



# MANAGEMENT PRINCIPLES AND PRACTICE (MPPR 210) UNIT B: MANAGEMENT THEORIES

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# Outline

## Theories of Management

### 1. CLASSICAL THEORY

- a. Scientific Management
- b. Administrative Management
- c. Bureaucratic Management

# THEORIES OF MANAGEMENT

- Over the years, literature has been changing regarding the appropriate or best approach to management.
- Some writers have argued that a particular method is necessary to bring out the best in employees and achieve organisational goals while others have posited that a combination of these approaches might be more suitable in management quest of productivity and excellence.
- Management theory is there to provide the basis for management practice, and the practice in turn helps to reinforce the development of management theory.

# THEORIES OF MANAGEMENT

- Management practice therefore involves the translation of existing management knowledge and theories into action that will result in the achievement of existing management knowledge and theories into action.
- These will inturn result in the achievement of the dual goals of organisational efficiency and effectiveness.
- Management practitioners and profesionales are in management practice and their practice provides the opportunity for reviewing existing management theories and even develop new ones.
- Management theory is therefore related to management practice and its benefits as practice of management is farther developed with the theories.

# THEORIES OF MANAGEMENT

There are three theories of management namely

- a. Classical Theory – comprises Scientific Management, Administrative Management and Bureaucratic Management
- b. Neoclassical Theory – comprises Hawthorne experiment, Human relation movement and Organisational Behaviour
- c. Modern management Theory – comprises Quantitative theory, Systems Theory and Contingency Theory

# 1. Classical theory

- This is a traditional theory – emphasis is on the organisation rather than the employees.
- Here, the organisation is considered a machine, and the human beings as different components /parts of that machine.
- It included scientific administration and bureaucratic management.
- The belief is that employees have only economical and physical needs and that the social needs and need for job satisfaction either does not exist or are unimportant.
- Advocates high specialisation of labour, centralised decision making and profit maximisation.
- The basic assumption is that people are rational, they will consider the opportunities available to them and maximise their economic gain.

# Main features of Classical Management Theory

- a. Chain of Command
- b. Division of labour
- c. Top-down communication
- d. Autocratic leadership style
- e. Predicted behaviour

Contributors to this theory are

- a. Fredrick Taylor (1856-1915)
- b. Max Weber (1864-1920)
- c. Frank Giberth and Lillian Gilberth (1878-1972)
- d. Henri Fayol (1841 – 1925)

# THEORIES UNDER CLASSICAL THEORY

## A. Scientific Management

- Focuses on one best way to do a job, thus systematic study of relationships between people and tasks for purpose of redesigning the work process to increase efficiency (Fredrick Taylor).
- Goals - decrease waste, increase process and methods of production
  - introduced differential piece rate system of paying wages to workers
  - developed rules of motion, standardised work, implements and proper working conditions for every job.



# 4 basic tenets of scientific management theory

- a. Examine task to determine most efficient method
- b. Train workers to use the developed work method
- c. Supervise workers to ensure that they use proper work methods
- d. Allocate responsibility for carrying out work as planned

## Strengths

- 1. Repetition improves techniques
- 2. Standard working environment – people get promoted based on skills and efficiency
- 3. Workers are paid based on quantity of output
- 4. Train workers to perform jobs to the best of their abilities.

# Weakenesses of Scientific Management

- a. People are to be manipulated like machines; workers are not allowed to choose their jobs and method and train themselves.
- b. People get tired, workers ended up disrupting scientific management
- c. Workers could purposely “underperform”

# THEORIES UNDER CLASSICAL THEORY

## B. Administrative Management

- This focused on the management and the basic managerial functions.
- Emphasized management functions and attempted to generate broad administrative principles that would serve as guidelines for rationalization of organisational activities.

### BASIC TENETS OF ADMINISTRATIVE MANAGEMENT

1. Calls for formalised administrative structure, a clear division of labour and delegation of power and authority to administrators relevant to their areas of responsibilities.
2. Sound management practice falls into 5 identifiable functions, i.e., plan, organise, command, coordinate and control. From here 14 principles were drawn:

# 14 Principles of Management

- a. Division of work- specialised employees increase output since work become skilled and efficient
- b. Authority – managers must have authority to give orders while keeping in mind that authority comes responsibility.
- c. Discipline – discipline must be upheld in organisations, but methods for doing so vary.
- d. Unity in command – employees should only have one direct supervisor.
- e. Unity in direction – teams with the same objective should be working under one manager, using the plan. This will ensure that action is properly coordinated.
- f. Subordination of individual interests to general interest – the interest of one employee should not be allowed to become more important than those of the group even managers.

# 14 principles of management

- g. Remuneration –Employee satisfaction depends on fair remuneration for everyone.
- h. Centralization – refers to how close employees are to the decision making process. Aim or appropriate balance.
- i. Scalar Chain – Employees should be aware of where they stand in the organisation's hierarchy, or chain of command.
- j. Order – The workplace facilities must be clean, tidy and safe for employees. Everything should have its place.

# 14 principles of management

- k. Equity – Managers should be fair to staff at all times both maintaining discipline as necessary and acting with kindness where appropriate.
- l. Stability of tenure of personnel – Managers should strive to minimize employee turnover. Personnel planning should be a priority.
- m. Initiative – Employees should be given the necessary level of freedom to create and carry out plans.
- n. Espirit de corps – Organisations should strive to promote team spirit and unity.

# Strengths and weaknesses of Administrative Management Theory

## Strengths

- a. Workers receive direct command from one supervisor which readily gets the job done.
- b. Workers are encouraged to think through and carry out plans.
- c. Encourages group harmony

## Weaknesses of Administrative Management Theory

- a. Managers welcome suggestions but basically stick to the plans.
- b. Personnel trainings and development are neglected.
- c. Environment creates a feeling of competition.

# THEORIES UNDER CLASSICAL THEORY

## C. Bureaucratic Management

- a. Stressed the need for strictly defined hierarchy governed by clearly defined regulations and lines of authority.
- b. Emphasized the necessity of organisations to operate in rational way and not on irrational intentions of owners and managers.
- Weber focussed on dividing organisations into hierarchies establishing strong lines authority and control.
- An ideal, intentionally rational, and very efficient form of organisation based on principle of logic, order and legitimate authority.
  - high degree of differentiation exists between function and hierarchy used for reporting.
- Formal rules and procedures and impersonality and careers based on merit.



# Basic tenets of Bureaucratic Management Theory

- Written rules
- Hierarchy of authority
- Fair evaluation and reward
- System of task relationships.

# Strengths of Bureaucratic Management Theory

1. Division of work clearly defines responsibility
2. Personnel are selected for competence avoiding time wasted
3. Continuity of administration is provided

# Weakenesses of Bureaucratic Management Theory

1. Impersonal relationships between managers and staff and clients, parents and children create feeling of alienation.
2. Officials make fixed salaries for prescribed works
3. Takes time to reach intended authorities.

# Contribution of Classical Theory

- Important because they provide basis for all other theories.
- Enhance management abilities to predict and control the behaviour of workers – these theories are designed to predict and control behaviour of organisations
- Consider task functions of the communication in organisation and ignore human relational and maintenance functions of communication.
- Applied in simple and stable organisations and not to big, complex and aggressive organisations of today.

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