

# Management models and theories associated with motivation, leadership and change management, and their application to practical situations and problems

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This section covers:

- [Classical Management Theory](#)
- [Human Relations Theory](#)
- [Neo-Human Relations Theory](#)
- [System Theory](#)

## Classical Management Theory

Here we focus on three well-known early writers on management:

[Henri Fayol](#)

[FW Taylor](#)

[Max Weber](#)

See also [Section 5a Personal management skills \(e.g. Managing: time, stress, difficult people, meetings\)](#) for more references to Fayol, Taylor and Weber.

### Definition of management:

Management takes place within a structured organisational setting with prescribed roles. It is directed towards the achievement of aims and objectives through influencing the efforts of others.

### Classical management theory

- Emphasis on structure
- Prescriptive about 'what is good for the firm'
- Practical manager (except Weber, sociologist)

**Henri Fayol (1841 - 1925), France**

1. Division of work	Reduces the span of attention or effort for any one person or group. Develops practice and familiarity
2. Authority	The right to give an order. Should not be considered without reference to <i>responsibility</i>
3. Discipline	Outward marks of respect in accordance with formal or informal agreements between firm and its employees
4. Unity of command	One man superior
5. Unity of direction	One head and one plan for a group of activities with the same objective
6. Subordination of individual interests to the general interest	The interests of one individual or one group should not prevail over the general good. This is a difficult area of management
7. Remuneration	Pay should be fair to both the employee and the firm
8. Centralisation	Is always present to a greater or less extent, depending on the size of the company and quality of its managers
9. Scalar chain	The line of authority from top to bottom of the organisation
10. Order	A place for everything and everything in its place; the right man in the right place
11. Equity	A combination of kindness and justice towards the employees
12. Stability of tenure of personnel	Employees need to be given time to settle into their jobs, even though this may be a lengthy period in the case of the managers
13. Initiative	Within the limits of authority and discipline, all levels of staff should be encouraged to show initiative
14. Esprit de corps	Harmony is a great strength to an organisation; teamwork should be encouraged

### **Advantages**

- Fayol was the first person to actually give a definition of management which is generally familiar today namely 'forecast and plan, to organise, to command, to co-ordinate and to control'.
- Fayol also gave much of the basic terminology and concepts, which would be elaborated upon by future researchers, such as division of labour, scalar chain, unity of command and centralisation.

### **Disadvantages**

- Fayol was describing the structure of formal organisations.
- Absence of attention to issues such as individual versus general interest, remuneration and equity suggest that Fayol saw the employer as paternalistic and by definition working in the employee's interest.
- Fayol does mention the issues relating to the sensitivity of a patient's needs, such as initiative and 'esprit de corps', he saw them as issues in the context of rational organisational structure and not in terms of adapting structures and changing people's behaviour to achieve the best fit between the organisation and its customers.

Many of these principles have been absorbed into modern day organisations, but they were not designed to cope with conditions of rapid change. The language used by Fayol may appear dictatorial, however if we examine Fayol's work and concepts, it is clear that Fayol's 'command' is similar to a description of what we would call empowering manager today.

### **F W Taylor - (1856 - 1915), USA- The Scientific Management School**

Taylorism involved breaking down the components of manual tasks in manufacturing environments, timing each movement ('time and motion' studies) so that there could be a proven best way to perform each task. Thus employees could be trained to be 'first class' within their job.

This was a scientific system where every task became discrete and specialised. Specialised services are provided in the NHS, and these management techniques could prove useful in these areas, to review productivity.

Key points about Taylor, who is credited with what we now call 'Taylorism':

- he was in the scientific management school
- his emphases were on efficiency and productivity
- but he ignored many of the human aspects of employment

For the **managers**, scientific management required them to:

- develop a science for each operation to replace opinion and 'rule of thumb'
- determine accurately from the science the correct time and methods for each job (time and motion studies)
- set up a suitable organisation to take all responsibility from the workers except that of the actual job performance
- select and train the workers
- accept that management itself be governed by the science deployed for each operation and surrender its arbitrary powers over the workers, i.e. cooperate with them.

For the **workers**, scientific management required them to:

- share in the prosperity of the firm by working in the correct way and receiving wage increases
- give up their idea of time wasting and co-operate with the management in developing the science
- accept that management would be responsible for determining what was done and how
- agree to be trained in new methods where applicable.

