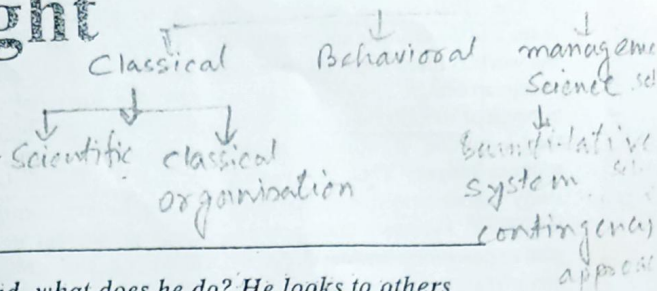


# An Overview of Management Thought



In a situation where one doesn't have a way around, what does he do? He looks to others for the right way to do. One always looks at a problem from many ways and this process has led to the growth of the management system. Many schools of thought have successively contributed to enhance a manager's understanding of problem-solving but no panacea has still been found which could be applied to all situations that confront managers. The author feels that the managers would have to depend on the process to deal with a problem-situation each time in the absence of a universal code.

It is very interesting to study the origin and evolution of theories. The management theory is no exception. It becomes interesting because the complexities of an organisation always demand recourse to a sound theory for effective functioning. Intuitions also find limited use in such situations. Further there are many ways of looking into the organisation problems. One may be more useful for problem-solving than others. Familiarity with such theories therefore becomes essential.

There are basically three ancient well established schools of thought—(1) the classical school, (2) the behavioural school and (3) the management science school. The classical school has branched off to (a) Scientific management and (b) the classical organisation theory. These schools have an historical sequence with no replacement of ideas. Apart from these schools, two recent approaches have integrated with the earlier theories and are known as "The system approach" and "The contingency approach".

## Classical School—Scientific Management

It all started in early 1800, when managers had no previous exposure but were required to set production goals. Robert Owen, a manager of several textiles mills made a bold beginning. He thought that he should consider his role as a reformer. To

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start with he advocated improvement of working conditions, which he claimed would increase production and profits. He managed to bring down the working hours to 10-1/2 per day and argued against the practice of child labour.

A true beginning of scientific management was made possible from the time of Frederic W. Taylor by his production line time study approach. Ignoring the traditional work methods, Taylor analyzed and timed

every movement of the workers on a job. With this it was possible to get at the quickest and the best method for each operation. The task sequence got improved. To make it effective, Taylor had to prompt the employers to pay productive workers, to a higher rate than others. Productivity increased, no doubt, but workers and unions began to oppose. They had immense fear of losing their jobs, in case Taylor's method was fully adopted. To explain his ideas and remove apprehensions, he outlined them in his book titled 'The Principles of Scientific Management'. The four basic principles of his philosophy are given below:

- The development of true science of management - the best method of performing each task could be determined.
- The scientific selection of the workers, so that each worker would have the responsibility of performing a task for which he is best suited.
- Scientific education and development of the worker.
- Co-operation between management and labour.

It was Henry L. Gantt (1861-1919), a colleague of Taylor who went still further and charted a system for



production of scheduling. This is labelled as 'Gantt Chart' and is in use even today. Gantt also did a rethinking of the incentive system proposed by Taylor.

The Gilbreths—a husband-wife team, had the ultimate aim of helping the workers reach their full potential as human beings. They advanced the concept of 'motion study' and argued that a motion eliminated, always reduces fatigue. Thus the 'motion study' was advocated as an 'efficiency technique'. Further a three position plan to promotion was developed by them. Here a worker would always be a doer of his present job, a learner of the next higher one and a teacher to his successor.

These contributions helped the development of a reasonable approach to solve organisational problems imparting a professional outlook. But workers began to question these practices. Professionals started attributing this tendency to overlooking the human desire for job satisfaction. As time passed, these theories formulated without taking the social need into consideration, were branded inappropriate.

### Classical Organisation Theory

This was the point of time when the need to have a framework to manage much complicated problems in factories was felt and led to the modification of the earlier theories. A systematized management behaviour was proposed by Henry Fayol (1841-1925). He was acknowledged as the founder of the classical management school. It was in his time that a business got divided into six activities viz., (a) technical, (b) commercial, (c) financial, (d) security, (e) accounting and (f) management. Managerial function was of prime concern to Fayol and he divided this activity into five segments — planning, organizing, commanding, co-ordinating and controlling. This management pattern remains important even to this day.

