

HSST POLITICAL SCIENCE

Part IV: Theories and concepts of Public Administration

Module IV-Perspectives in Public Administration

- A. Scientific Management
- B. Human Relation Theory
- C. New Public Management

SCIENTIFIC MANAGEMENT

- Scientific management emerged in the 20th century.
- the term Scientific management first coined by **Louis Brandied**(1910)
- It was formulated by” **Frederick Winslow Taylor**”.
- He was an engineer by profession and always viewed each and every thing and its aspects **scientifically and since he was into the production field, he was to be.**
- Scientific management, also often known as “Taylorism”, is **a management theory.**
- It uses scientific methods to analyze the most efficient production process in order to increase productivity.

❖ **Frederick Winslow Taylor (1856-1915)**



- He was an **American Mechanical Engineer** who sought to improve industrial efficiency.
- He is regarded as a **father of Scientific Management**, and was one of the first management consultants.
- Famous book:
 - ✓ **Piece Rate System, 1895**
 - ✓ **Shop Management, 1903**
 - ✓ **Art of Cutting Metals, 1906**
 - ✓ **Principles of Scientific Management, 1911**

❖ **Scientific Management Theory(Taylorism)**

- Scientific management, also often known as “Taylorism”, is a **management theory**.
- The scientific theory had a **significant impact on administrative thought and practice in both industrial and government organizations**.
- Scientific management theory seeks to **improve an organization's efficiency by systematically improving the efficiency of task completion by utilizing scientific, engineering, and mathematical analysis**.
- The goal is to reduce waste, increase the process and methods of production, and create a just distribution of goods
- Scientific Management Theory believed that in order to improve the functioning of the organization, scientific principles needed to be applied. They were also relevant the workers for increasing output.

❖ Principles of Scientific Management

1. Science, not Rule of Thumb:

This principle requires development and application of scientific methods. Taylor advocated that the traditional rule of thumb' methods should be replaced with the **scientific methods**.

Scientific methods should be used for the following purposes:

- To determine standard time required to do a job;
- To determine a fair day's work for the workers;
- To determine the best way of doing the work;
- To select standard tools and equipment, maintain standard working conditions, etc.

2. Scientific Selection, Training and Development of Workers:

The **procedure for selection of workers should be designed scientifically**. The errors committed at the time of selection may prove to be very costly later on. If we do not have right workers on the right job, the efficiency of the organization will be reduced.

Therefore, every organization should follow a scientific system of selection. The selected workers should be trained to avoid wrong methods of work. **Management is responsible for the scientific education and training of workers**. It must provide opportunities for the development of workers having better capabilities.

3. Harmony, not Discord (Conflict):

There **should be harmony (not conflict) between the management and the workers**. This requires change of mental attitudes of the workers and the management towards each other. Taylor called it mental revolution. When this mental revolution takes place, workers and management turn their attention towards increasing profits. They do not quarrel about the distribution of profits.

4. Cooperation, not Individualism:

Scientific management is based **on cooperation between management and workers**, as also between workers themselves. Management can earn higher profits if the workers perform their jobs efficiently and thus ensure better quality, lower costs and larger sales. Workers on their

part can earn higher wages if the management provides them with standard materials, standard tools, standardized working conditions, training in standard methods, etc.

Scientific management also promotes cooperation among workers and departments. As activities of all individuals and departments are directly or indirectly linked with one another, interruption of work at any stage would affect the work of many individuals and departments, resulting in lower production and lower wages. The fear of reduced earnings will force workers to cooperate with each other for the smooth working of their departments.

5. Maximum not Restricted Output:

Both the management and **workers should try to achieve maximum output in place of restricted output**. This will be beneficial to both the parties. Maximum output will result in higher wages for the workers and greater profit for the management. Increased productivity is also in the interest of the consumers and the society at large.

6. Equal Division of Responsibility between Management and Workers:

Here must be **equal division of responsibility between the managers and the workers**. The management should assume responsibility for the work for which it is better suited. For instance, management should decide the method of work, working conditions, time for completion of work, etc., instead of leaving these to the discretion of workers.

