

Workplace Organization and Management Techniques

Unit: World of Work Skills

Problem Area: Apply Time Management Concepts

Lesson: Workplace Organization and Management Techniques

■ **Student Learning Objectives.** Instruction in this lesson should result in students achieving the following objectives:

- 1 Explain “Theory X, Theory Y.”**
- 2 Explain characteristics of vertically structured organizations.**
- 3 Explain characteristics of horizontally structured organizations.**

■ **Resources.** The following resources may be useful in teaching this lesson:

Daft, Richard L. *Organization Theory and Design*, Chapter 3. Thomson South-Western, 2007.

“Douglas McGregor’s Theory X and Theory Y,” *www.VectorStudy.com*. Accessed March 9, 2012. http://www.vectorstudy.com/management_theories/theory_X_and_Y.htm.

“Frederick Taylor and Scientific Management,” *MindTools™*. Accessed March 9, 2012. http://www.mindtools.com/pages/article/newTMM_Taylor.htm.

“How Good Is Your Time Management?” *MindTools™*. Accessed March 9, 2012. http://www.mindtools.com/pages/article/newHTE_88.htm.



■ **Equipment, Tools, Supplies, and Facilities**

- ✓ Overhead or PowerPoint projector
- ✓ Visual(s) from accompanying master(s)
- ✓ Copies of sample test, lab sheet(s), and/or other items designed for duplication
- ✓ Materials listed on duplicated items
- ✓ Computers with printers and Internet access
- ✓ Classroom resource and reference materials

■ **Key Terms.** The following terms are presented in this lesson (shown in bold italics):

- ▶ bureaucracy
- ▶ centralization
- ▶ decentralization
- ▶ job enrichment/enlargement
- ▶ management assumptions
- ▶ scientific management
- ▶ self-management
- ▶ Theory X, Theory Y
- ▶ Theory X
- ▶ Theory Y

■ **Interest Approach.** Use an interest approach that will prepare the students for the lesson. Teachers often develop approaches for their unique class and student situations. A possible approach is included here.

Take a “closed eye, raised hand” vote of the following question: “Would you enjoy a job in which your boss told you what to do, when to do it, and how to do it?” “Would you enjoy a job if you were able to decide what to do, when to do it, and how to do it?” Connect the results of this to the concept of Theory X, Theory Y managerial assumptions.

Ask students if they can think of jobs where it is better for managers to tell employees what to do and how to do it. Relate this conversation to vertical organization structure.

Ask students if they can think of jobs where it is better for employees to make their own decisions. Relate this conversation to horizontal organization structure.

CONTENT SUMMARY AND TEACHING STRATEGIES

Objective 1: Explain “Theory X, Theory Y.”

Anticipated Problem: What is “Theory X, Theory Y?”

- I. This objective focuses on a broader conceptual level, introducing students to the management assumptions of Theory X, Theory Y. Douglas McGregor (1906 to 1964) authored *Theory X*, *Theory Y* and taught organization managers how to use it in the 1950s and 1960s. McGregor’s framework is popular in the field of organization development and remains relevant for organizations in the 21st century. **Theory X**, **Theory Y** is a framework for showing how managers can hold different assumptions about employees. **Management assumptions** are thoughts that reflect what managers think about their employees and, consequently, how managers treat employees.
 - A. **Theory X** is a pessimistic set of assumptions about employees.
 1. They are naturally lazy and unmotivated; they would rather be led.
 2. They do not care about the needs of the organization and do not want to make decisions for the organization.
 3. They do not look for challenging work and should not be expected to do any more than is necessary.
 - B. Theory X managers typically treat employees based on the following thoughts.
 1. Employees must be directed, motivated, and controlled.
 2. Employee work must be specifically assigned and controlled; decisions should be made for employees.
 3. Close monitoring and correction is needed.
 4. Discipline and fear are helpful for keeping people in line.
 5. Manager-centric time management is useful; the manager tries to manage how employees spend their work time.
 - C. **Theory Y** is an optimistic set of assumptions about employees.
 1. Employees have natural ego needs for succeeding at challenging work that tests their abilities.
 2. Employees are motivated when they are given autonomy and decision-making responsibilities at work.
 3. Employees are loyal to the organization and will perform even better when they are given more opportunities for making a positive contribution to company goals.