Fayol chose the term "Principles of management" to avoid the idea of rigidity. His principles are flexible and can be adopted to meet each of the needs given below:

- 1) Division of labour
- 2) Authority
- 3) Discipline
- 4) Unity of command
- 5) Unity of Direction
- 6) Interest for common good
- 7) Remuneration
- 8) Centralisation
- 9) Hierarchy
- 10) Order
- 11) Equity
- 12) Initiative
- 13) Stability of staff
- 14) Esprit decorps

No further contributions were made to this theory. It was looked down on the grounds that the knowledge available to the theorists were meagre. It is true that the conditions which prevailed then caused limitations. It is argued that the turbulent conditions encountered now make the guidelines available in these theories inadequate and inappropriate. Nevertheless much of this theory has survived and certain identifiable principles continue to have validity.

The first school of thought in

*The classical school of thought in management has contributed to the manager's understanding of problem-solving reasonably well. At least it gave an insight to the ability to manage.*

management has contributed to the manager's understanding of problem solving reasonably well. It has given an insight to the ability to manage.

The classical approach did not achieve production efficiency totally. The shop floor harmony had not surfaced. Difficulties and frustrations were encountered since predicted pattern of behaviour was not evident. This situation resulted in the birth of industrial psychology and the growth of other schools of thought.

### Behavioural School

An interest developed in strengthening the theories of classical school through a study of sociology,

psychology and to deal with the peoples' side of the industry. Hugo Munsterberg (1863-1916) proposed three ways to increasing productivity—through (i) the best possible person, (ii) creating the best possible work and (iii) the best possible effect. The modern vocational guidance technique is said to be an off-shoot of Munsterberg studies.

It was Elton Mayo (1880-1949) and his associates at Harvard who carried out studies of human behaviour in work situations at the Hawthorn plant of western electric company. These studies led to an important discovery that special attention causes people to increase their efforts. This phenomenon was named as the "Hawthorne effect". It can also be interpreted that Mayo had rediscovered Robert Owen's century old theory that concern for workers pays dividends.

The impressive contribution of behavioural science to management has also been deemed as inadequate by behavioural scientists themselves, since, as they say, the human behaviour is very complex in nature.

### The Management Science School

#### The Quantitative School

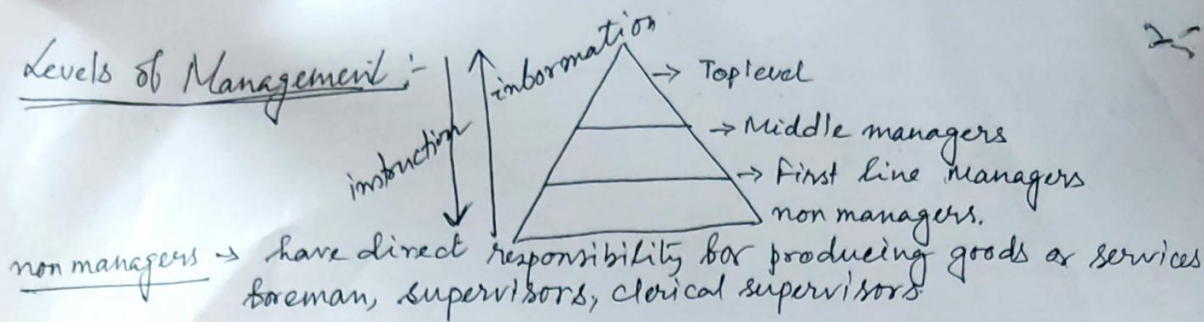
The complex problems of warfare at the beginning of world war-II resulted in the formation of first operational research (OR) team in Great Britain. It had mathematicians, physicists and scientists to solve the problems. Britishers immensely got benefited by pooling the expertise and this made Americans to adapt the model when they entered the war. After the war ended the OR was applied to industries. OR procedures then got formalized and are now called the 'management science school'. A mixed team of experts from different disciplines are required to analyse a problem and propose a course of action to the management.

