
UNIT 1 CONCEPTS AND SCHOOLS OF MANAGEMENT THOUGHT

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1.0 OBJECTIVES

After reading this Unit, you will be able to :

- know the historical development of schools of management thought;
- explain what a theory in management is;
- outline the classification of management theories;
- describe important schools of management, their contributions and limitations; elaborate problems and conflicting issues in management theory; and
- understand the application of management theories in library and information area.

1.1 INTRODUCTION

Principles and theories provide the framework of science. Principles give rise to theory. Management is a soft science or a practical art. Its principles are derived from the working of industry, government, human psychology and social theories. Knowledge of the basic principles and theories of management helps in practicing management by way of increasing efficiency and effectiveness, and helps in avoiding mistakes.

Modern management thought has evolved over the years from contribution from various disciplines such as social psychology, behavioural science, operational research and systems theory, technology and economics. This has given rise to different approaches to the study of management science. These approaches include empirical approach; interpersonal and group behaviour approach; co-operative, social and socio-technical systems approach, systems approach, decision theory and operational research approach; contingency or situational approach, managerial roles approach and operational approach.

The purpose of studying various schools of management thought is to enable you to recognise and appreciate how developments in the field of management could contribute to current practices. An examination of these past and present approaches can help to discover the strengths and weaknesses of current managerial practices and finally enable you, as a potential manager of an information centre, to choose appropriate management styles. "During the brief history of management as a discipline, a number of more or less separate schools of management thought have emerged, some broad, some narrow in scope, and some quite specialized. Each sees management from its own viewpoint; none is comprehensive" (Dejon, 1978). These viewpoints can provide several perspectives. Firstly, people are at the helm of affairs and people are of prime importance, in all thinking about management. There have been different views about the nature of people's impact on organisations. Secondly, there were some historical settings in which certain ideas and approaches developed. Similar conditions may or may not be present today. Thirdly, there are many theories and approaches to management and each has some utility and some limitations. Hence, there is no single 'best' theory of management. Today's management is both a reflection of and a reaction to past management theories (Hitt, et al, 1979).

1.2 CONCEPT OF MANAGEMENT

A variety of definitions have been offered for the term management. It can mean different things to different people at different times. The term is derived from the verb which can mean: to organise, to control, to handle, to carry out for a purpose etc. There are different applications of the term management. It can be used to refer to the following aspects:

- As an **occupational group** i.e. a group of people performing managerial tasks and functions. It is used collectively to refer to all the individuals in the group.
- An **individual** who performs managerial functions or is a part of a group involved in the management functions.
- An **academic discipline**, an area of specialisation that imparts knowledge and skills in management.

- A process that involves performing a series of specific types of activities or functions.

Management is both a science and an art. Effective managers use scientific approach in making decisions. As a science it is concerned with establishing philosophies, laws, theories, principles, processes and practices which can be applied in various situations. However, management is not a hard core science like physics or chemistry. It has more in common with the social sciences like psychology and sociology. As an art, management is about carrying out organisational functions through people.

Management is as old as humanity itself, and is needed wherever there is organised human activity. It is needed for goods-producing and service-performing activities, in private and public organisations both large and small. Management is needed to reach organisational and personal objectives, to maintain balance between conflicting goals and to achieve efficiency and effectiveness.

Management can be broadly defined as working with people to determine, interpret and achieve organisational objectives by performing the functions of planning, organising, staffing, leading and controlling. Management is a collection of processes such as decision-making, problem-solving and action-planning. These processes involve the management of resources viz. human, financial, material and time. People often use the term management to refer to administration. A clear cut distinction however, needs to be made here between management and administration. Management involves planning, designing, initiating actions and monitoring activities. In other words, it is a policy making, policy control and monitoring process. Administration on the other hand involves implementation of the policies, procedures, rules and regulations as set by the management.

1.3 HISTORICAL PERSPECTIVE

The history of management extends to several thousand years into the past. However, it is only since the late 19th century, that management began to be considered a formal discipline. In other words, the practice of management is as old as the human race but its theories and conceptual frameworks are of recent origin. Yet most of the contemporary management thoughts are a twentieth century phenomenon. Chronology of managerial accomplishments is depicted as Fig. 1.1 (vide Hodgetts and Attman, 1981).

Earliest example of development and use of management principles is recorded in Egypt, as early as 2900 BC, while using over one lakh men for 20 years to build pyramids. Other works such as Middle Eastern Ziggurats, the Chinese Great Wall, Middle American pyramids, and Persian roads and buildings are often cited for early use of management. Similarly, the Bible has a reference to the fact that Moses had hired his father-in-law as the first management consultant to help design the organisation through which Moses lead the Hebrews out of Egypt and governed the Hebrews.

Management ideas were also developed in China, Greek and Roman empires in the Middle Ages. Venice, which was known for its fighting power and production facilities, has been found to have used assembly-line techniques to outfit galley ships to go to wars during the 15th century. It is interesting to note that there was a facility in which ten ships could be completely outfitted and sent to sea within a few hours.