- D. Theory Y managers typically treat employees with the following thoughts in mind.
1. Set up organization procedures and routines that give employees more responsibilities.
 2. Give employees challenging work, and allow them to make decisions about how they will do their work.
 3. Give guidance without monitoring too closely.
 4. Provide opportunities for professional development and growth so employees are able to grow even more talented.
 5. Employee-centric time management orientation is helpful; employees control how they spend time at work.

Teaching Strategy: Use VM–A through VM–E to aid in a discussion. Have students review http://www.vectorstudy.com/management_theories/theory_X_and_Y.htm to read more about different managerial traits of X and Y. Have a class discussion asking which set of assumptions students agree with more. Explore the idea that holding assumptions leads to treating employees a certain way.

Discuss the idea of “self-fulfilling prophecy,” and ask students to think about how assuming something about a person leads to treating that person a certain way. In turn, treating the person a certain way leads to provoking behaviors that fit the assumptions. For example, a manager assumes an employee is unmotivated to work, so the manager is always telling the employee what to do and how to do it. The employee resents always being told what to do. As a result, he becomes unmotivated about the work. This is an example of how assumptions create self-fulfilling prophecies.

Objective 2: Explain characteristics of vertically structured organizations.

Anticipated Problem: What characteristics of vertically structured organizations?

- II. Vertically structured organizations are set up with a hierarchical organization chart and a “command and control” culture. Vertically structured organizations generally have more rigid lines of authority and work processes. Vertical structures are better suited for work processes that require safety regulations and do not change frequently (are stable) as well as for places where the focus is on efficiency in duplicating the same work safely and repeatedly (e.g., a food processing plant). Explain to students that organization structure is different than managerial assumptions about employees. However, vertical structures do appear more like Theory X because control and decision-making fall more to management and less to employees.
- A. Characteristics of vertical structure
1. Managers make decisions.
 2. Employees follow procedures.

B. Key concepts

1. **Centralization** is a situation in which an organization has a core management team acting as a decision and instruction center for the rest of the company. Centralization creates a command center for controlling operations and procedures.
2. **Bureaucracy** is a well-defined set of rules and procedures that employees must follow. People, in general, are not able to change the rules whenever they want.
3. Fredrick Taylor (1865 to 1915) created the “scientific management” approach to helping factories function more efficiently during the late 1800s and early 1900s during the Industrial Revolution. **Scientific management** is an organizational approach focusing on creating efficient work processes in a vertically controlled structure.
 - a. Work processes are analyzed and broken into a chain.
 - b. Employees are assigned to one link of the work chain.
 - c. Manufacturing production lines benefit by becoming more efficient.
 - d. Work processes are maintained by management with the goal of making the workplace a well-oiled machine.
 - e. Time management is built into the work systems for employees. For instance, start and stop times are set; breaks are set and monitored; and work processes follow the same predictable procedures, so employees do not need to think about how to manage their work tasks.

Teaching Strategy: Use VM–F through VM–H. Ask students to think about a situation in which an authority figure and rules are helpful. Tell them to write a journal entry. Have students visit http://www.mindtools.com/pages/article/newTMM_Taylor.htm and list in their journals the “Four Principles of Scientific Management” articulated on the website.

Objective 3: Explain characteristics of horizontally structured organizations.

Anticipated Problem: What are characteristics of horizontally structured organizations?

- III. Horizontally structured organizations are established in a “webbed” organization chart with management and authority spread throughout the organization. Horizontal organizations generally have more fluid decision-making and work processes happening across the organization based on the employee’s context; the decision-making and work processes are not rigidly handed down through hierarchical lines. Horizontal structures are better aligned with Theory Y management assumptions because decision-making is more for employees than for management. Horizontal structures work well with team-based companies and with highly customized products and services. For example, a home improvement company that sells roofing and windows would give salespeople the autonomy to generate leads and set pricing deals based on what works with different customers. The company would give the

installation/work teams the autonomy to decide when and how they would put on a roof or install windows based on a customer's unique home requirements.