The **benefits** arising from scientific management can be summarised as follows:

- improving work methods brought enormous increases in productivity
- its rational approach to the organisational work enables tasks and procedures to be measured with a considerable degree of accuracy
- measurement of paths and processes provide useful information on which to base improvements in working methods, plant design, etc

- it enabled employees to be paid by results and to take advantage of incentive payments
- it stimulated management into adopting a more positive role in leadership at shop floor level
- it contributed to major improvements in physical working conditions for employees
- it provided the formation for modern work studies.

The **drawbacks** were mainly for the workers:

- it reduced the worker's role to that of a rigid adherence to methods and procedures over which he/she had little discretion
- it led to increased fragmentation of work due to its emphasis on divisional labour
- it generated an economically based approach to the motivation of employees by linking pay to geared outputs
- it put the planning and control of workplace activities exclusively in the hands of the managers
- it ruled out any realistic bargaining about wage rates since every job was measured and rated 'scientifically'.

Therefore, in summary, while the scientific management technique has been employed to increase productivity and efficiency both in private and public services, it has also had the disadvantages of discounting many of the human aspects of employment. Taylor's ideas on management and workers demonstrates justice for both parties (employer and employee). Taylorism prevailed in the '30s through to the early '60s - and in many organisations considerably later than this. Peters and Waterman in the 70s/80 and Senge late '80s/early '90s led us towards what we now call 'systems thinking' where the rights and potential wider contributions of employees received considerably greater emphasis.

### **Max Weber (1864 - 1924), Germany**

Weber described bureaucracy as the most efficient way of working.

Bureaucracy in this context is the organisational form of certain dominant characteristics such as a hierarchy of authority and a system of rules.

Bureaucracy in a sense of red tape or officialdom should not be used as these meanings are value-ridden and only emphasise very negative aspects of the original Max Weber model.

Authority is distinguished from power by Weber. Power is a unilateral thing - it enables a person to force another to behave in a certain way, whether by means of strength or by rewards. Authority, on the other hand, implies acceptance of the rules by those over whom it is to be exercised within limits agreeable to the subordinates that Weber refers to in discussing legitimate authority.

Weber presented three types of legitimate authority ([also discussed in Section 5a](#)):

**Traditional authority:** where acceptance of those in authority arose from tradition and custom.

**Charismatic authority:** where acceptance arises from loyalty to, and confidence in, the personal qualities of the ruler.

**Rational-legal authority:** where acceptance arises out of the office, or position, of the person in authority as bounded by the rules and procedures of the organisation.

It is the rational-legal authority form that exists in most organisations today and this is the form to which Weber ascribed the term 'bureaucracy'.

The main features of bureaucracy according to Weber were:

- a continuous organisation or functions bounded by rules
- that individuals functioned within the limits of the specialisation of the work, the degree of authority allocated and the rules governing the exercise of authority
- a *hierarchical* structure of offices
- appointment to offices made on the grounds of technical competence only
- the separation of officials from the ownership of the organisation
- the authority was vested in the official positions and not in the personalities that held these posts. Rules, decisions and actions were formulated and recorded in writing.

It is no coincidence that Weber's writings were at a time of the major industrial revolutions and the growth of large complex organisations out of the cottage industries and/or entrepreneurial businesses.

The efficiency of this rational and logistical organisation shares a considerable amount of common ground with the thinking of Fayol. In particular, features such as scalar chain, specialisation, authority and the definition of jobs which were so essential to successful management as described by Fayol, are typical of bureaucracy. There is also little doubt that Weber's ideas concerning specific spheres of competence and employment based on technical competence would have considerable appeal for Taylor's scientific managers.

### **Advantages**

- Appointment, promotion and authority were dependent on technical competence and reinforced by written rules and procedures of promoting those most able to manage rather than those favoured to manage. We take a lot of this for granted in the UK today. Anything else is regarded as nepotism and corruption.
- The adoption of bureaucratic type of management systems allow organisations to grow into large complex organised systems that are focused towards formalised explicit goals.
- It cannot be stated strongly enough that the Weber theory has the advantage of being used as a 'gold standard' on which to compare and develop other modern theories.

### **Disadvantages**

Subsequent analysis by other researchers have identified many disadvantages:

- Tendency for organisations to become procedure dominated rather than goal dominated.
- Tendency for heavily formalised organisational roles to suppress initiative and flexibility of the job holders.
- Rigid behaviour by senior managers can lead to standardised services that do not meet the needs of the client.
- Rigid procedures and rules are demotivating for the subordinates that work in the organisations.
- Exercise of control based on knowledge as advocated by Weber has led to the growth of 'experts' whose opinions and attitudes may frequently clash with those of the more generalised managers and supervisors.

