactions. Managers must also ensure that they use power appropriately and must use various approaches to managing people. The contingency model is also a favorable theory that managers must make use of. Fiedler's contingency model "emphasizes the importance of both the leader's personality and the situation in which that leader operates. A leader is the individual who is given the task of directing and coordinating task-relevant activities, or the one who carries the responsibility for performing these functions when there is no appointed leader (Envision)."<sup>28</sup> Maintaining an open perspective to individual situations and managing particularly to each situation is crucial to making appropriate decisions. When decisions are clear cut and standard decision criteria models can be applied and rules and standardized procedures should be followed

Management is the essence of molding people in an organization into a unified whole that incorporates individual beliefs and values in align with the organizational vision. Although my experiences have not allowed me to develop any such models, my hope for the future is that I will be a respected source of management information. I will continue to learn each day and strive to gain experience from experiences role models. Seeking advice and being open to suggestions is something that I will continue to work and improve. Acknowledging that my life should be a continual quest for improvement I strive to absorb as much from other people as I possibly can.

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<sup>27</sup> Hammond, John S., Keeney, Ralph L., Raiffa, Howard. *Smart Choices: A Practical Guide to Making Better Decisions*. Harvard Business School Press. Copy Right 1999.

<sup>28</sup> Envision. Fiedler's Contingency Theory. Envision Software. Retrieve June, 11<sup>th</sup>, 2008, Copyright 1998-2005. [http://www.envisionsoftware.com/articles/Fiedlers\\_Contingency\\_Theory.html](http://www.envisionsoftware.com/articles/Fiedlers_Contingency_Theory.html)

Studying the course of management evolution leads one to contemplate the possibilities of management future. As technology, competition, and business environments change managers must be willing to meet the needs of stakeholders and adapt in the every changing business climate. With environmental concerns on the rise managers must take appropriate action to stabilize and improve the impacts we as people have on the environment. Business will proceed into the future; yet looking for new and innovative ways to practice responsible ethical practices must be high on manager's priority list.