



Evolution of Management Thought

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EVOLUTION OF MANAGEMENT THOUGHT

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graph TD; A[EVOLUTION OF MANAGEMENT THOUGHT] --> B[PRE-SCIENTIFIC MANAGEMENT PERIOD]; A --> C[CLASSICAL THEORY]; A --> D[NEO-CLASSICAL THEORY]; A --> E[MODERN THEORY];
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PRE-SCIENTIFIC MANAGEMENT PERIOD

Contributions made by

- Roman Catholic Church
- Military Organizations
- Writers like Charles Babbage, James Watt etc.

CLASSICAL THEORY

- Scientific Management
- Administrative Management Theory
- Bureaucratic Model

NEO-CLASSICAL THEORY

- Hawthorne
- Experiment

MODERN THEORY

- Systems Approach
- Contingency Approach

Evolution of Management Thoughts-

Classical Theory

- Scientific Management
- Administrative Theory
- Bureaucratic Model

Neo- Classical Theory

- Human Relations Movement
- Behavioral

Modern Approach

- System Approach
- Contingency Approach

A. Classical Approach-

- ❑ This approach arose because of need of increase productivity and efficiency.
- ❑ Emphasis was on trying to find out the best way to get most work done by examining how the work process was actually accomplished.
- ❑ F.W.Taylor and Henry Fayol are generally founder of classical approach.
- ❑ Focused on Job Content, division of labour, standardization, simplification and specialization.

1. Scientific Management Thought-

- It introduced by F.W.TAYLOR (Fredrick Winslow Taylor) in U.S.A 1856-1915.(Founder of Scientific Management)
- He tried to diagnose the causes of low efficiency in industry and came to conclusion that much wastage and inefficiency due to lack of order and system in methods.
- Emphasis of improving worker efficiency.
- Suggest a scientific approach in work for achieving higher efficiency.
- People motivated by money.

Principle of Scientific Management-

1. Science not rule of thumb
2. Harmony , not discord
3. co-operation, not individualism
4. Maximum Output in place of Restricted output
5. scientific selection, training and Development

Contribution of Scientific Theory-

- ❑ Emphasis on Rational thinking
- ❑ Focus on systematic and research study
- ❑ Emphasis on planning and control of production
- ❑ Development of incentive plan and wages payment study

2. Administrative Management school theory

- ❑ It introduced by Henry fayol in 1841-1925.
- ❑ Emphasis on Total organization.
- ❑ Emphasis on development of managerial principles.
- ❑ based on departmentalization.



Fayol contribution-1.Division of Industrial activities

1. Technical activities

2. Commercial activities

3. Financial activities

4. Accounting activities

5. Managerial activities

6. Security



Fayol contribution-2.Function of management

“ POCCC”

P-PLANNING

O-ORGANISING

C-COMMANDING

C-CO-ORDINATING

C-CONTROLLING

Fayol contribution-3. Principle of Management

“A DISCUSS OUR DUE”

1. Authority and Responsibility- A
2. Division of work- D
3. Initiative-I
4. Subordination of individual interest to general interest-S
5. Centralization-C
6. Unity of command- U
7. Scalar chain - S
8. Stability of tenure -S

Fayol contribution-3.Principle of Management

“A DISCUSS OUR DUE”

- 9. Order- O
- 10. Unity of command- U
- 11. Remuneration – R
- 12. Discipline-D
- 13. Unity- Espirit the Corp- U
- 14. Equity- E

Difference between Taylor and Fayol Contribution-

Basis	Fayol contribution (father of modern management)	Taylor contribution (father of scientific management)
Place	France	America
Period	1841-1925	1856-1915
level	Higher management level	Shop floor level
scope	Wider	Narrow
orientation	Managerial functions	Production and factory
Based	Efficiency of manager	Scientific observation

3. Bureaucratic Management Theory

It was given by Max Weber 1864-1920 in German.

Max Weber define organization must have a defined hierarchical structure and clear rules , regulation and line of authority.

Based on two element-

1. Hierarchy should be follow
2. clear rules , regulation and rational legal decision making.

Contribution of Bureaucratic Theory- 1. Powers-

Traditional Power- Based on Tradition

Charismatic Power- Based on Traits

Rational Legal Power -Bureaucratic Power

Contribution of Bureaucratic Theory- 2. Principles

1. Task Specification
2. Hierarchical authority
3. Formal Selection
4. Rules based Management
5. Impersonal
6. career orientation

Criticism-

1. Too much emphasis on rules and regulations.
2. Informal group does not receive any importance
3. Involve a lot of paperwork
4. Unnecessary delay in decision making due to rules and regulations
5. Avoid employee commitment and dedication
6. Controlling and communicating difficult

B. Neo Classical Theory-

It is an extended version of classical theory.

In Neo classical theory behavioral science get include the management.

It is also called Behavioral theory.

1. Human Relation Theory-

It was given by Elton Mayo, father of Human relation approach, in 1880-1949.

Human Relation is following a series of Experiments known as 'Hawthorne studies'.

Elton Mayo focused on exploring link between employee satisfaction and workplace productivity.

Contributions- Hawthorne Experiments(1924-32)

1. Illumination Experiment (1924-27)- Relationship between intensity of illumination and productivity.
2. Relay Assembly Test (1927-29)- he did some changes-
 1. Pay incentive
 2. Rest Interval
 3. 10 min break with Breakfast
 4. Change in Working hours
3. Mass interviewing Programme (1928-1930)- direct and indirect
4. Bank Wiring Observation (1932)- dependency work

Hawthorne effect – YouTube

Results of Experiments-

- ❑ Informal group are important
- ❑ Worker is a social man rather than rational man.
- ❑ Man motivated by recognition , respect, growth etc.
- ❑ Work is performed as group activity not by individual.
- ❑ social and psychological factor influence by employee behavior and productivity.

2. Human behavior Theory (Behavioral theory)

- ❑ It is also known as behavioral theory.
- ❑ It observed that there is direct relationship between satisfaction and productions.
- ❑ It is an improved version of Human relation theory.
- ❑ It gives value of attitude , behavior and performance of people and group.
- ❑ It is given by majority of sociologist and psychologist like Abraham Maslow, Munsterberg, Likert, Mcgregor and Marry parker Follet.

Contributions-

Given three Element of Behavioral-

1. Individual
2. Work Group
3. Participative Management

Differences of Neo classical and Classical Theory-

s.No	Classical Theory	Neo Classical Theory
1	Structure of organization are impersonal .	Organization is a social system.
2	Emphasis on order and rationality	Based on personal, social requirement and security
3	Main focus on work and economic requirement of workers	Main focus on small groups and emotions and skills of workers
4	Concern about rules and regulations	Concern about feelings, behavior, sentiments
5	Less involvement of Worker	Worker participation

C. Modern Approach

- ❑ The modern approach to management was developed around the year 1950.
- ❑ This approach is an improvement upon both the classical and neo-classical approach to management.
- ❑ Present management thinking wishes equal emphasis on man and machine.

1. System Approach

System: “a purposeful collection of people, objects and procedures for operating within an environment to achieve a pre-determined objective”

System Comprises of :

- Input
- Conversion process
- Feedback System
- Goals and Plans

2. Contingency Approach

- ❑ The contingency approach to management emerged from the real life experience of managers who found that no single approach worked consistently in every situation.
- ❑ Contingency approach advocates that managerial actions and organizational design must be appropriate to the given situation and a particular action is valid only under certain conditions.
- ❑ There is no one best approach to management and it all depends on the situation.