

经济管理英语

English for Economics and Management

主 编	朱煜明				
副主编	郭 鹏	冯俊华			
编 者	张识宇	王颖晖	王艳平	常 玉	
	黄 辉	朱煜明	郭 鹏	梁 祎	
	邹 艳	王娟茹	冯俊华	王 龙	

西北工业大学出版社

【内容简介】 本书是专门为经济管理类本科及 MBA 硕士研究生编写的专业英语教程。全书共 26 个单元,所用材料选自近年英、美等国出版的管理专著和期刊,内容涵盖经济、管理专业所涉及的宏、微观经济学、市场营销、运营管理、战略管理、国际贸易与金融、会计与财务、项目管理、信息管理、质量管理等方面。选文语言规范准确,体裁多样。每个单元由精读、泛读、专业词汇及难句注释、练习等部分组成。本书与学生所学专业内容结合紧密,针对性强,能激发学习积极性。通过本书的学习,学生可以有效地掌握经济、管理方面的专业词汇,提高阅读和写作能力。

本书可用作经济、管理类本科及 MBA 硕士研究生专业英语教材,也可作为其他相关专业的专业外语教材,以及相关专业人士的英语自学材料。

图书在版编目(CIP)数据

经济管理英语/朱煜明等编. —西安:西北工业大学出版社,2003.9

ISBN 7-5612-1663-7

I. 经… II. 朱… III. 经济管理—英语—研究生—教材 IV. H31

中国版本图书馆 CIP 数据核字 (2003) 第 072437 号

出版发行:西北工业大学出版社

通信地址:西安市友谊西路 127 号 邮编:710072 电话:(029)8493844, 8491147

网 址:www.nwpup.com

印刷者:陕西友盛印务有限责任公司

开 本:787 mm×1 092 mm 1/16

印 张:30.5

字 数:741 千字

版 次:2003 年 9 月第 1 版 2003 年 9 月第 1 次印刷

印 数:1~2 000 册

定 价:39.00 元

序

经济管理英语是管理专业大学本科专业基础课,一般是在第三学年第一学期开课。在此阶段,学生已经修完历时两年的大学英语课程,专业基础课已接近尾声,而各门专业课正全面展开。

经济管理英语对管理专业学生的重要性是显而易见的。在 21 世纪,英语和计算机应用能力已成为管理人员的基本素质。随着全球经济一体化步伐的加快,特别是中国加入 WTO 后,国际交往日益频繁,英语作为管理专业本科生学习国外先进管理理论和经验以及开展对外经济交流与合作的重要工具,其正从“精英分子”的特殊才能逐渐转变为普通管理者的基本技能。

经济管理英语是整个大学英语教学不可或缺的重要组成部分。但是很多院校对经济管理英语教学的作用和目的认识不足,在英语教学中还存在偏应试、轻应用的情况。学生很少有机会在自己本专业领域得到英语应用方面的训练。为了改变这种情况,进行有益的管理专业英语教学改革和探索,我们组织编写了这本《经济管理英语》,希望通过这本教材的编写和在教学中的应用,在进一步提高经济管理英语的教学改革、提升教师教学水平、提高教学效果的同时,提升学生的阅读水平,增加专业词汇,并在跟踪学术前沿、开阔业务视野等方面获得收益。总体看来,这本教材具有以下特点:

1. 内容系统全面。教材以管理类本科专业课程设置情况为依据,结合 MBA 九门核心课程设置情况,采用系统的模块(Section)式课程设计,内容涵盖经济、管理专业所涉及的宏、微观经济学、市场营销、运营管理、战略管理、国际贸易与金融、会计与财务、项目管理、信息管理、质量管理等方面。

2. 选材准确得当。为了使学生在提高专业英语水平的同时,掌握经济、管理各领域的精髓及学科前沿问题,所选材料主要来自近年英、美等国出版的管理专著和专业期刊。

3. 结构简明合理。每个模块(Section)根据内容的多少,分为 1~3 个讲授单元(Unit)。3 个单元内容各有其侧重,一般按基本概念综述、实践应用和学科前沿顺序排列。