❖ Elements of Scientific Management as Formulated By Taylor:

- Work Study.
- Standardization of tools and equipment.
- Scientific selection, placement and training.
- Development of functional foremanship.
- Introducing costing system.
- Mental system

❖ Characteristics of Scientific Management

- **Approach:** It is a systematic, analytical and objective approach to solve industrial problems.
- **Economy:** The basis of scientific management is economy. For implementing economy, all the unnecessary elements of production are eliminated and a sincere effort is made to achieve optimum production at the minimum cost.

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- **A Definite plan:** The main characteristic of scientific management is that before starting and work there must be a definite plan before as and the work is to be done strictly according to that plan.
- **Discards old methods:** It discards the age old methods of rule of thumb and hit or miss approaches.
- **Emphasis:** It lays emphasis on all factors of production, men, material and technology.
- **Techniques:** It implies scientific techniques in methods of work, recruitment, selection and training of workers.
- **Attempts:** It attempts to develop each man to his greatest efficiency and prosperities.
- **Method:** It attempts to discover the best method of doing a work at the cheapest cost.
- **A definite Aim:** It is another main characteristic of scientific management. Scientific management is the process of organizing, directing, conducting and controlling human activities. Hence there must be a definite aim before the managers, so that the human activities be organized directed conducted and controlled for achieving that aim or aims.
- **Changes in attitude:** It involves a complete change in the mental attitude of workers as well as the management.
- **A Set of Rules:** There must be a set of rules in accordance with the laid plan so that the objectives can be achieved. According to F.W. Taylor, It is no single element but rather the whole combination that constitutes the scientific management.

❖ **Techniques for Scientific Management By Taylor**

- Standardization of all tools and methods used in trade
- Separate planning cell or department
- Instruction card for workers
- Cost saving system

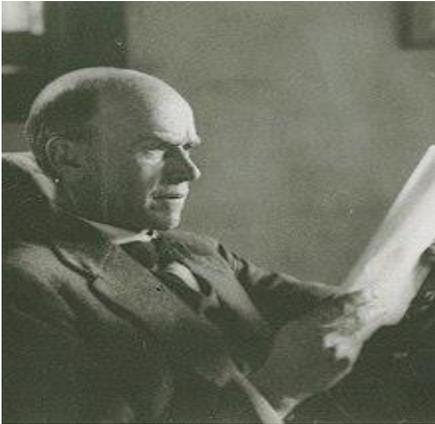
❖ **Criticism of Scientific Management**

- It was focus on shop floor and reformulation of supervisory concept for various activities.
- It viewed organization as a mechanical system and over looked the human elements to it.
- It focused on material rewards for motivation away from physiological and psychological factors.
- The approach received widespread criticism from workers and trade unions.

- It was also opposed by managers. They believed that the adoption of scientific methods left little space for judgment of manager.

HUMAN RELATION THEORY

❖ Elton Mayo (1880- 1949)



- ✓ He was an **Australian Psychologist, and industrial researcher and an academic organizational management scientist.**
- ✓ He conducted the **Hawthorne Studies**, became the base for his lifelong breaking theories on Human Relations and Scientific Management.
- ✓ Elton Mayo is considered the **founder of the Human Relations Theory.**
- ✓ Elton Mayo termed as **Human Relations Theory** as a “Clinical approach”.
- ✓ **Famous Works:**
 - The Human Problems of the Industrial Civilization (1945)
 - The Social Problems of the Industrial Civilization (1945)
 - The Political Problems of the Industrial Civilization (1947)

❖ Human Relations Theory

- This theory came as a reaction to the **classical approach**, which stressed on formal structure.
- The classical school neglected the human side and under emphasized on the socio-psychological aspect of organization.
- Human Relations approach emerged after 1920 to explain the informal aspect of an organization. It emerged as a reaction to the **Taylor’s Scientific Management approach–**

an offshoot of broad Classical approach--which became popular in the beginning of the 20th century.

- The human relations approach is also known as **New Classical approach**. Elton Mayo termed it Clinical approach. It attempts to explain the informal relations among employers and employees are concerned with moral and psychological rather than legal aspects of an organization. **The approach considers worker not only one of the means of production system but as a man**.

Socio-economic factors influenced the emergence Human Relations Theory

❖ Economic depression

The theory looks shape in the twenties and thirties of these centuries when there was a general crisis in the capitalist countries. The unprecedented economic crisis of 1929-32. The problem became acute due to increased production as a result of mechanization which had increased mental strain.

