Management Gurus

by David Evans

SUMMARY

His useful book describes the ideas and approaches to management of six leading writers, thinkers and practitioners in the world of business in the twentieth century.

At the start of the century, Frederick Taylor's ideas about how to organise work on the factory floor were revolutionary but they are still widely practised today. Alfred Sloan, the boss of the giant General Motors in the earlier part of the century, was the originator of several new ideas now accepted as basic in the field of management. Peter Drucker was an academically challenged accepted practices and began the process of developing new approaches to management. Tom Peters is an unconventional figure for whom the term 'management guru' seems to have been invented. His advice comes at a high price. Rosabeth Moss Kanter and Charles Handy have both spent a lifetime thinking and writing about the modern world of business management.

ABOUT THE PEOPLE IN THIS BOOK

Frederick Taylor was born in 1856 in Pennsylvania, USA. He is perhaps best described as an 'efficiency engineer'. He is best known for his study of working methods in order to maximise efficiency – a system known as 'Taylorism'. As well as working with people, he also developed machines and manufacturing processes that would help speed up work. He promoted his ideas in Principles of Scientific Management. Taylor's ideas were revolutionary but they are still widely practised today.

Alfred Pritchard Sloan was born in 1875 in Connecticut, USA. He studied at the Massachusetts Institute of Technology, and then ran his own company before becoming president of General Motors in 1923. Through his management methods, it became one of the world's largest manufacturers. When he retired he gave large amounts of money through his charity, the Alfred P. Sloan Jr. Foundation, to many important causes.

Peter Drucker emigrated from Austria to the USA, via England, in 1937 at the age of 28. He never worked in business, but instead was a university lecturer. He has written many books on different subjects, including Practice of Management, Management: Tasks, Responsibilities, Practices, and Management: Principles, Practices, Performance, and Impact. His ideas helped turn management into a professional discipline, and many of them -- marketing as central to management's task, 'management by objectives' – are now accepted practice.

Tom Peters was born in Maryland, USA in 1942. He studied at Cornell and Stanford Universities, and served in the U.S. Navy in Vietnam. He worked in the White House and then for the famous firm McKinsey and Co from 1974 to 1981. His bestseller, In Search of Excellence, examined successful practices in business and became a business bible. He describes himself as a 'prince of disorder' and a 'professional loudmouth'. His unconventional views led Business Week to describe him as business 'best friend and worst nightmare'. He divides his time between Silicon Valley (in California) and Vermont, where he lives with his wife and children on a farm.

Charles Handy was born in Kildare, Ireland, in 1932, the son of a clergyman. He studied classics, history and philosophy at Oxford University and business at MIT. He was a manager at Shell Petroleum from 1956–65, and joined the London Business School in 1968. He was Chairman of the Royal Society of Arts in London from 1986 to 1988. Handy is concerned with the dramatic changes which technology and economics are bringing to the workplace. His books, which include Gods of Management, have sold over a million copies around the world.

Rosabeth Moss Kanter A Professor of Business Administration, she worked as Editor of the Harvard Business Review from 1989 to 1992. Like Handy, she is interested in change, its importance in business and its implementation. She has also pointed out the under-use of women and minorities in businesses. She has written many books, including Men and Women of the Corporation and The Change Masters.

BACKGROUND AND THEMES

It is impossible to exaggerate the importance of business and commerce in the world today. Nowadays we depend on business and commerce for almost everything in our daily lives: our food, health, jobs, houses, wealth. And what companies do or don't do is affecting our environment so profoundly that even the survival of the planet now depends on them. So it is not surprising that the study of business is a subject of enormous importance and is studied and researched in many universities round the world.

In this book, through looking at the contributions to business by six individuals, we come to see how ideas about business have developed through the twentieth century.

In the early days, managers were supposed to just tell people what to do and workers were not considered to be of much importance: they were just there to provide physical labour. Workers' opinions were irrelevant and they were thought to be motivated only by money. So Taylor, though he may have found better ways to get the work done, failed to consider the human element.

Alfred Sloan contributed one of marketing's key ideas, namely, that markets are created and that by building in changes and improvements to new versions of your product you can be sure of selling the product over and over again. He also showed how important it was to organise the finances of the company, and set up a complex system of management with managers at different levels, each manager being told what to do by the manager above.

It was not until Drucker made his appearance that the morality of business was questioned. Drucker told General Motors that they should value their workers more and treat them better. He felt strongly that businesses should take responsibility for their actions and in morally correct ways, since business was part of society.

