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# APPROACHES TO ORGANIZATION

# AND MANAGEMENT

# Introduction

- Organisational behaviour is a broad subject and a lot has been written about it by academic researchers.

- The study of organisations and management touches on broader subject areas.

- It involves a comparative study of different **approaches of management** to the benefits of business managers and society.

# Theory of Management

- Core of the study of organisations and management is to develop "**management thinking**" known as management theory.
- Application of theory to corporate management brings about change in actual corporate behaviour.
- This helps to influence management attitudes towards prudent management practice and the corporate goal of growth.

# Benefits of the
# Study of Management Theory

- Development of management thinking helps in the **appreciation of principles of management**.
- Helps to understand the nature of management and organisational behaviour.
- Helps to appreciate **critical changes** in the organisational and wider business environment.
- Etc

## Implications

- Major developments in the field of management and organisational behaviour has led to the **concentration on critical topics** such as motivation, groups, leadership, structure, and organisation development (Mullins 1979).

# Major Approaches to Organ. Structure and Management

- Classical – including scientific management and bureaucracy
- Human relations – including neo-human relations
- Systems
- Contingency

Other 'approaches' or ideas, including:
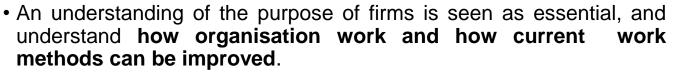
- Decision-making
- Social action
- Postmodernism

## Classical Approach

- Emphasis on the **planning of work,** technical requirements of the organisation, principles of management, and the assumption of rational and logical behaviour.

- The **analysis of organisation** is associated with work carried by early management authorities of the last century, namely as Taylor, Fayol, Urwick, Mooney and Reiley, Brech etc.

# Classical Approach

- An understanding of the purpose of firms is seen as essential, and understand **how organisation work and how current work methods can be improved**.
- Attention is focus on division of work, clear **task definition and responsibilities**.
- Maintaining specialisation and work co-ordination.
- Place emphasis is on **hierarchy of management** thereby creating formal organisational relationships.
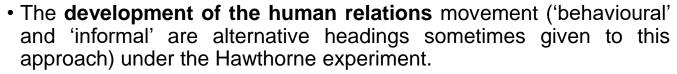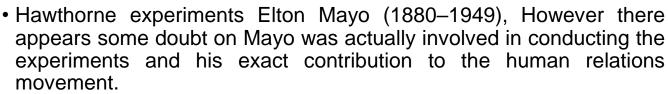
# *Mooney and Reiley's* Principles of Organisations

- Principle of co-ordination – the need for people to act together with unity of action.
- Exercise of authority and the need for discipline.
- The scalar principle – the hierarchy of organisation.
- Grading of duties and the process of delegation.
- Functional principle – specialisation and the distinction between different kinds of duties.

# The Human Relations Approach

- The **development of the human relations** movement ('behavioural' and 'informal' are alternative headings sometimes given to this approach) under the Hawthorne experiment.

- Hawthorne experiments Elton Mayo (1880–1949), However there appears some doubt on Mayo was actually involved in conducting the experiments and his exact contribution to the human relations movement.

# Importance of the Hawthorne experiments

- Interpretation of the results of the Hawthorne experiments:
- Work groups and leadership
- Communication
- Output restrictions
- Motivation and
- Job design

# Neo-Human Relations Approach

- A major impetus for the neo-human relations approach developed by *Maslow* in 1943, put forward a theoretical framework of individual personality **development and motivation** based on a hierarchy of human needs.

# Systems Theory

- This principle holds the view that, organizations are made up of **units and inputs**. It is these inputs and units that when put together, results in outputs as desired.

- Attention is focused on **the total work of the organisation and the interrelationships of structure, behaviour, and the range of variables within the organisation.**

# The business as an Open System

- The business organisation is an open system since there are **continual interaction with the broader external environment** of which it is part.
- The systems approach views the organisation within its **total environment and emphasises the importance of multiple channels of interaction.**

# Elements of the Org. System

- Technical sub system – factory machinery, plants, computers and other equipment.
- Psycho social sub system – the people element of the organization.
- Structural sub system- the organizational chart, grouping of task.
- Goals and value sub system  - organizational goals and objectives.
- Managerial sub system – style of control, co-ordination by management.

## Criticism

- Criticisms of earlier approaches to organisation are based in part on the attempt to study the activities and challenges related to organisations solely in terms of the internal environment.

# The Contingency Approach

- The contingency approach, which can be seen as **an extension of the systems approach**, highlights possible means of **differentiating among alternative forms of organisation structures and systems of management.**

- There is no one **optimum state** in business.

## The Contingency Approach

- Appropriate **structure and system of management** is dependent upon the contingencies of the situation for each particular organisation.

- The contingency approach implies that organisation's theory should not seek to suggest one best way/structure to manage organisations but should **provide insights into situational and contextual factors which influence management decisions**.
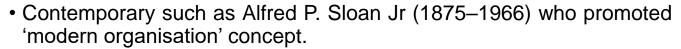
## Other Approaches to the Study Of Organisations

- The systems approach involves the isolation of those functions most directly concerned with the achievement of objectives and the identification of main **decision areas** or sub-systems.

- Recognition of the need for decision-making and the attainment of goals.

- A sub-division of the systems approach, or a separate category- **decision-making (decision theory) approach**

## Social Action

- **Social action** represents contribution from sociologists to the study of organisations.
- Social action attempt to view an organisation from the standpoint of individual members (actors) who have their **own goals and interpretation of their work situation in terms of the satisfaction sought and the meaning of work has for them.**

# Post modernism

- Contemporary such as Alfred P. Sloan Jr (1875–1966) who promoted 'modern organisation' concept.

- **Based on information and technological age demands that organisations and management be managed with modernity**.

- In the 1990s, *Clegg* described the postmodern organisation in terms of the influence of **technological determinism, structural flexibility, premised on niches**.

- **Multi-skilled jobs** marked by a lack of demarcation, and **more complex employment relationships including subcontracting and networking.**

**Post Modernism**

- Postmodernism rejects a rational systems approach to understanding of organisations and management and to **accepted explanations of society and behaviour but base business innovations.**

- **It is highly flexible, free-flowing with fluid structures and the ability to change quickly to meet present demands of new organisations.**