❖ Capital Intensive Industries

This period, industry was becoming more capital intensive. A breakdown of equipment, strikes and high labor turnover used to cause the monopolies enormous losses. It is thus not surprising that the giants of monopoly capital started showing much more interest in ensuring that the workers showed a 'dedicated' attitude to their work and the interests of the company.

❖ Technological Progresses

Technological progress led to rise of the level of education and professional skills of workers. Consequently the worker's sense of personal dignity had asserted itself and their material and cultural aspirations had changed beyond recognition. Thus the workers started demanding more and more resolutely and insistently that they be treated as human beings.

❖ Reaction to Taylor-ism

The human relations approach was also partly a reaction to the one sided nature of the Taylor system which dominated the scene in the twenties and thirties. The Taylor system did result in a certain rise in productivity of labor, eventually the system found itself at a dead end.

Basic Principles of Mayo's Human Relations Theory

- **Social Norms:** The level of organizational effectiveness is determined by social norms. The psychological capability of the worker was not the critical factor in productivity. The principle of administration such as division of work etc are not as important as social norms
- **Group Standards:** It strongly influences the behavior of the individuals in organizations. The group also provides a shield against executive reprisals. It acted as a restraint on executive power.
- **Rewards and Sanctions:** Social rewards and sanctions are the strongest job motivators. The workers respond to the respect, the affection, and the appeals to the group loyalty provided by their fellow workers. The management system of economic incentives, by the contrast, was less effective.
- **Supervision:** The most effective system of supervision is created when the managers consult the group and its informal leaders in order to win acceptance of organizational objectives.

Experiments of Mayo

Hawthorne Experiments

Hawthorne Experiments of **Elton Mayo** are considered as the bedrock of human relations movement in the management. These experiments were conducted in the **Hawthorne plant of the Western Electric Company from 1924 to 1932**. It may be pointed out that these experiments were initiated by the National Research Council of the National Academy of Sciences along with George Pennock, supervisor of the company, and his associates. Thus, Mayo was involved in the experiments after some initial probing by the research team especially when it failed to come to any definite conclusions. **The main objective of these experiments was to know and understand the factors affecting efficiency and productivity of workers.**

The Human Relations School Experiments

1. Illumination Experiment

In this experiment Mayo changed the physiological aspects related to work, but the productivity showed no direct relationship. This experiment proved that productivity is not only the function of physiological aspects but is also influenced by the social and psychological factors too.

2. Relay Assembly Test Room Experiment

In this experiment Mayo tried to analyze the relationship between working condition and morale. In this experiment Mayo made changes with respect to the incentive, rest periods, work conditions etc, but such changes caused no improvement in productivity.

3. Mass Interviewing Programme

In this experiment Mayo asked the employee about their grievances. This activity improved the productivity of the employees.

4. Bank Wiring Experiment

This experiment highlighted the social cohesion among the employees.

Contribution of Mayo's Human Relations Theory

- A business organization is basically a social system. it is not just a techno-economic system
- The employer can be motivated by psychological and social wants because his behavior is also influenced by feelings, emotions and attitudes. Thus economic incentives are not the only method to motivate people.
- Management must learn to develop cooperative attitudes and not rely merely on command.
- Participation becomes an important instrument in human relation movement. In order to achieve participation, effective two-way communication network is essential.
- Group psychology plays an important role in any business organization. We must therefore rely more on informal group effort.

Classical V/S Human Relation.

- It did not reject classical theory totally.
- It only modified some critical gaps and because of it, it is called as a neo-classical theory.
- Human relation differed in basic approach to organization.
- It characterizes it as a social system in addition to the formal structure.
- It accepted efficiency and productivity as major concerns of the management.

Criticism of Human Relation Theory.

- It **lacks scientific validity**.
- Behavior of the workers during the experiments was not natural.
- It was actually the Hawthorne effect which gives their best when observed.
- It is **pro-management and anti-union**.
- It gave little attention the formal relation while putting greater emphasis on the informal relations.
- This theory is not aware of the economic dimension and neglected the nature of work.
- It could not explore the multi dimensional phenomenon of human motivation.
- Marxists says that it is a new technique to exploit workers as it de-emphasized economic factors.
- **It is over-concerned with happiness**.
- It does not recognize the conflict as a creative force.
- It ignored the environmental factors of workers attitudes.