## **Human Relations Theories**

### Elton Mayo: Hawthorne studies

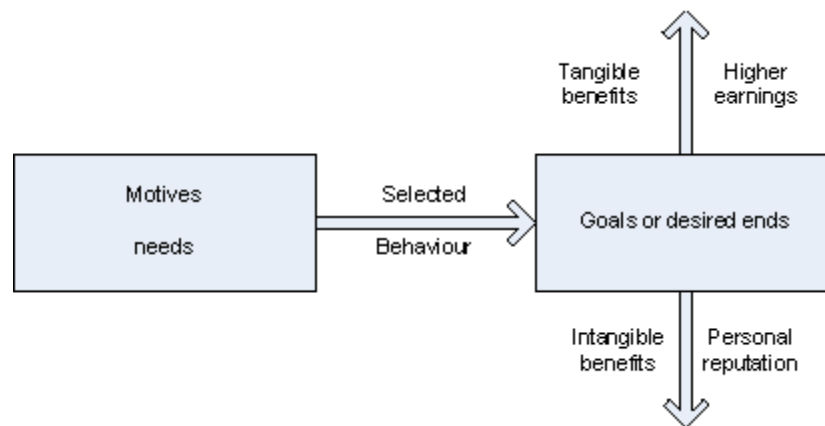
Where Classical theorists were concerned with structure and mechanics of organisations, the theorists of human relations were, understandably, concerned with the *human* factors. The foci of human relations theory is on motivation, group motivation and leadership.

At the centre of these foci are assumptions about relationship between employer and employee.

[Schein](#) (1965) and Mayo (1933)

- were academic, social scientists
  - their emphasis was on human behaviour within organisations
  - they stated that people's needs are decisive factors in achieving an organisation's effectiveness
  - they were descriptive and attempted to be predictive of behaviour in organisations
- A 'motive' is described as a need or driving force within a person.

The process of motivation involves *choosing between alternative forms of action in order to achieve some desired end or goal*



Alternative forms of action of motivation depend on a manager's assumptions about his/her subordinates:

	Prime Motivators	Theory
1. Rational- economic man	Self interest and maximisation of gain	Basis of Classical, especially, Taylor/Scientific theory
2. Social man	Social need, being part of a group	Basis of Mayo
3. Self actualising man	Self-fulfilment of individual	Maslow, Likert, McGregor, Argyris, Herzberg
4. Complex man	Depends on individual, group, task	'Systems approach'

### Elton Mayo : Hawthorne Studies

The ground-breaking Hawthorne studies carried out in the Hawthorne plant of the Western Electric Company (USA) 1927 - 32.

### **Stage 1 (1924 -27)**

Study of the physical surroundings (lighting level) on productivity of workers. Control group and experimental group previously had similar productivity before study began.

Control Group = constant lighting level

Experimental Group = varied lighting level

### **Result**

Both groups productivity increased - even when experimental group was working in dim light.

Product leader called Mayo and colleagues to explain the results.

### **Stage 2 (1927 - 29) 'Relay assembly room stage'**

Still analysing effect of physical surroundings (rest, pauses, lunch break duration, length of working week) on output.

### **Result**

Output increased even when worsening conditions

Hypothesis was now that it was the attitudes of subjects at work and not the physical conditions. This gave rise to the 'Hawthorne Effect' - employees were responding not so much to changes in the environment as to the fact they were the centre of attention - a special group.

### **Stage 3 (1928 - 30)**

A Total of 20,000 interviews were collected with the workers on employee attitudes to working conditions, their supervision and their jobs.

### **Stage 4 (1932) 'Bank winning observation room'**

This time the new subjects (14 men) put in separate room for six months.

### **Result**

Productivity restricted due to pressure from peers to adopt a slower rate to circumvent company wages incentive scheme to generally adopt own group rules and behaviour.

### **Advantages**

- first real attempt to undertake genuine social research in industrial setting
- individuals cannot be treated in isolation, but function with group members
- that individual motivation did not primarily lie in monetary or physical condition, but in need and status in a group
- the strength of informal (as opposed to formal) groups demonstrated a behaviour of workers (formal supervisors were powerless in Stage 4)
- it highlighted need for supervisors to be sensitive and cater for social needs of workers within the group

### **Disadvantages**

- from 1930s -1950s some doubt was cast on the increased applicability of these theories to every day working life

## Neo-Human Relations Theory

This group were social psychologists who developed more complex theories:

[Maslow](#)

[McGregor \(Theory X and Theory Y\)](#)

[Herzberg](#)

[Likert](#)

[Argyris](#)

See also [Section 5a Motivation, creativity and innovation in individuals, and their relationship to group and team dynamics](#) for more references to Maslow, McGregor, and Herzberg.