A. Characteristics of horizontal structure

1. It has fewer managers.
2. Decision-making is for employees.

B. Key concept

1. **Decentralization** is a situation in which decisions and procedures are managed by many different people across the organization, not from one command center.
2. **Job enrichment/enlargement** is the concept that employee job descriptions are flexible, and employees can develop their job responsibilities to stay challenged and motivated and to avoid becoming bored.
3. Fluidity is a quality reflecting that work procedures can change based on what employees think is necessary to best serve customers and meet business goals.
4. **Self-management** is a concept in which time management responsibilities are shifted to employees with the assumption that employees are more capable than managers for deciding when and how to "get the job done." For instance, employees decide work hours, when to take breaks, and how to sequence work.

Teaching Strategy: Use VM-I through VM-K. Assign relevant readings in the Daft resource. Then ask your students to write in their journals about the advantages and disadvantages of horizontal organization structures.

■ **Review/Summary.** Use the student learning objectives to summarize the lesson. Have students explain the content associated with each objective. Student responses can be used in determining which objectives need to be reviewed or taught from a different angle. Questions at the ends of chapters in the textbook may also be used in the Review/Summary.

■ **Application.** Use the included visual master(s) and lab sheet(s) to apply the information presented in the lesson.

■ **Evaluation.** Evaluation should focus on student achievement of the objectives for the lesson. Various techniques can be used, such as student performance on the application activities. A sample written test is provided.

■ **Answers to Sample Test:**

Part One: Matching

1. f
2. j

3. c
4. e
5. a
6. b
7. i
8. h
9. d
10. g

Part Two: Completion

1. hierarchical
2. X
3. center
4. scientific
5. authority
6. Fluidity
7. Y
8. managers

Part Three: True/False

1. F
2. T
3. T
4. F
5. T
6. F
7. T

Workplace Organization and Management Techniques

► Part One: Matching

Instructions: Match the term with the correct definition.

- | | |
|---------------------------|-------------------------------|
| a. bureaucracy | f. self-management |
| b. centralization | g. Theory X, Theory Y |
| c. decentralization | h. Theory X |
| d. management assumptions | i. Theory Y |
| e. scientific management | j. job enrichment/enlargement |

- _____ 1. A concept in which time management responsibilities are shifted to employees with the assumption that employees are more capable than managers for deciding when and how to get the job done
- _____ 2. The concept that employee job descriptions are flexible, and employees can develop their job responsibilities to stay challenged and motivated and to avoid becoming bored
- _____ 3. A situation in which decisions and procedures are managed by many different people across the organization
- _____ 4. An organizational approach focusing on creating efficient work processes in a vertically-controlled structure
- _____ 5. A well-defined set of rules and procedures that employees must follow
- _____ 6. A situation in which an organization has a core management team acting as a decision and instruction center for the rest of the company
- _____ 7. An optimistic set of assumptions about employees
- _____ 8. A pessimistic set of assumptions about employees
- _____ 9. Thoughts that reflect what managers think about their employees and how managers treat employees
- _____ 10. A framework for showing how managers can hold different assumptions about employees



► Part Two: Completion

Instructions: Provide the word or words to complete the following statements.

1. Vertically structured organizations are set up with a _____ organization chart and “command and control” culture.
2. Vertically structured organizations do appear more like Theory _____ because control and decision-making falls more to management and less to employees.
3. Centralization creates a command _____ for controlling operations and procedures.
4. Manufacturing production lines benefit by becoming more efficient in _____ management.
5. Horizontally-structured organizations are set up into a “webbed” organization management and _____ spread throughout the organization.
6. _____ is a quality reflecting that work procedures can change based on what employees think is necessary to best serve customers and meet business goals.
7. Horizontally structured organizations are better aligned with Theory _____ management assumptions since decision-making is more for employees and less for management.
8. Under Theory Y, _____ give employees challenging work and allow them to make decisions about how they will do their work.

► Part Three: True/False

Instructions: Write *T* for true or *F* for false.

- _____ 1. Vertically structured organizations have less rigid lines of authority and work processes.
- _____ 2. People, in general, are not able to change the rules whenever they want in a bureaucracy.
- _____ 3. Work processes are analyzed and broken into a chain in scientific management.
- _____ 4. Vertically structured organizations work well with team-based companies and with products and services that are highly customized for customers.
- _____ 5. A home improvement company that sells roofing and windows would give salespeople the autonomy to generate leads and set pricing deals based on what works with different customers is an example of horizontally structured organization.
- _____ 6. Under Theory X, an assumption about the employee is that he or she is loyal to the organization and will perform even better when given more opportunities for making a positive contribution to company goals.
- _____ 7. Under Theory X, an assumption about the employee is that he or she is naturally lazy and unmotivated; in addition, he or she would rather be led.