Nowadays, the study of management includes much on the subject of change. Many business thinkers are interested in the effect of changes in the world, whether political, economic or...
technological, on business. How are businesses to prosper in the changing conditions in which they operate? What changes should organisations make to their own structures and practices in order to maximise their profits? Charles Handy, Tom Peters and Rosabeth Moss Kanter are three writers who have much to say on this subject. In general, they emphasise the need to look for new and innovative ideas, and they recommend a management structure with very few levels in the hierarchy. In contrast to the beginning of the century, they believe in ‘participative management’, that is, allowing everyone to contribute, and making the best use of everyone in the organisation.

**ACTIVITIES BEFORE READING THE BOOK**

Put all the words in the wordlist on the front of the book on an overhead transparency (or write them on a very large sheet of paper). Arrange the words in a random way on the transparency. Tell students that they will have one minute to memorise all the words they will see. Show the words for one minute and then turn the projector off. Ask students to write down all the words they remember. Put them in pairs to compare their answers. What is the largest numbers of words that anyone has remembered? Check the meaning of any words that are unfamiliar.

**ACTIVITIES AFTER READING A SECTION**

**Chapter 1**

Ask students to do question 2 of the student’s activities for this chapter. Then ask students to discuss Taylor’s ideas. Which ideas do they agree or disagree with? Why? Which ideas are still used today? Have a whole class discussion.

**Chapter 2**

Ask students to discuss these questions in pairs or small groups:

- What sort of person was Alfred Sloan?
- What sort of person should a top manager be?

Students should present their ideas to the whole class.

**Chapter 3**

Ask students to work in pairs. Student A is a manager at General Motors. He/She helped Drucker to write his report. But Drucker has said some things about GM that are not good and the manager is angry with Drucker. Student B is Drucker. He/She tries to explain his ideas to the manager. He/She wants the manager to see that his ideas are right.

**Chapter 4**

Put students in pairs or small groups to discuss this question:

Do you agree that large amounts of money should be paid to business gurus and advisors?

**Chapters 5**

Ask students to agree or disagree with this statement:

‘In the past we lived in an age of reason but now we live in an age of unreason.’ You can organise a formal debate with one person speaking for three minutes for the statement and one person speaking for three minute against the statement, followed by whole class discussion and a vote. Or if you prefer, students can discuss in pairs or small groups and report their ideas to the whole class.

**ACTIVITIES AFTER READING THE BOOK**

Ask students to work in groups of four. For each idea about business put forward by the different gurus, students write one sentence which describes the idea. They write each sentence on a separate piece of paper. Put all the pieces of paper in the centre of the table. Students take it in turns to take a piece of paper and read out the sentence. The other students say as quickly as they can which guru had the idea. The first person who answers correctly gets a point. The person with the most points is the winner.

**Glossary**

"It will be useful for your students to know the following words. They are practised in the ‘Before You Read’ sections at the back of the book. (Definitions are based on those in the Longman Active Study Dictionary.)"

**Chapter 1**

create (v) to make or invent something
huge (adj) extremely large
investment company (n) a company that lends money to another company so that it can get bigger
manufacturing (n) the process or business of producing goods
replace (v) to remove one thing and put a different thing in its place
steel works (n) a factory where steel is made
tough (adj) very determined or strict
ton (n) a unit of measurement equal to 1016 kilos
wind (v) to twist or turn something repeatedly
worth (n) the value of something

**Chapter 2**

automobile (n) a car
dowmarket (adj) cheap and not of very good quality
upmarket (adj) expensive and of good quality
finances (n) the money that a person or company has available
hearing aid (n) a small thing worn in or behind the ear to make sounds louder, worn by deaf people
leadership (n) the position of being a leader of a group of people; the people who lead a group or company
pressure (n) the conditions of work that cause anxiety or stress
united (adj) joined or closely connected

**Chapter 3**

objectives (n) aims that you are trying to achieve
obvious (adj) easy to notice or understand
partnership (n) a business owned by two or more people
publish (v) to arrange the writing and production of a book
truth (n) the true facts about something

**Chapter 4**

ignore (v) to behave as if you had not noticed something or someone
image (n) the general opinion that people have of an organization or person
management consultant (n) someone who is paid to advise the management of a company
superstar (n) an extremely famous performer
Management Gurus

Activities before reading the book

1. Look at these questions. Then look at pages vii and ix at the front of the book and find the answers as quickly as you can. Don’t read all the words.
   (a) Where does the word ‘guru’ come from?
   (b) Who is the oldest guru?
   (c) Who is the youngest guru?
   (d) Who invented modern management?
   (e) Who used a scientific way of thinking about management?
   (f) Who ran General Motors?
   (g) Who thinks he knows how to solve problems?
   (h) Who is like a pop star?

2. Now read the pages more carefully.
   (a) Look at the chapter names on the contents page. Can you guess which guru each chapter is about?
   (b) How are management gurus different from Indian gurus?
   (c) What do business people think about management gurus? How do you know?