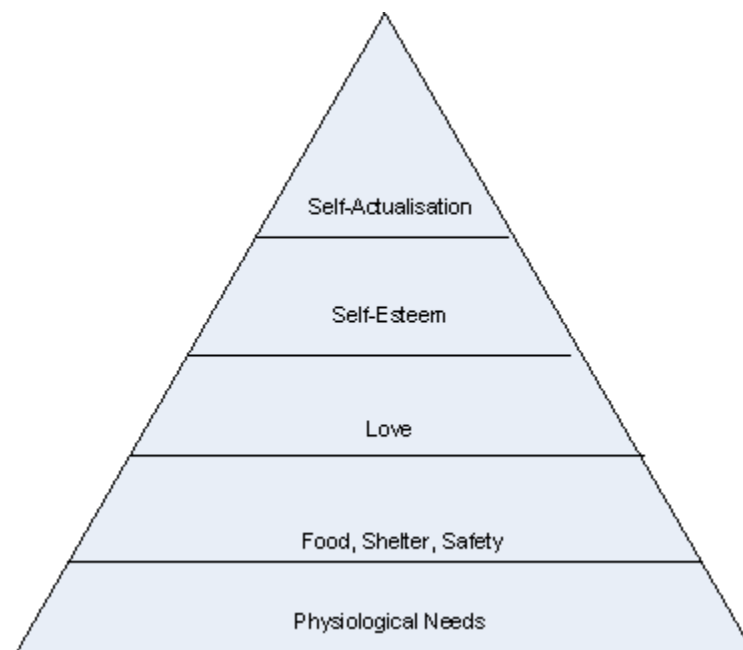
Maslow is often-quoted still today, having developed a seminal theory of the needs of human beings. Herzberg's and McGregor's neo-human relations theories both focus on motivation and leadership, but their theories are very different.

In this group we find a particular focus on human motivation including:

- satisfaction
- incentive
- intrinsic

### **Maslow (1943) Hierarchy of Needs**

1. Maslow proposed a hierarchy of human needs building from basic needs at the base to higher needs at the top.



2. Maslow made assumptions that people need to satisfy each level of need, before elevating their needs to the next higher level e.g. a hungry person's need is dominated by a need



to eat (i.e survival), but not to be loved, until he/she is no longer hungry.

3. Today the focus in most Western societies is on the elements towards the top of Maslow's hierarchy - in which work environments and 'jobs', including 'having a job' and the satisfaction or otherwise such jobs provide - have become typical features. Notably the attainment of self-esteem and, at the very top of the hierarchy, what Maslow calls 'self-actualisation' - fundamentally the synthesis of 'worth', 'contribution' and perceived 'value' of the individual in society.

#### **Advantages**

- Managers should consider the needs and aspirations of individual staff.

#### **Disadvantages**

- The broad assumptions in 2 above have been disproved by exceptions e.g. hungry, ill artist working in combination.

Whilst this research provides a basic framework, life is complex.

### **McGregor (Theory X and Theory Y)**

Managers were perceived by McGregor, whose theories are still often quoted, to make two noticeably different sets of broad assumptions about their employees.

<b>Theory X</b> (essentially 'scientific' mgt)	<b>Theory Y</b>
Lazy	Like working
Avoid responsibility	Accept/seek responsibility
Therefore need control/coercion	Need space to develop imagination/ingenuity
Schein type: 'rational economic man'	Schein type: 'self-actualising man'

#### **Advantages**

- Identifies two main types of individual for managers to consider how to motivate.

#### **Disadvantages**

- Only presents two extremes of managerial behaviour.

### **Herzberg's theory**

Herzberg showed that satisfaction at work came from different factors to dissatisfaction. Dissatisfaction was not simply the opposite of the factors which caused satisfaction.