THEORY X, THEORY Y AND MANAGEMENT ASSUMPTIONS

- ◆ **Theory X, Theory Y** is a framework for showing how managers can hold different assumptions about employees.
- ◆ **Management assumptions** are thoughts that reflect what managers think about their employees and, consequently, how managers treat employees.



THEORY X MANAGEMENT ASSUMPTIONS

Theory X is a pessimistic set of assumptions about employees.

- ◆ They are naturally lazy and unmotivated and would rather be led.
- ◆ They do not care about the needs of the organization and do not want to make decisions for the organization.
- ◆ They do not look for challenging work and should not be expected to do any more than is necessary.



THEORY X MANAGER ACTIONS

Theory X managers typically treat employees as follows:

- ◆ Employees must be directed, motivated, and controlled.
- ◆ Employee work must be specifically assigned and controlled; decisions should be made for employees.
- ◆ Close monitoring and correction is needed.
- ◆ Discipline and fear are helpful for keeping people in line.
- ◆ Manager-centric time management is useful; the manager tries to manage how employees spend their work time.



THEORY Y MANAGER ASSUMPTIONS

Theory Y is an optimistic set of assumptions about employees.

- ◆ Employees have natural ego needs for succeeding at challenging work that tests their abilities.
- ◆ Employees are motivated when they are given autonomy and decision-making responsibilities at work.
- ◆ Employees are loyal to the organization and will perform even better when they are given more opportunities for making a positive contribution to company goals.



THEORY Y MANAGER ACTIONS

Theory Y managers typically treat employees as follows:

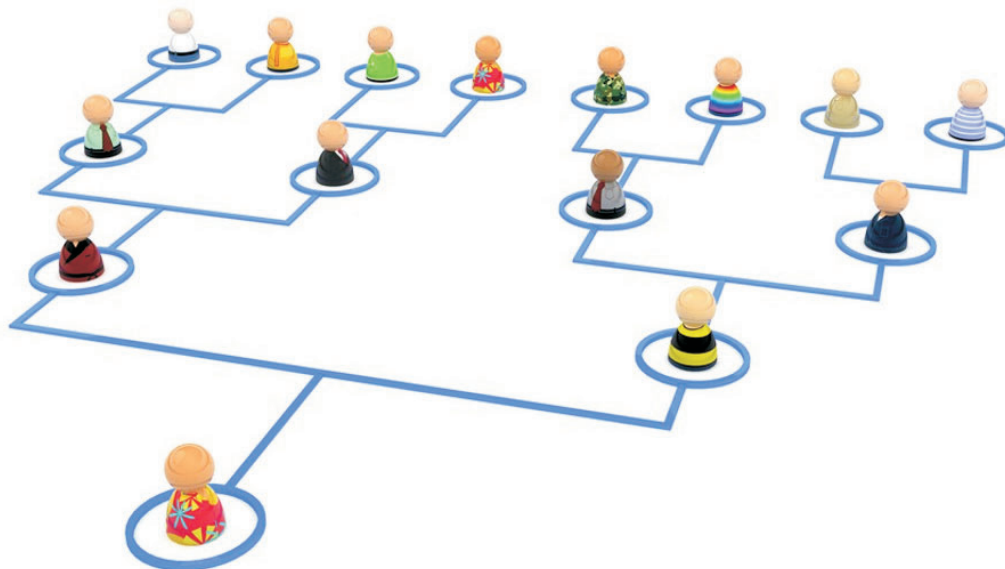
- ◆ They establish organization procedures and routines that give employees more responsibilities.
- ◆ They give employees challenging work and allow them to make decisions about how they will do their work.
- ◆ They give guidance, without monitoring too closely.
- ◆ They provide opportunities for professional development and growth so employees are able to become even more talented.
- ◆ Employee-centric time management orientation is helpful; employees control how they spend time at work.



VERTICAL ORGANIZATIONS

Vertically structured organizations

- ◆ Vertically structured organizations are set up with a hierarchical organization chart and a “command and control” culture.
- ◆ Vertically structured organizations have more rigid lines of authority and work processes.
- ◆ Vertically structured organizations are better suited for work processes that require safety regulations and do not change frequently as well as for businesses where the focus is on efficiency in duplicating the same work safely and repeatedly (e.g., a food processing plant).
- ◆ Vertically structured organizations do appear more like Theory X because control and decision-making fall more on management and less on employees.



