

Management Principles and Techniques

HSST COMMERCE (M3)

Topic 1: school of management thought

• THE CLASSICAL SCHOOL

The classical school is the oldest formal school of management thought. Its roots pre-date the twentieth century. The classical school of thought generally concerns ways to manage work and organizations more efficiently. Three areas of study that can be grouped under the classical school are scientific management, administrative management, and bureaucratic management

CLASSIFICATION OF MANAGEMENT THEORIES

there are several schools of thought in management. Apart from the 'autocratic' or 'authoritarian' or pre-scientific era (i.e., earlier to 1880) of the early period, several schools of management thought are identified and classified in several ways by experts. It is interesting to note that while early writings on management principles came from experienced practitioners the more recent writings tend to come from

During the history of management a number of more or less separate schools of management thought have emerged, and each sees management from its own viewpoint.

- The management process school
- The empirical school
- The human behavioural school
- The social systems school
- The decision theory school
- The mathematical school

Adding one more style or approach of his own Evans discusses eleven basic styles cited by Herbert Hicks in his book "the management of organizations" (1967). Again leaving the early perspectives, Hitt and others (1979) classify management theories into three broad groups.

Classical management theory, Neoclassical management theory, Modern management theory

CLASSICAL MANAGEMENT THEORY (1880s-1920s)

- Classical management theory consists of a group of similar ideas on the management of organizations that evolved in the late 19th century and early 20th century. The Classical school is sometimes called the traditional school of management among practitioners. This school,

evolved as a result of the industrial revolution, in response to the growth of large organizations and in contrast to the handicraft system that existed till then.

It contains three branches, namely, scientific management, administrative principles and bureaucratic organization.

The predominant and common characteristic to all three branches is the emphasis on the economic rationality of management and organization. The economic rationality of the individual employee at work assumes that people choose the course of action that maximizes their economic reward. In other words, economic rationality assumes that people are motivated by economic incentives and

The primary contributions of the classical school of management includes

- (i) application of science to the practice of management
- (ii) development of the basic management functions and
- (iii) articulation and application of specific principles management.

• Scientific Management

Frederick Winslow Taylor (1856-1915) is considered to be the father of scientific management. Henry Gantt, Frank and Lillian Gilberth and Harrington Emerson supported Taylor in his efforts. All these disciples of Taylor became famous in their own right. Together with Taylor they revolutionized management thinking. Scientific management is the

name given to the principles and practices that grew out of the work of Frederick Taylor and his followers and that are

Four basic parts of a series of ideas developed by Taylor are as follows:

- i) Each person's job should be broken down into elements and a scientific way to perform each element should be determined.
- ii) Workers should be scientifically selected and trained to do the work in the designed and trained manner.
- iii) There should be good cooperation between management and workers so that tasks

Thus, the scientific method provides a logical framework for the analysis of problems.

It basically consists of defining the problem, gathering data, analysing the data, developing alternatives, and selecting the best alternative. Taylor believed that following the scientific method would provide a way to determine the most efficient way to perform work

Instead of abdicating responsibility for establishing standards, the management would scientifically study all facets of an operation and carefully set a logical and rational standard. Instead of guessing or relying solely on trial and error, the management should go through the time-consuming process of logical study and scientific research to develop answers to business problems. Taylor believed sincerely that scientific management practices would benefit both the employee and the employer through the creation of.

He believed that management and labour had a common interest in increasing productivity. Taylor did a lot of work on improving management of production operations. He demonstrated in the classic case of the pig iron experiment at the Bethlehem Steel Company, how both output per worker and the daily pay of worker could be increased by employing scientific method.

Administrative Management

While pioneers of the scientific management tried to determine the best way to perform a job, those in the administrative management explored the possibilities of an ideal way to put all job together and operate an organization. Thus the emphasis of administrative or general management theory is on finding 'the best way' to run an organization. This school of thought is also called administrative or traditional principles of management.