4. 突出时代特征。对当代管理中一些热点问题做了较为详细的介绍,例如 Internet 技术对管理的影响等方面。

5. 案例新颖丰富。案例教学法在管理各领域课程的教学中的已被广泛采用,因此,本教材采用一系列经典的、新颖的英文案例,以丰富教学内容。

总之,本教材的内容突出了基础性、全面性、系统性和实用性的特点,有助于帮助学生在学

习英语的同时,形成完整的管理专业知识体系。

教授、博士生导师

西北工业大学管理学院常务副院长

潘 泉

2003 年 7 月 1 日

前 言

随着 21 世纪知识经济时代的到来,社会对管理人才的需求已呈多元化趋势,复合型人才越来越受到社会的欢迎。而且随着全球经济一体化步伐的加快,特别是加入 WTO 以后,国际交往日益频繁,英语将是管理专业本科生学习国外先进管理理论和经验以及开展对外经济交流与合作的重要工具。因此,管理专业英语的教学内容和教学目的就是要培养学生具有较强的专业文章阅读能力,具有一定的写作和翻译能力,使学生能够以英语为工具进行本专业的学习和研究,即能够顺利阅读本专业的英语材料,获取本专业所需信息,了解和熟悉当代社会经济、管理和科学技术发展动态,并能在实践中运用英语开展一些基本的国际经济技术合作和学术交流活动。《经济管理英语》正是为了实现这一目的而编写的。

教材根据管理专业核心课程的设置情况,采用系统的模块(Section)式课程设计,课程内容设计成相对独立的多个模块,每个模块对应一门核心课程,每个模块根据内容的多少,分为 1~3 个讲授单元(Unit)。这样可以使学生较为系统和全面地掌握管理各主要领域的英文专业知识。本教材共 10 个模块 26 个单元。所用材料选自近年英、美等国出版的管理专著和期刊,内容涵盖经济、管理专业所涉及的宏、微观经济学、市场营销、运营管理、战略管理、国际贸易与金融、会计与财务、项目管理、信息管理、质量管理等方面。每个单元分为精读、泛读、注释和练习等部分。每单元的练习以写作和翻译为主,写作练习采用研究生入学考试和 PETS5 考试写作考题形式,即 Summary 写作和 Case 写作。这样在提升学生专业英语知识的同时,又可提高学生的写作和应试能力。

本教材由西北工业大学管理学院专业英语教学组教师编写,他们一方面承担着全院本科生、MBA 研究生专业英语的教学任务,同时在管理学院承担着自己所在模块(领域)的研究生、本科生教学任务。因此保证了章节内容的系统性、全面性、重点性和简洁性。另外,陕西科技大学的两位教师也参加了部分章节的编写。各章编写者为:Section 1 Overview of Management(张识字);Section 2 Economics(王颖晖);Section 3 Human Resources(王艳平);Section 4 Marketing(常玉);Section 5 Operational Management(黄辉);Section 6 Strategic Management(朱煜明,郭鹏);Section 7 Accounting and Financial Management(梁祎);Section 8 Project Management(邹艳);Section 9 Information Management(王娟茹);Section 10 Quality Management(冯俊华,王龙)。

本书由朱煜明主编,负责全书统稿,郭鹏,冯俊华任副主编。

为了便于备课,教材编写组特别将本教材各单元精读部分的中文参考译文及练习参考答案制作成光盘,免费提供给选用本教材的教师。有需要者可以和西北工业大学出版社联系。

教材编写过程参阅了大量专家学者的专著和文献资料,在此表示感谢。要感谢的还有管理学院的所有教师,没有他们的支持,不可能完成这本教材。同时还要感谢教学活动中的全体学生,与他们的交流沟通对本教材的框架结构、章节内容的确定具有很大影响。