NEW PUBLIC MANAGEMENT (NPM)

- The term “New Public Management” was first coined by **Christopher Hood in his book ‘A Public Management for all Seasons?’ in 1991**.
- The book “**Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector**” **by Osborne and Gaebler, published in 1992**, takes this new trend of public administration, the New Public Management, much further.
- **Osborne and Gaebler**, defines “we don’t need more government; we need better government. To be more precise, we need better governance. Governance is the act of collectively solving our problems. Government is the instrument we use. The instrument is outdated, and it is time to remake it”.

New Public Management

- New Public Management or NPM is an approach that seeks to build an administration by implementing flexibility, transparency, minimum government, de-bureaucratization, decentralization, the market orientation of public services, and privatization.

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- It is a **paradigm shift** from **traditional public administration to New Public Management**.
- NPM makes a **citizen-friendly administration from a rigid, hierarchical, disciplined bureaucratic administration** that needs to make weak public administration strong and effective.
- **NPM** is also defined as a process in which the liberal market principles of efficiency and economy are implemented in public sector management for making public sectors more effective.
- The emergence of NPM perspective has been one of the recent striking trends in the discipline of public administration. Its focus basically is on the following:
 - ✓ Restructuring government operations along market lines.
 - ✓ Distinguishing strategic policy formulation from implementation.
 - ✓ Emphasizing performance evaluation and quality improvement.
 - ✓ Stressing upon effective services provision and value for money for the customer

Theoretical Bases of NPM

Influenceneo-liberalism

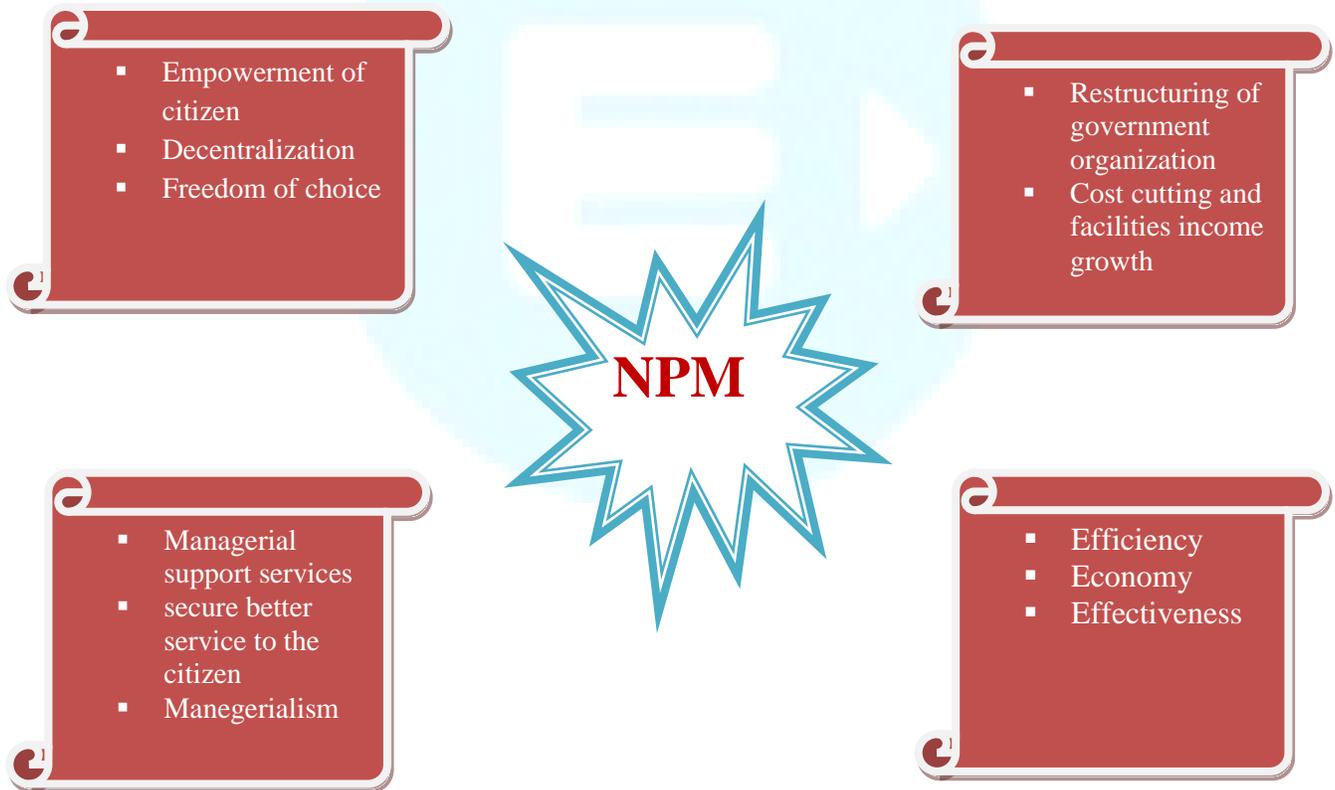
There has been a powerful influence of neo-liberal political ideology during the **1980s and 1990s**. Concepts such as efficiency, markets, competition, and consumer choice, etc. had gained freedom inane. **Neo liberalism favored cutting back of welfare state, maximizing individual liberty and freedom, and encouraging market mechanisms leading to equitable outcomes**. Free markets unrestrained by government, removal of barriers to facilitate the free flow of goods and money and privatization were considered significant measures for economic growth. The then prevailing scenario favored roll back by the state and the space created by it to be filled with the private sector. The state was expected to promote the efficient functioning of markets