Chapter 1

1. Say whether these sentences are true, probably true or false and give reasons for your answers. Try to use your own words.
   (a) Taylor’s ideas have affected people in countries outside the United States.
   (b) Taylor was a successful manager in his working life.
   (c) Taylor worked too hard.
   (d) At Midvale, Taylor’s new ideas were popular with the workers.
   (e) In the US tennis competition Taylor and Clark had better equipment than the other players.
   (f) Taylor lost his job at Bethlehem Steel works because his methods were not successful.
   (g) Both Ford and Taylor cared more about their work than the feelings of the workers.

2. What did Taylor believe about:
   (a) the job of a manager
   (b) the job of a worker
   (c) the way people worked
   (d) how to make people want to work harder
   (e) choosing people for a job
   (f) factory equipment

Chapter 2

1. Copy the table below and then put these sentences in the table in the right order. Some boxes will have more than one sentence.
   (a) Share prices on Wall Street crashed and many people lost their money.
   (b) Sloan died.
   (c) Sloan bought the Hyatt company.
   (d) Sloan helped Henry Ford II.
   (e) GM became more successful than Ford.
   (f) Durant’s methods led to problems for General Motors.
   (g) Sloan was given the job of managing GM.
   (h) The Cadillac company was saved by Dreystadt’s plan.
   (i) Sloan’s management methods led to problems for GM.
   (j) GM’s workers went on strike.
   (k) Cadillacs became very popular because they looked so strange.
   (l) Sloan made GM into five separate companies with central financial control.
   (m) The USA entered the Second World War.

2. Discuss these questions with a friend or write your answers.
   (a) Why did Sloan switch his hearing aid off when he spoke in meetings?
   (b) What were the advantages of having five separate companies in GM?
   (c) Sloan wanted to listen to Dreystadt’s ideas. What does this show you about Sloan?
   (d) Why were Sloan’s ideas about the market important?

Chapter 3

Complete this description of Drucker’s ideas. Look in the book for words that you can use. Write one word on each line.

1900s
1920s
1930s
1940s
1950s
1960s
1970s

© Pearson Education 2001
People say that the most important statement in management is Peter Drucker. Although he was not a management himself, he saw that many of the principles of society had been shaped by business. For this reason businesses should manage and their purpose is to look after their workers and employ them fairly. Drucker said companies should not see their workers as individuals, but should instead remember that people are the in any company. He said that workers will work better if their work is and that they should also help to the company. For Drucker, a manager does not just , but is also a person who thinks about the , and knows where he or she , . Drucker’s later thinking was about governments. Governments, he believed, should decisions and . They should not try to .

Chapter 4

1. Are these sentences true or false? Write T or F and give reasons for your answers.
   (a) Tom Peters does not have any answers for businesses.
   (b) According to Peters, General Motors had very good managers.
   (c) Peters is a crazy person.
   (d) Peters was successful because he was lucky.
   (e) Peters was good at writing.
   (f) Millions of people read In Search of Excellence.
   (g) In Thriving on Chaos, Peters’ ideas are the same as in his first book.
   (h) Many people lost their jobs because of Peters’ second book.

2. In the questions which follow, use your own words. Do not copy sentences from the book.
   In Pursuit of Excellence, what did Peters say about
   (a) excellent companies and their customers
   (b) excellent companies and their workers
   (c) the size of a company
   In Thriving on Chaos, what did Peters say about
   (a) the size of a company
   (b) the job of a middle manager

Since 1990, what has Peters believed about
   (a) change
   (b) jobs

Chapter 5

1. Discuss these questions with a partner or write your answers:
   (a) What comparisons do the gurus in this chapter make between the business world and other things?
   (b) What does Rosabeth Moss Kanter mean when she says that big businesses ‘must learn to dance’?
   (c) What does Handy mean by ‘upside down thinking’?

2. Finish these sentences:
   (a) People are always looking for new ideas because ...
   (b) Companies will pay a lot of money for new ideas so ...
   (c) Business is like a sports competition because ...
   (d) But business is also not like a sports competition because ...
   (e) In order to be successful in the modern world, companies must ...
   (f) In the future, more people will be able to work from home because ...
   (g) Many people think that management gurus ...

Activities after reading the book

You want to start your own company but you need some money to start it with. First think about these questions and make some notes:

- what will be the name of your company?
- what will your company do or make?
- think of one or two sentences which describe the aims of your company
- who will work in your company?
- how will decisions be made in your company?
- where will your company be?
- what equipment will you need?
- where and how will you sell your product?
- think of some words you might use for an advertisement for your product.

Now work with a friend. You are student A: ask your friend to lend you some money to help you start your company. Give your friend information about your company. Student B: before you agree to lend the money, make sure that student A understands how to manage a company well.