特别感谢西北工业大学出版社的杨军同志,在教材编写过程中提供了许多建设性意见。由于编者水平所限,教材尚存在的缺点和不足,恳请读者特别是使用本教材的教师和同学指正。

朱煜明

2003年7月

Contents

Section 1 Overview of Management	1
Unit 1 Overview of Management	1
Part 1 Intensive Reading “Management Yesterday and Today”	1
Notes	10
Part 2 Extensive Reading “Introduction to Management and Organizations”	11
Notes	22
Exercises	23
Section 2 Economics	24
Unit 2 The Outline of Economy	24
Part 1 Intensive Reading “Economics: The Foundation of Business”	24
Notes	38
Part 2 Extensive Reading “Five Paradoxes of the New Economy”	38
Notes	43
Exercises	44
Unit 3 Macroeconomic Problems	46
Part 1 Intensive Reading “Macroeconomic Problems”	46
Notes	58
Part 2 Extensive Reading “A World Without Jobs”	59
Notes	62
Exercises	62
Unit 4 Money	65
Part 1 Intensive Reading “Money: Introduction”	65
Notes	75
Part 2 Extensive Reading “So Much for the Cashless Society”	76
Notes	80
Exercises	81
Section 3 Human Resources	84
Unit 5 The Strategic Role of Human Resources Management	84

Part 1	Intensive Reading “Human Resources Management at Work”	84
Notes		93
Part 2	Extensive Reading “Employee Attitudes and Their Effects”	93
Notes		102
Exercises		103
Unit 6	Compensation	104
Part 1	Intensive Reading “Establishing Pay Plans”	104
Notes		112
Part 2	Extensive Reading “Current Trends in Compensation”	113
Notes		122
Exercises		123
Unit 7	Training And Development	124
Part 1	Intensive Reading “Training And Developing Employees”	124
Notes		130
Part 2	Extensive Reading “Managerial Development and Training Techniques”	130
Notes		137
Exercises		138
Section 4	Marketing	139
Unit 8	The Concept of Marketing	139
Part 1	Intensive Reading “What Is Marketing?”	139
Notes		146
Part 2	Extensive Reading “Swatchmobile: Is the Time Right for Small Cars?”	146
Exercises		152
Unit 9	International Marketing	154
Part 1	Intensive Reading “Global Marketing in the Twenty-First Century”	154
Notes		163
Part 2	Extensive Reading “Wal-Mart: Piling High and Selling Cheap All Around the Globe!”	163
Exercises		167
Unit 10	International Economies	168
Part 1	Intensive Reading “Interdependence of Economies in the Global Marketplace”	168
Notes		176
Part 2	Extensive Reading “Doing Everybody’s Wash-Whirlpool’s Global Lesson”	177

Exercises	178
Section 5 Operation Management	180
Unit 11 Overview	180
Part 1 Intensive Reading “Operation and Operation Management”	180
Notes	184
Part 2 Extensive Reading “Supply Chain Management”	185
Notes	192
Exercises	192
Unit 12 New Product Development	193
Part 1 Intensive Reading “Two Common Elements for Succeeding in New Product Development”	193
Notes	200
Part 2 Extensive Reading “Value Engineering”	201
Notes	208
Exercises	209
Unit 13 Planning and Decision	211
Part 1 Intensive Reading “Methods of Planning and Decision”	211
Notes	224
Part 2 Extensive Reading “ERP”	225
Notes	237
Exercises	237
Section 6 Strategic Management	239
Unit 14 An Overview on Strategic Management	239
Part 1 Intensive Reading “The Strategic Management Process”	239
Notes	245
Part 2 Extensive Reading “Legend vs. Dell”	246
Notes	250
Exercises	251
Unit 15 Corporate Diversification	252
Part 1 Intensive Reading “Why Diversify? Four Decades of Management Thinking”	252
Notes	259
Part 2 Extensive Reading “Is It Time to Give Up on AOL Time Warner?”	260
Notes	263
Exercises	264
Unit 16 Strategies for the Internet Era	265