NEO-CLASSICAL THEORY (1920s-1950s)

The Traditional classical theory and its principles are attacked on the ground that they are contradictory, pay little attention to motivation, and make hasty pronouncements on what should be done without examining time assumptions underlying such pronouncements. As such, these principles do not represent the heart of knowledge of management but a small part of the total body of administrative management.

Human Relations School

Elton Mayo has been considered as the father of the human relations movement, which later became organizational behaviour. The other two important co-researchers of this school are F.J Roethlisberger and William J Dickson. They believed that organizations always involve interrelationships among members and that it is the manager's role to see that relationships are as conflict free as possible, in order to accomplish the organization's objectives.

They believed that the human aspects of business organizations had been largely ignored. They felt that satisfaction of psychological needs should be the primary concern of the management Mayo and others in their initial experiment came to the conclusion that some factors other than light were responsible for increased productivity. From a follow up interview of employees, they realized that people were not leaving their feelings, attitudes, and emotions at home and employees were not at work simply for economic benefit.

Limitation of Human relation school

Human relations school has several limitations as well. It is considered to be a swing in the opposite direction of classical theory. In other words, they saw only human variables as critical and ignored other variables. Every organization is made up of a number of diverse social groups with incompatible values and interests. These groups might cooperate in some spheres and compete and clash in others. It is practically impossible to satisfy everybody and turn the organization into a big happy family.

This approach over-emphasizes the importance of symbolic rewards which may not be appreciated by recipient's 'significant others' and underplays the role of material rewards. Further, the assumption about formation of informal groups is unrealistic and not very common.

Human relations movement accepted scientific management's central goal of efficiency, but focused on individuals and on small-group processes rather than large organizations.

It is difficult to classify all these researchers as neoclassical theorists. Many of them should be considered as contributors to modern management theories in general, social system theory and modern humanism theory in particular. Secondly, the behavioural school is a logical extension of human relations school and both in turn lead to social system theory and modern behaviourism.

MODERN MANAGEMENT THEORY

Modern management theory highlights the complexity of the organization as well as individuals and the diversity of their needs, motives, aspirations and potentials. As a result, one time status or universal management principles are impracticable. The complexities require intricate managerial strategies for dealing with people and organization.

The complex employee view holds that people are both complex and variable. They have many motives, learn new motives through experience and motives vary from organization to organization and department to department. Complex interactions relate the employee and the organization. There is no single managerial strategy that works

for all people at all times. Managers can employ different strategies at different times and for different persons. Analytical tools may be useful while applying managerial strategies.

Systems Theory

As noted earlier the drawback of the classical theory and the neoclassical theory is emphasizing one aspect at the cost of the other. The classical theory emphasized the 'task', 'structure' and 'efficiency' and the neoclassical theory emphasized 'people'. Systems theory has come up as via media with an integrated and holistic approach to management problems. This has emerged as a way of looking at the organization as a whole.

A system is an entity made up of two or more interdependent parts that interact to form a functioning organism. An organization, human body, a flower and a tree are examples of a system (anything and everything is a system). The phrase 'interdependent parts' is very important and means that a manager should not look for a single cause of a problem.

Contingency Theory

As indicated under the systems theory, today's organizations are quite complex and there cannot be one correct managerial strategy that works in all situations. The contingency approach stresses the absence of a single best way to manage and emphasizes the need for managerial strategies based on all relevant facts.

Organizational Humanism

This school of thought is an extension of behavioural schools of neoclassical theory and hence has much in common with behavioural schools. Some of the researchers like Chris Argyris, Douglas Mc Gregor and Abraham Maslow mentioned under behavioural schools are the profunder of organizational humanism or the modern behavioural school.

Management Science

Management Science should not be confused with scientific management of classic theory. However, the management science approach also known as quantitative approach is evolved from the early application of some of the scientific management techniques of classical theorists. Because of complexities of organizations discussed earlier, today's managers are required to have more and better information in order to make effective decisions.