200 engineers and accountants were asked to recall the times/occasions when they experienced satisfactory and unsatisfactory feeling about their jobs. Later this also involved

manual and clerical staff similar results were found. Herzberg showed two categories of findings:

**Motivators - factors giving rise to satisfaction**

**Hygiene factors - factors giving rise to dissatisfaction**

Important Motivators	Important Hygiene Factors
Achievement	Company policy and recognition
Recognition	Supervision - the technical aspects
Work itself	Salary
Responsibility	Interpersonal relations - supervision
Advancement	Working conditions

**Other features include:**

Motivators	Hygiene Factors
Related to content of work	Related to context/environment of work
Promote satisfaction	Only prevent dissatisfaction

### **Advantages**

- Herzberg's work led to a practical way to improve motivation, which had, up to that point, been dominated by Taylorism (salary, wages). In particular 'job enrichment' programmes mushroomed. The aim of these was to design work and work structures to contain the optimum number of motivators.
- This approach counters the years of Taylorism, which sought to break down work into its simplest components and to remove responsibility from individuals for planning and control.

### **Disadvantages**

- There remain doubts about Herzberg's factors applicability to non-professional groups, despite the fact that some of his later studies involved the clerical and manual groups. The numbers in these categories though were small, and researchers still argue about the applicability of the manual and clerical group.
- Social scientists argue about the validity of his definition of 'job satisfaction'.

### Likert

Described 'new patterns of management' based on the *behaviours* of managers.  
Four main patterns:

1. Exploitative - authoritative where power and direction come from the top down', where threats and punishment are employed, where communication is poor and teamwork is minimal. Productivity is typically mediocre.	'Rational economic man'
2. Benevolent - authoritative is similar to the above but allows some upward opportunities for consultation and some delegation. Rewards may be available as well as threats. Productivity is typically fair to good but at cost of considerable absenteeism and staff turnover.	Weaker version of 'rational - economic man'
3. Consultative - where goals are set or orders issued after discussion with subordinates, where communication is upwards and downwards and where teamwork is encouraged, at least partially. Some involvement of employees as a motivator.	'Social man'
4. Participative - this is reckoned by many to be the ideal system. Under this system, the keynote is participation, leading to commitment to the organisation's goals in a fully co-operative way. Communication is both upwards, downwards and lateral. Motivation is obtained by a variety of means. Productivity is excellent and absenteeism and turnover are low.	Self - actualising man (see also McGregor: theory Y)

### Advantages

Essentially Likert's work gives more alternatives in the spectrum between [Theory X and Theory Y of McGregor](#)

### Disadvantage

- criticised for being based more on theory than empirical practice. Therefore not widely accepted by practising managers.

### Argyris

Studied the needs of people and the needs of organisation. He felt that classical models of organisation promoted 'immaturity' (see below). He felt that it was important to understand the needs of people and integrate them with needs of organisation. Only in this way, he said, can employees become co-operative rather than defensive or aggressive

### Characteristics of Employee

#### Immaturity

#### Maturity

Passivity -----	Activity
Dependence-----	Relative independence
Behave in a few ways-----	Behave in many ways
Erratic, shallow interests-----	Deeper interests
Short time perspective-----	Long time perspective

Subordinate position-----	Equal or superior position
Lack of awareness of self-----	Awareness and self control

### Advantages

- Argyris is moving here towards a 'contingency approach' i.e. remedy depends on diagnosing problems first
- He presents a spectrum rather than bipolar patterns of employees behaviour could be expected from immaturity to maturity. Certain behaviours of employees may be preferred.

### Disadvantages

- Still too centred around 'self-actualising man'. Viewed not to be applicable to production lines with manual workers, workers in sterile supplies, people manning phone helplines etc whose needs are perceived to be typically lower in Maslow's hierarchy of needs.

## System Theories

**Attention began to focus on organisations as 'systems' with a number of inter-related sub-systems. The 'systems approach' attempted to synthesise the classical approaches ( organisations without people') with the later human relations approaches that focused on the psychological and social aspects, emphasised human needs - almost 'people without organisations'.**

Systems theory focuses on *complexity* and interdependence of relationships. A system is composed of regularly interacting or interdependent groups of activities/parts that form the emergent whole.

**Part of systems theory, system dynamics is a method for understanding the dynamic behaviour of complex systems. The basis of the method is the recognition that the structure of any system -- the many circular, interlocking, sometimes time-delayed relationships among its components -- is often just as important in determining its behaviour as the individual components themselves.**

**Early systems theorists aimed at finding a general systems theory that could explain all systems in all fields of science. The term goes back to Bertalanffy's (1951) basic work 'General Systems Theory'. Sociologists like Niklas Luhmann (1994) also worked towards a general systems theory. As of today, whilst no systems theory can live up to this claim, there are general system principles which are found in all systems. For example, every system is an interaction of elements manifesting as a whole. Miller and Rice (1967) likened the commercial and industrial organisation to biological organisms.**

Systems theories took much more of an holistic view of organisations, focusing on the *total* work organisation and the inter-relationships between structures and human behaviours producing a wide range of variables within organisations. They help us understand the interactions between individuals, groups, organisations, communities, larger social systems, and their environments and help us enhance our understanding of how human behaviour operates in a *context*.