Public-Choice Approach

The public choice approach had a major impact on the evolution of the new public management perspective. Economists such as **Tullock, Niskanen, Buchanan** propounded it and the central tenet of their approach is that all human behavior is dominated by **'self-interest'**. The human being is considered to be a utility maximizer, who intends to increase net benefits from any action or decision. **The voters, politicians and bureaucrats are considered to be motivated by self interest**. The vote maximizing behavior of politician and self-aggrandizement bureaucrats tend to affect the collective interests of the society. Bureaucracy, being the core of public administration, is held responsible for the declining quality of public services. This thinking led to the new paradigm of government sensitive to market forces, which mean remodeling of government according to concepts of competition and efficiency. The efficiency of institutions

and processes such as market and decentralized service delivery has become attractive as a consequence of this approach.

Basic Theme of NPM



Several names refer to New Public Management

- NPM is known as “**Managerialism**”- Pollit
- NPM is known as “**Market-based Public Administration**”- Osbore & Gaebler
- NPM is known as “**Entrepreneurial Government**”- Lan&Rosenbloom
- NPM is known as “**Third Way**” – U.A Gunn
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Characteristics of NPM perspective include:

- ✓ Productivity: gaining more services from lesser revenues.
- ✓ Marketisation: replacing traditional bureaucratic structures, mechanisms and processes with market strategies.
- ✓ Service orientation: keeping the needs of customers as a priority.
- ✓ Decentralization: transferring service delivery responsibilities to lower levels.
- ✓ Policy-administration dichotomy: making a distinction between policy and execution

Principles of New Public Management

- The main principle of NPM is to emphasize **economy, efficiency, and effectiveness by downplaying the importance of regulation.**
- Reorganizing the bureaucracy into different agencies.
- Increase competition through the introduction of quasi-market systems and contract systems.
- Expenses reduce and facilitate income growth.
- Shift to greater competition in public sectors.
- NPM emphasizes **more on private-sector styles of management.**
- Managerialism that means the role of the administrator transforms as a manager.
- Increasing the flexibility and mobility of organizational structure, personnel, and working conditions.
- **Greater emphasis on consumerism.** To NPM citizens are considered as consumers.
- Secure participation of people through the decentralization process.

Features of New Public Management

- Citizen’s empowerment
- Decentralization
- Restructuring of Government organization or sector
- Goal-Orientation
- Cost Cutting and facilitates income growth

- Managerial Support services
- Secure better service to the citizens

NPM Goal & Anti-Goal

Goals	Anti-Goal
Improve efficiency and effectiveness in public sector origination	Politics-administration dichotomy
Improve responsiveness to stakeholders	Hierarchy-ridden organization
Improve quality of public services	Over-centralization of power
Improve accountability and performance	Supremacy of rules in administration
	Rationality in decision-making

Impact of NPM

- ❖ Creation of autonomous public organization
- ❖ Reducing the size of government
- ❖ Corporatization of government organization
- ❖ Reducing budgets and welfare expenditure
- ❖ Reforming civil service structure
- ❖ Privatization of public undertaking
- ❖ Decentralization of authority to lower levels