

Introduction

The driving force behind this is the search for better ways for organizational resources.

Consists of planning, organising, staffing etc.

Adam Smith established the management thought in 1776.

Leadership management.

Introduction

Evolution of management began in the late 19th century after the industrial revolution.

Classic example is the construction of pyramids in Egypt [5000BC].

Development of systematic management in 20th century.

Example is the development of steam engine.

Evolution Of Management Thought

- **Classical Theory**
- **Neo classical Theory**
- **Modern Theory**



Definition of classical approach



- Classical approach is the oldest formal school of thought which began around 1900 and continued into the 1920s.
- Its mainly concerned with the increasing the efficiency of workers and organizations based on management practices, which were an outcome of careful observation.
- Classical approach mainly looks for the universal principles of operation in the striving for economic efficiency.
- Classical approach includes scientific. Administrative & bureaucratic management.

classical Theory

- **Scientific management**
- **Administrative management**
- **Bureaucratic management**



Scientific management

F.W Taylor's contribution (1856-1915)

- Scientific management focus on workers and machine relationship.
- Organizational productivity can be increased by increasing the efficiency of production processes.



General approach

Developed standard method for performing each job

Trained workers in standard method


Provided wage incentives to workers for increased output

Selected workers with appropriate abilities for each job

Supported workers by planning their work and eliminating interruptions



criticism



Did not appreciate the social context of work and higher needs of workers.

Did not acknowledge variance among individuals.

Tended to regard workers as uniformed and ignored their ideas for suggestions.

Contributions of Gilbreths

- Scientific management focuses on one best way to do job.
- Includes both analysis and sythesis.
- Includes necessary elements for work.
- Introduced chart form of representation.



Administrative management

Administrative management focuses on the managers and the use of principles and functions for improving organizational functioning. The administrative management school treated management as a process to get work done through and with people.

Henri Fayol, James D Mooney, Alan C Reilly are the pioneer contributors to the administrative management though.





Henri Fayol

Fayol's administrative management focuses on managers and basic management functional.

- Classification of business activities
- Basic functions of a managers
- Qualities and skills of a managers
- Principles of management

Classification of business activities

Fayol divided activities into following six groups

- Technical activities
- Commercial activities
- Financial activities
- Security activities
- Accounting activities
- Managerial activities



Basic functions of a manager

- Planning
- Organising
- Commanding
- Coordinating
- Controlling



Qualities and skills of a manager

- Physical quality
- Mental quality
- Moral education
- Special knowledge
- Experience

Basic principles of management

- Division of work
- Authority and responsibility
- Discipline
- Unity of command
- Unity of direction
- Remuneration
- Centralisation
- Scalar chain
- Order
- Equity
- Initiative



James D Mooney & Alan Reilly

- ✓ The coordinative principle
- ✓ The scalar principle
- ✓ The functional principle
- ✓ The phase or functionalism



Evolution

Let us evaluate administrative mgt approach in terms of it's strength and limitations from the view point of development mgt though



Theory of authority structures

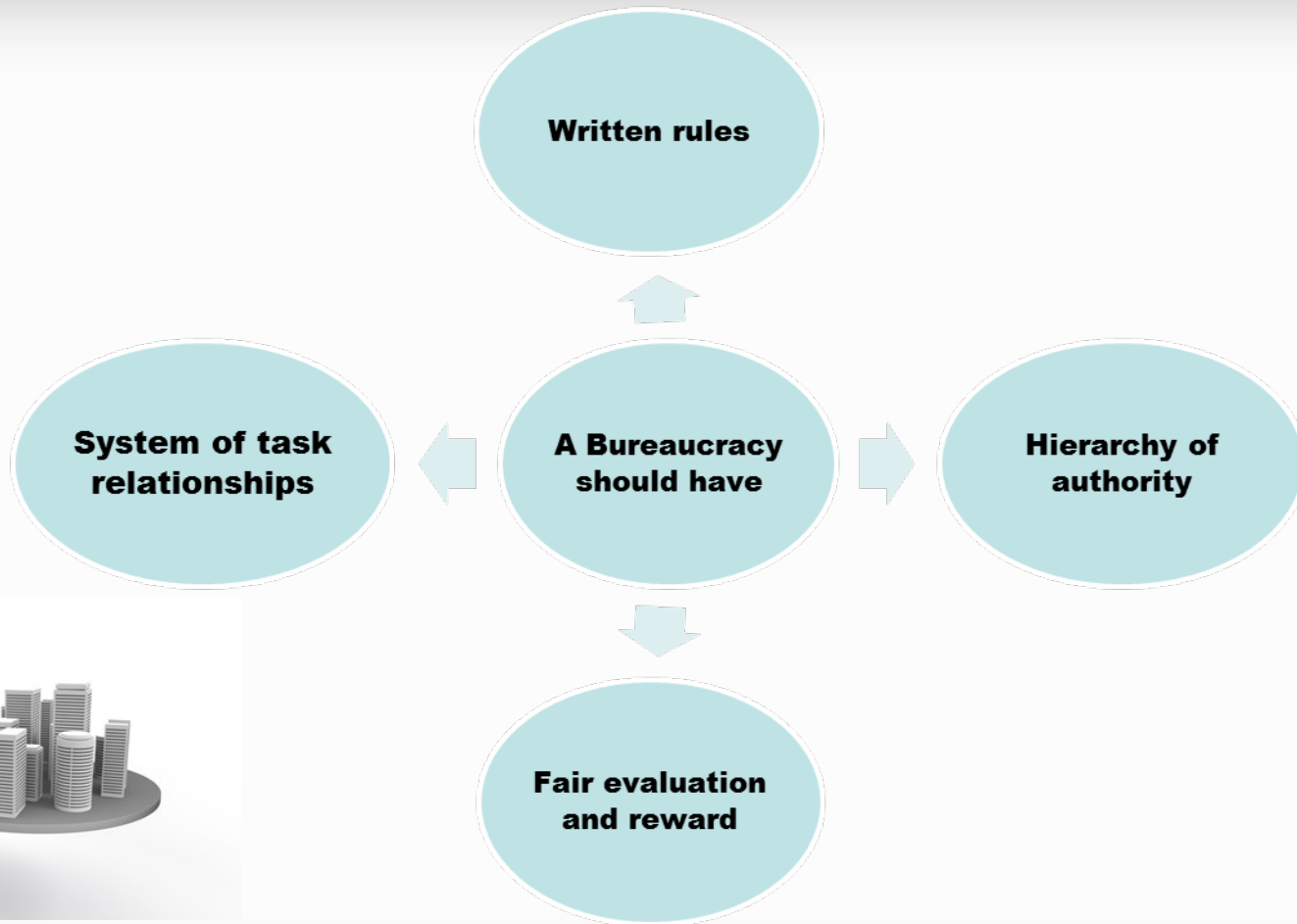
- Charismatic authority structure
- Traditional authority structure
- Rational legal authority structure