Part 1	Intensive Reading “E-Commerce Business Models and Strategies for the Future”	265
Notes	.....	272
Part 2	Extensive Reading “Music on the Internet”	272
Notes	.....	277
Exercises	.....	278
Section 7	Accounting and Financial Management	279
Unit 17	Accounting	279
Part 1	Intensive Reading “Accounting and Internal Control”	279
Notes	.....	287
Part 2	Extensive Reading “Business Expenses”	288
Notes	.....	295
Exercises	.....	295
Unit 18	Financial Management	297
Part 1	Intensive Reading “The Fundamental of Financial Management”	297
Notes	.....	305
Part 2	Extensive Reading “Financial Statements”	306
Notes	.....	309
Exercises	.....	310
Unit 19	Investment	311
Part 1	Intensive Reading “The Investment Environment”	311
Notes	.....	319
Part 2	Extensive Reading “Demand and Supply Schedules”	320
Notes	.....	326
Exercises	.....	327
Section 8	Project Management	329
Unit 20	Project and Project Management	329
Part 1	Intensive Reading “An Overview of Project Management”	329
Notes	.....	338
Part 2	Extensive Reading “What is Project Management?”	339
Notes	.....	347
Exercises	.....	347
Unit 21	Project Plan and Control	349
Part 1	Intensive Reading “Planning Fundamentals”	349
Notes	.....	357
Part 2	Extensive Reading “Project Control”	358
Notes	.....	368

Exercises	369
Unit 22 Project Management Organization	370
Part 1 Intensive Reading “Project Roles, Responsibility, and Authority”	370
Notes	377
Part 2 Extensive Reading “Managing the Project Team”	378
Notes	384
Exercises	384
Section 9 Information Management	385
Unit 23 Management Information System	385
Part 1 Intensive Reading “Developing a Management Information System”	385
Notes	392
Part 2 Extensive Reading “Managing Information Technology (IT) for One-to-One Customer Interaction”	394
Notes	404
Exercises	405
Unit 24 Information Management Models	406
Part 1 Intensive Reading “Information Management During Systems Development: A Model for Improvement in Productivity”	406
Notes	414
Part 2 Extensive Reading “Four Models for a Decision Support System”	416
Notes	428
Exercises	429
Unit 25 Enterprise Resource Planning	431
Part 1 Intensive Reading “Enterprise Resource Planning: Developments and Directions for Operations Management Research”	431
Notes	438
Part 2 Extensive Reading “Issues in Implementing ERP: A Case Study”	440
Notes	452
Exercises	452
Section 10 Quality Management	454
Unit 26 Quality Management	454
Part 1 Intensive Reading “TQM — Total Quality Management”	454
Notes	461
Part 2 Extensive Reading “The ISO 9000 Family”	462
Notes	475
Exercises	476

Section 1 Overview of Management

Unit 1 Overview of Management

Part 1 Intensive Reading

Management Yesterday and Today



1 Historical Background of Management

Organized endeavors¹ directed by people responsible for planning, organizing, leading, and controlling activities have existed for thousands of years. The Egyptian pyramids and the Great Wall of China, for instance, are tangible evidence that projects of tremendous scope, employing tens of thousands of people, were undertaken well before modern times. The pyramids are a particularly interesting example. The construction of a single pyramid occupied more than 100,000 workers for 20 years. Who told each worker what to do? Who ensured that there would be enough stones at the site to keep workers busy? The answer to such questions is managers. Regardless of what managers were called at the time, someone had to plan what was to be done, organize people and materials to do it, lead and direct the workers, and impose some controls to ensure that everything was done as planned.