CHARACTERISTICS AND KEY CONCEPTS OF VERTICAL STRUCTURE

- ◆ Managers make decisions.
- ◆ Employees follow procedures.
- ◆ **Centralization** is a situation in which an organization has a core management team acting as a decision and instruction center for the rest of the company. Centralization creates a command center for controlling operations and procedures.
- ◆ **Bureaucracy** is a well-defined set of rules and procedures that employees must follow. People, in general, are not able to change the rules whenever they want.



SCIENTIFIC MANAGEMENT

- ◆ Fredrick Taylor (1865 to 1915) created the “scientific management” approach to helping factories function more efficiently during the late 1800s and early 1900s during the Industrial Revolution.
- ◆ **Scientific management** is an organizational approach focusing on creating efficient work processes in a vertically controlled structure.
 - Work processes are analyzed and broken into a chain.
 - Employees are assigned to one link of the work chain.
 - Manufacturing production lines benefit by becoming more efficient.
 - Work processes are maintained by management with the goal of making the workplace a “well-oiled machine.”
 - Time management is built into the work systems for employees. For instance, start and stop times are set; breaks are set and monitored; and work processes follow the same predictable procedures, so employees do not need to think about how to manage their work tasks.



HORIZONTAL ORGANIZATIONS

- ◆ Horizontally-structured organizations are established in a “webbed” organization chart with management and authority spread throughout the organization.
 - Generally they have more fluid decision-making and work processes happening across the organization based on the employee’s context; decisions are not rigidly handed down through hierarchical lines.
 - These organizations are better aligned with Theory Y management assumptions since decision-making is more with employees and less with management.
 - These structures work well with team-based companies and with products and services that are highly customized for customers.

- ◆ Example:
 - A home improvement company that sells roofing and windows would give salespeople the autonomy to generate leads and set pricing deals based on what works with different customers.
 - The company would also give the installation/work teams the autonomy to decide when and how they would put on a roof or install windows based on a customer’s unique home requirements.

CHARACTERISTICS AND KEY CONCEPTS OF HORIZONTAL STRUCTURES

- ◆ They have fewer managers.
- ◆ Decision-making is with employees.
- ◆ **Decentralization** is a situation in which decisions and procedures are managed by many different people across the organization, not from one command center.
- ◆ **Job enrichment/enlargement** is the concept that employee job descriptions are flexible, and employees can develop their job responsibilities to stay challenged and motivated and to avoid becoming bored.
- ◆ Fluidity is a quality reflecting that work procedures can change based on what employees think is necessary to best serve customers and meet business goals.
- ◆ **Self-management** is a concept in which time management responsibilities are shifted to employees with the assumption that employees are more capable than managers for deciding when and how to get the job done. For instance, employees decide work hours, when to take breaks, and in what order to complete the work.

MANAGEMENT ASSUMPTIONS, ORGANIZATION STRUCTURE, AND TIME MANAGEMENT ORIENTATION

	Manager-Centric Time Management	Employee-Centric Time Management
Theory X manager assumptions	X	
Theory Y manager assumptions		X
Vertical structure	X	
Horizontal structure		X



Reflecting on Your Time Management

Purpose

The purpose of this activity is to evaluate your personal time management skills and to think about how you can prepare for working in a job that has your preferred management style and organization structure.

Objectives

1. Complete a time management analysis.
2. Identify strengths and weaknesses in personal time management skills.
3. Write a reflective journal on your personal preferences and development.

Materials

- ◆ lab sheet
- ◆ Internet-connected computer
- ◆ word processor
- ◆ writing utensil
- ◆ paper

Procedure

1. Visit the “How Good Is Your Time Management” article on the MindTools website at http://www.mindtools.com/pages/article/newHTE_88.htm.
2. Complete the 15-question survey. Read and record (on your paper) the results and recommendations listed in the area below the survey after you have submitted your answers.
3. Write a one-page journal entry about your time management strengths and weaknesses based on this survey. In your journal entry, reflect on which type of manager you would like to be or work for (Theory X or Theory Y manager), which organization structure you would rather work in (vertical or horizontal), and how improving your time management skills will prepare you for working where you want to work.