BUREAUCRATIC MANAGEMENT

- Max Weber [1864-1920].
- Rules and regulations to eliminate managerial inconsistencies.
- Authority is the power to hold people accountable for their actions.
- Positions in the firm should be held based on performance not social contacts.
- Position duties are clearly identified. People should know what is expected of them.
- Lines of authority should be clearly identified. Workers know who reports to who.



Bureaucratic Principles



Bureaucratic Principles

- Division of work
- Hierarchy of position
- Rules and regulations
- Impersonal conduct
- Staffing
- Technical competence
- Official records



Ranking organisations by Bureaucratic orientation

Low
Bureaucratic
structure

- Private business
- Voluntary organisation

Mid range
Bureaucratic
structure

- Joint sectors
- Statutory cooperation

High
Bureaucratic
structure

- Government departments
- Military departments



Contribution of classical management

- The identification of mgt functions such as planning, decision making, organising and controlling provide.
- The contributions of the classical school go beyond the important work and identifying mgt field and its functions and principles.

Limitations

The classical school of mgt thought heavily on the concept or economic man, which placed emphasis on an individuals related pursuit or economic objective. However the social needs or employees were neglected.



Neoclassical Theory

- Also known as “Behavioural science approach to modifying and improving the classical theory”.
- Neoclassical theory gives importance to human and social aspects of the worker and his relations in the organization.

Elements of Neoclassical theory

- ✓ Hawthorne Experiment
- ✓ Human Relations Management
- ✓ Behavioural science approach



Hawthorne Experiment

- Conducted by Elton Mayo at Hawthorne plant & general electronic company (GEC) between 1927 and 1932 at Chicago.
- Objective of the experiment was to find out the behaviour and attitude of workers at.

4 phases of Hawthorne Experiment

- Illumination Experiment (1924-1927)
- Relay assembly room experiment (1924-1928)
- Mass interviewing programme (1928-1930)
- Bank wiring room study (1931-1932)



Critiesms of Hawthorne experiment

- Lack validity
- More importance to human aspects
- Emphasising on group decision making
- It was not concluded scientifically
- Over importance to freedom of workers



Human Relation Movement

Human relation is involving people in org in order to develop team work which effectively fulfils their needs and achieve org goals.

Features are :

- ✓ Positive work environment
- ✓ Focus in on people
- ✓ Sound human relations



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- A black and white portrait of a middle-aged man with receding hair, wearing glasses, a dark suit, a white shirt, and a patterned tie. He is looking slightly to the right of the camera with a gentle smile. The background is a plain, light-colored wall.



Modern Theory

Modern management has grown with the growth of social-economics and scientific institution.

- ✓ Quantitative management approach
- ✓ Systematic approach
- ✓ Contingency management approach



Quantitative Approach

- Quantitative approach also called Operation Research
- Scientific Method
- Decision Making

Major contributors in Quantitative approach are : Johan MacDonald,
George R Terry, Andrew Szilagyi.



Systematic approach

- ✓ The system approach to management is essentially a way of thinking about organizations and management problems
- ✓ From the system perspective management should focus on efficiency and effectiveness in each part of the organization affect other parts of the organization



Advantages

- Good basis of control.
- Develops coordination on specialized activities.
- Efficient plan of action.
- It concentrates on end results rather than means.

Disadvantages

- Abstract approach.
- Lack of universality.



Contingency or situational approach

- There cannot be a particular management action which will be suitable for all situations.
- The only action is designed on the basis of external environment, internal states and needs.



Advantages

- Enables management to change employee roles to meet individual needs.
- Reactive model of business management.

Disadvantages

- Inadequate literature.
- Complex.
- Difficult empirical testing.
- Reactive not proactive.



Recent Developments in Management Thought

- **Total quality management (TQM)**
- **Search for excellence**



Search for Excellence

- A bias for action
- Closeness to the customer
- Autonomy and entrepreneurship
- Productivity through people
- Hands on, value drive
- Stick to knitting
- Simple form, learn staff
- Simultaneous loose-tight properties
- Leadership-Management by Wandering Around



Let us sum up

The industrial revolution provided the impetus for developing various management theories and principles.

The classical management approach had three major branches :Scientific, Bureaucratic, Administrative.

The behavioural approach emerged primarily as an outcome of the Hawthorne studies.

Contingency theory, managerial action depends upon the particular parameters of a given situation.

[illegible]