Another example of early management can be seen during the 1400's in the city of Venice, Italy, a major economic and trade center. The Venetians developed an early form of business enterprise and engaged in many activities common to today's organizations. For instance, at the arsenal² of Venice, warships were floated along the canals and at each stop materials and riggings were added to the ship. Doesn't that sound a lot like a car "floating" along an automobile assembly line and components being added to it? In addition to this assembly line, the Venetians also had a warehouse and inventory system to monitor its contents, personnel (human resource management) functions required to manage the labor force, and an accounting system to keep track of revenues³ and costs.

These examples from the past demonstrate that organizations have been around for thousands of years and that management has been practiced for an equivalent period. However, two pre-twentieth-century events played particularly significant roles in promoting the study of management.

First, in 1776, Adam Smith published a classical economics doctrine⁴, *The Wealth of Nations*, in which he argued the economic advantages that organizations and society would gain from the division of labor, the breakdown of jobs into narrow and repetitive tasks. Using the pin manufacturing industry as an example, Smith claimed that 10 individuals, each

doing a specialized task, could produce about 48,000 pins a day among them. However, if each person worked separately and had to perform each task, it would be quite an accomplishment to produce even 10 pins a day! Smith concluded that division of labor increased productivity by increasing each worker's skill and dexterity⁵, by saving time lost in changing tasks, and by creating labor-saving inventions and machinery. The continued popularity of job specialization — for example, specific tasks performed by members of a hospital surgery team, specific meal preparation tasks done by workers in restaurant kitchens, or specific positions played by players on a football team — is undoubtedly due to the economic advantages cited by Adam Smith.

The second, and possibly most important, pre-twentieth-century influence on management was the Industrial Revolution. Starting in the eighteenth century in Great Britain, the revolution had crossed the Atlantic to America by the end of the Civil War. The major contribution of the Industrial Revolution was the substitution of machine power for human power, which, in turn, made it more economical to manufacture goods in factories rather than at home. These large, efficient factories using power-driven equipment required managerial skills. Why? Managers were needed to forecast demand, ensure that enough material was on hand to make products, assign tasks to people, direct daily activities, coordinate the various tasks, ensure that the machines were kept in good working condition and work standards were maintained, find markets for the finished products, and so forth. Planning, organizing, leading, and controlling became necessary, and the development of large corporations would require formal management practices. The need for a formal theory to guide managers in running these organizations had arrived. However, it wasn't until the early 1900's that the first major step toward developing such a theory was taken.

The development of management theories has been characterized by differing beliefs about what managers do and how they should do it. Then we'll present the contributions of four approaches. Scientific management looked at management from the perspective of improving the productivity and efficiency of manual workers. General administrative theorists were concerned with the overall organization and how to make it more effective. Then a group of theorists focused on developing and applying quantitative models to management practices. Finally, a group of researchers emphasized human behavior in organizations, or the "people" side of management. Each of the four management perspectives is correct and contributes to our overall understanding of management. However, each is also a limited view of the management. We'll begin our journey into management's past by looking at the contributions of scientific management.



2 Scientific Management

If you had to pinpoint the year modern management theory was born, 1911 might be a logical choice. That was the year Frederick Winslow Taylor's *Principles of Scientific*

Management was published. Its contents became widely accepted by managers around the world. The book described the theory of scientific management; the use of scientific methods to define the “one best way” for a job to be done.

2.1 Important Contributions

Frederick W. Taylor and Frank and Lillian Gilbreth made important contributions to scientific management theory. Let’s look at what they did.

Frederick W. Taylor did most of his work at the Midvale and Bethlehem Steel Companies in Pennsylvania. As a mechanical engineer with a Quaker and Puritan background, he was continually appalled by workers’ inefficiencies. Employees used vastly different techniques to do the same job. They were inclined to “take it easy” on the job, and Taylor believed that worker output was only about one-third of what was possible. Virtually no work standards existed. Workers were placed in jobs with little or no concern for matching their abilities and aptitudes with the tasks they were required to do. Managers and workers were in continual conflict. He set out to correct the situation by applying the scientific method to shop floor jobs. He spent more than two decades passionately pursuing the “one best way” for each job to be done.