A system is a *part*, and it is a *whole*, at the same time.

An example of this in the Modern NHS is care pathways for patients which will often require a range of health disciplines to work together and will often also include professionals from the local authority.

### **System Theory Key Terms:**

**Boundary** - an imaginary line around system of focus. Regulates flow of energy (e.g. information, resources) into and out of the system.

**Focal system** - the system on which you are concentrating at any given time (e.g.: a manufacturing plant or a family).

**Subsystem** - a part of the focal system (e.g., in a family, it may be children or parents) sometimes referred to as 'sibling subsystem' and 'parental subsystem').

**Suprasystem** - is external to focal system; it is its environment. May include place of employment, school, neighbourhood, church, social service system.

**Open system** - Relatively open systems have a freer exchange of information and resources within the system and also allow relatively free passage of energy from and to the outside of the system.

**Closed system** - is more self-contained and isolated from their environment.

The business organisation is an Open System: there is continual interaction with the broader external environment of which it forms a part. The systems approach considers the organisation within its total environment and emphasises the importance of 'multiple channels of interaction'. Thus the systems approach views organisations as a whole and involves the study of the organisation in terms of the relationship between technical and social variables with the systems. Thus changes in one part, technical or social, will affect other parts and therefore the whole system.

It was [Trist](#) (1963) and others at the Tavistock Institute of Human relations who focused in on socio-technical systems arising from their study of the effects of changing technology in the coal-mining industries in the 1940s.

The following Timeline gives perspective to the development of Systems Theory:

- 1950 General Systems Theory (founded by Ludwig von Bertalanffy)
- 1960 cybernetics (W. Ross Ashby, Norbert Wiener) Mathematical theory of the communication and control of systems through regulatory feedback. Closely related: "*control theory*"
- 1970 catastrophe theory (René Thom, E.C. Zeeman) Branch of mathematics that deals with bifurcations in dynamical systems, classifies phenomena characterised by sudden shifts in behavior arising from small changes in circumstances.
- 1980 chaos theory (David Ruelle, Edward Lorenz, Mitchell Feigenbaum, Steve Smale, James A. Yorke) Mathematical theory of nonlinear dynamical systems that describes bifurcations, strange attractors, and chaotic motions.
- 1990 complex adaptive systems (CAS) (John H. Holland, Murray Gell-Mann, Harold Morowitz, W. Brian Arthur). The "new" science of complexity which describes emergence, adaptation and self-organisation, all of which are basic system principles, was established mainly by researchers of the Santa Fe Institute (SFI). It is based on agents and computer simulations and includes multi-agent systems (MAS) which have become an important tool to study social and complex systems. CAS are still an active field of research.

## Tavistock Institute of Human Relations

- organisation is an 'open system' with environment
- organisations are complex systems of people, task, technology
- technological environmental factors are just as important as social/psychological

## Contingency Theories

From the late 1950s, a new approach to organisation theory was developed which became known as **contingency theory**. This theory argues that there is no 'one best way' to structure an organisation. An organisation will face a range of choices when determining how it should be structured, how it should be organised, how it should be managed. Successful organisations adopt structures that are an appropriate response to a number of variables, or contingencies, which influence both the needs of the organisation and how it works.

- these theories take a comprehensive view of people in organisations
- they recommend a diagnosis of people/ task/ technology/environment – then suggest the development of appropriate solutions

Contingency theorists including Pugh, Burns and Stalker and Laurence and Lorsch have found that three contingencies are particularly important in influencing an organisation's structure. These are:

- its size
- the technology it uses
- its operating environment.

There are two significant implications of contingency theory:

- if there is no 'one best way', then even apparently quite similar organisations, for example, two nearby colleges, may choose significantly different structures and still survive and be reasonably successful in achieving their missions
- if different parts of the same organisation are influenced in different ways by the contingencies bearing upon them, then it may be appropriate for them to be structured differently, for example, one university department may have a functional structure, whilst another may have a matrix structure

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