In spite of its success in many problem areas, the management science has not been able to reach a stage where it could deal with the

→ common spirit



## Levels of Management :-

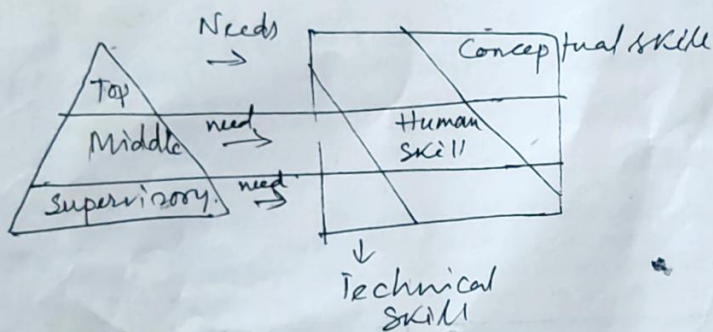


Middle management →

- i) Co-ordinate employee activities.
- ii) Determine which goods or services to provide
- iii) Decide how to market goods or services to customers

## Top managers

→ Provide the overall direction of an organization  
Chief executive officers, president, Vice president



Functions of Management :- Planning, Organising, Leading, Controlling,  
commanding, co-ordinating, Staffing,

## Basic principles of Management :-

- (a) Setine Objectives
- (b) Accept Responsibility
- (c) Unit of functions
- (d) Utilize Specialization
- (e) Delegate Authority
- (f) Report one Supervisor.
- (g) Limit span of control
- (h) Centralize or decentralize managerial authority.



human aspects of the organisation. Many management scientists feel that the contribution is greatest in planning and control activities but it is still modest in the areas of staffing and leading the organisation.

The three established schools of management thought—classical, behavioural and qualitative—did well to enable managers to have an understanding of the organisation they serve. Problems were to be viewed in a different perspective. It was also noticed that each theory was not adequate by itself, and an overlapping in certain areas of organisational function were noticed in each. It also appeared that multiplicity of theories was beneficial for management. This situation resulted in the coming up of two more new systems - (i) general systems approach and (ii) the contingency theory.

### ✓ Systems Approach

The general systems approach makes the manager view the organisation as composed of inter-related parts. The theory tells the manager that the

*Many management scientists feel that in planning and control activities the contribution of management science is great but it is modest still in the areas of staffing and leading the organisation.*

activity of any one part of the organisation has a bearing on the other part. The organisation in turn gets viewed as a whole. A system-oriented production manager will schedule production after identifying the impact on other departments and on organisation. This necessitates frequent communication with employees of other departments.)

The key approach which the managers ought to be familiar with is given in the box.

The systems theory gives a framework within which managers can

- |                         |   |
|-------------------------|---|
| a) Sub Systems          | : The parts consolidated to make a whole of a system are called 'subsystems'. It is likely that each of the system can in turn be a subsystem of a larger whole.  |
| b) Synergy              | : This means that the whole is greater than the sum of its parts. Interaction and co-operation between different departments of an organisation is more productive than each department acting in isolation.                      |
| c) Open & closed System | : An interaction with the environment categorises the system as open. Otherwise it is to be deemed as a closed system.  |
| d) System boundary      | : A boundary separates the system from its environment. The open system has a flexible boundary while the boundary is rigid in closed systems. In recent times flexibility in boundary conditions is what is noticed prominently. |
| e) Flow                 | : Information, material and energy flow into a system as 'inputs' which get 'transferred' within the system to come out as 'output'.  |
| f) Feedback             | : Feed back is important to systems control. Information at different vital stages of progress should come back to the starting point for assessment and corrections if need arises.  |

plan their actions. The short and long term consequences can be anticipated by him. It gives an understanding to the managers of the unanticipated consequences that may develop. It is hoped that in the process of development this approach will absorb the concepts of the other three schools of management.

### ✓ Contingency Approach

Though the professionals were very anxious to apply the concepts of the three management schools of thought to the real life situations, there arose in certain cases some deviations from the anticipated outcome for which answers had to be sought. The contingency approach provided the logical answer—Results differ because the situations change. This resulted in making the manager responsible to find out which approach can work well in a particular situation and under a particular circumstance. The role must therefore be to know the complexity of the situation and also to identify what works best.

Critics of this approach argued that here all aspects of systems theory are not incorporated. It is considered that the approach itself has not developed enough to be termed as a theory. The critics further say that the advocated concept of flexibility was nothing new and that classical theorists were more vocal about this matter.

### Conclusion

From the sequential study we find that a "Universal Principle" which can be applied in any circumstance is not available to the managers. A breakthrough to such an extent is out of sight, at least now. Managers will be required to use their mind to select an appropriate perspective each time a problem situation is encountered. None of the five theories developed, have replaced ideas of the others, each one has its own standing and benefits. Eventually an integration of the theories of the well established schools of thought and the new approaches may find an answer.