Taylor’s experiences at Midvale led him to define clear guidelines for improving production efficiency. He argued that these four principles of management would result in prosperity for both workers and managers. How did these scientific principles really work? Let’s look at an example.

Probably the best-known example of Taylor’s scientific management was the pig iron experiment. Workers loaded “pigs” of iron (each weighing 92 pounds) onto rail cars. Their daily average output was 12.5 tons. However, Taylor believed that by scientifically analyzing the job to determine the “one best way” to load pig iron, output could be increased to 47 or 48 tons per day. After scientifically trying different combinations of procedures, techniques, and tools, Taylor succeeded in getting that level of productivity. How? He put the right person on the job with the correct tools and equipment, had the worker follow his instructions exactly, and motivated the worker with an economic incentive of a significantly higher daily wage. Using similar approaches to other jobs, Taylor was able to define the “one best way” for doing each job. Overall, Taylor achieved consistent productivity improvements in the range of 200 percent or more. Through his groundbreaking studies of manual work using scientific principles, Taylor became known as the “father” of scientific management. His ideas spread in the United States and also in France, Germany, Russia, and Japan, and inspired others to study and develop methods of scientific management. His most prominent followers were Frank and Lillian Gilbreth.

Frank and Lillian Gilbreth: A construction contractor by trade, Frank Gilbreth gave up his contracting career in 1912 to study scientific management after hearing Taylor speak at a professional meeting. Frank and his wife Lillian, a psychologist, studied work to eliminate

wasteful hand-and-body motions. The Gilbreths also experimented with the design and use of the proper tools and equipment for optimizing work performance.

Frank is probably best known for his experiments in bricklaying. By carefully analyzing the bricklayer's job, he reduced the number of motions in laying exterior brick from 18 to about 5, and on laying interior brick the motions were reduced from 18 to 2. Using Gilbreth's techniques, the bricklayer could be more productive and less fatigued⁶ at the end of the day.

The Gilbreths were among the first researchers to use motion pictures to study hand-and-body motions. They invented a device called a microchronometer⁷ that recorded a worker's motions and the amount of time spent doing each motion. Wasted motions missed by the naked eye could be identified and eliminated. The Gilbreths also devised a classification scheme to label 17 basic hand motions (such as search, grasp, hold), which they called therbligs⁸ (Gilbreth spelled backward with the transposed⁹). This scheme allowed the Gilbreths a more precise way of analyzing a worker's exact hand movements.

2.2 How Do Today's Managers Use Scientific Management?

When managers analyze the basic work tasks that must be performed, use time-and-motion study to eliminate wasted motions, hire the best-qualified workers for a job, and design incentive systems based on output, they're using the principles of scientific management. But current management practice isn't restricted to the scientific management approach.



3 General Administrative Theorists

Another group of writers looked at the subject of management but focused on the entire organization. We call them the general administrative theorists. They developed more general theories of what managers do and what constituted good management practice.

3.1 Important Contributions

The two most prominent theorists behind the general administrative approach were Henri Fayol and Max Weber.

Henri Fayol described management as a universal set of functions that included planning, organizing, commanding, coordinating, and controlling. Fayol wrote during the same time period as Taylor. While Taylor was concerned with management at the lowest organizational level and used the scientific method, Fayol's attention was directed at the activities of all managers. He wrote from personal experience as a practitioner since he was the managing director of a large French coal-mining firm.

Fayol described the practice of management as something distinct from accounting, finance, production, distribution, and other typical business functions. He argued that

management was an activity common to all human endeavors in business, government, and even in the home. He then proceeded to state 14 principles of management—fundamental rules of management that could be taught in schools and applied in all organizational situations. These principles are shown next.

【 Fayol's 14 Principles of Management 】

1. Division of work. Specialization increases output by making employees more efficient.
2. Authority. Managers must be able to give orders. Authority gives them this right. Along with authority, however, goes responsibility.
3. Discipline. Employees must obey and respect the rules that govern the organization.
4. Unity of command. Every employee should receive orders from only one superior.
5. Unity of direction. The organization should have a single plan of action to guide managers and workers.
6. Subordination of individual interests to the general interest. The interests of any one employee or group of employees should not take precedence over the interests of the organization as a whole.
7. Remuneration. Workers must be paid a fair wage for their services.
8. Centralization. This term refers to the degree to which subordinates are involved in decision-making.
9. Scalar chain. The line of authority from top management to the lowest ranks is the scalar chain.
10. Order. People and materials should be in the right place at the right time.
11. Equity. Managers should be kind and fair to their subordinates.
12. Stability of tenure of personnel. Management should provide orderly personnel planning and ensure that replacements are available to fill vacancies.
13. Initiative. Employees who are allowed to originate and carry out plans will exert high levels of effort.
14. *Esprit de corps*. Promoting team spirit will build harmony and unity within the organization.

Max Weber was a German sociologist who studied organizational activity. Writing in the early 1900's, he developed a theory of authority structures and relations. Weber described an ideal type of organization he called a bureaucracy¹⁰— a form of organization characterized by division of labor, a clearly defined hierarchy¹¹, detailed rules and regulations, and impersonal relationships. Weber recognized that this “ideal bureaucracy” didn't exist in reality. Instead he intended it as a basis for theorizing about work and how work could be done in large groups. His theory became the model structural design for many of today's large organizations. The features of Weber's ideal bureaucratic structure are showed next.

Bureaucracy, as described by Weber, is a lot like scientific management in its ideology¹². Both emphasize rationality, predictability, impersonality, technical competence,

and authoritarianism¹³. Although Weber's writings were less operational than Taylor's, the fact that his "ideal type" still describes many contemporary¹⁴ organizations attests to¹⁵ the importance of his work.

【 Weber's Ideal Bureaucracy 】

1. Division of Labor: Jobs broken down into simple, routine, and well-defined tasks.
2. Authority Hierarchy: Positions organized in a hierarchy with a clear chain of command.
3. Formal Selection: People selected for jobs based on technical qualifications.
4. Formal Rules and Regulations: System of written rules and standard operating procedure.
5. Impersonality: Uniform application of rules and controls, not according to personalities.
6. Career Orientation: Managers are career professionals, not owners of units they manage.

3.2 How Do Today's Managers Use General Administrative Theories?

Some of our current management ideas and practices can be directly traced to the contributions of the general administrative theorists. For instance, the functional view of the manager's job can be attributed to Fayol. And even though the contingency¹⁶ perspective of a manager's job proposed that universalistic¹⁷ management principles for all types of organizations are not feasible¹⁸, Fayol's 14 principles do serve as a frame of reference from which many current management concepts and theories of planning, organizing, leading, and controlling have evolved¹⁹.

Weber's bureaucracy was an attempt to formulate an ideal prototype for designing organizations. Although many characteristics of Weber's bureaucracy are still evident in large organizations, his model isn't as popular today as it was throughout most of the twentieth century. Many contemporary managers feel that bureaucracy's emphasis on strict division of labor, adherence to formal rules and regulations, and impersonal application of rules and controls takes away the individual employee's creativity and the organization's ability to respond quickly to an increasingly dynamic environment. However, even in highly flexible organizations of talented professionals — such as General Electric or Cisco Systems — some bureaucratic mechanisms are necessary to ensure that resources are used efficiently and effectively.



4 Quantitative Approach to Management

The quantitative approach involves the use of quantitative techniques to improve decision-making. This approach has also been labeled operations research or management science.

4.1 Important Contributions

The quantitative approach evolved out of the development of mathematical and statistical