This early ‘autocratic period’ of management is characterised by the use of strategies like ‘fear of punishment’ and ‘fear of God’, absolute authority, coercion and force on the human side of management. In the 16th century Machiavelli wrote ‘The Prince’ in an attempt to gain favour with the ruler of an Italian city state and described the way that a good prince or leader should act. He propounded two basic approaches namely, ‘love approach’ and ‘fear approach’ as a basis for leadership and administration. Four important principles set forth by Machiavelli are concerning mass consent, cohesiveness, will to survive and leadership. The Roman Catholic Church, a power in feudal society, is the best example of a departmentalised organisation having heavy reliance upon power and authority rather than ability and leadership. These are only glimpses of management thought in early history. Most of them needed to be refined and synthesised through sound theoretical and conceptual frameworks to be called management principles.

Later, in the Age of Enlightenment and Renaissance, change of societal values, human worth and individual knowledge, ability, skill and accomplishments were acknowledged, but these alone were not enough to be a manager. Industrialism and the factory system of the early 19th century saw the use of management skills, assembly line operation and costing systems.

Self Check Exercise

- 1) What are the characteristics of the autocratic period of management?

Note: i) Write your answer in the space given below.

ii) Check your answer with the answers given at the end of this Unit.

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1.4 THEORY IN MANAGEMENT

As mentioned in the introduction and historical perspective, management theories in the early period were not really theories, but some discrete practices or experiences. For that matter, management theories in the present century are also not totally free from certain problems. To become a theory, an experience or practice needs to undergo several modifications, syntheses and tests. For this purpose, a sound theoretical and conceptual framework is essential for a theory to take shape. The chaos caused by the proliferation of management theories is aptly called ‘the management theory jungle’ (Koontz, 1961) and a strong need for a unified and integrated theory of management was felt. A number of theoretical approaches with varying hypotheses, assumptions and propositions have emerged. Lack of adequate concept formation is considered a serious drawback in the development of a unified and integrated management theory. Part of the difficulty in the development of management concepts comes from the fact that since management is an applied science, it lacks coherent theoretical concepts of its own. Management scholars have borrowed and applied concepts from other disciplines. Thus, management theory has evolved in a symbiotic relationship to its related and supporting disciplines like mathematics, statistics and behavioural sciences, depriving the motivation to

evise its own conceptual framework independent of related disciplines. Moreover, management research has been kept psychologically and philosophically closer to practice than to theory.

Self Check Exercise

- 2) What are the difficulties in developing a unified and integrated management theory out of the management theory jungle?

Note: i) Write your answer in the space given below.

ii) Check your answer with the answers given at the end of this Unit.

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1.5 CLASSIFICATION OF MANAGEMENT THEORIES

As mentioned earlier, there are several schools of thought in management. Apart from the ‘autocratic’ or ‘authoritarian’ or pre-scientific era (i.e., earlier to 1880) of the early period, several schools of management thought are identified and classified in several ways by experts. It is interesting to note that while early writings on management principles came from experienced practitioners, the more recent writings tend to come from academic theorists, some of whom have had no direct experience in organisational management.

During the history of management a number of more or less separate schools of management thought have emerged, and each sees management from its own viewpoint. Thus there are many ways of classifying management theories. Koontz has classified the management theories into the following six groups:

- i) The management process school
- ii) The empirical school
- iii) The human behavioural school
- iv) The social systems school
- v) The decision theory school
- vi) The mathematical school.

Adding one more style or approach of his own Evans discusses eleven basic styles cited by Herbert Hicks in his books “the management of organisations” (1967). Again leaving the early perspectives, Hitt and others (1979) classify management theories into three broad groups.

- i) Classical management theory
- ii) Neoclassical management theory
- iii) Modern management theory

Under each group a few schools of thought are identified. These three groups of schools of management thought, are currently in vogue and found adequate for the purpose.

1.6 CLASSICAL MANAGEMENT THEORY (1880s-1920s)

Classical management theory consists of a group of similar ideas on the management of organisations that evolved in the late 19th century and early 20th century. The Classical school is sometimes called the traditional school of management among practitioners. This school, evolved as a result of the industrial revolution, in response to the growth of large organisations and in contrast to the handicraft system that existed till then. It contains three branches, namely, scientific management, administrative principles and bureaucratic organisation. The predominant and common characteristic to all three branches is the emphasis on the economic rationality of management and organisation. The economic rationality of the individual employee at work assumes that people choose the course of action that maximises their economic reward. In other words, economic rationality assumes that people are motivated by economic incentives and that they make choices that yield the greatest monetary benefit. Thus, to get employees to work hard, managers should appeal to their monetary desires. These assumptions are based on a pessimistic view of human nature. While they are true to some extent, they also overlook some optimistic aspects. Classical theorists recognised human emotions but felt that human emotions could be controlled by a logical and rational structuring of jobs and work.

The primary contributions of the classical school of management includes (i) application of science to the practice of management (ii) development of the basic management functions and (iii) articulation and application of specific principles of management.

1.6.1 Scientific Management

Frederick Winslow Taylor (1856-1915) is considered to be the father of scientific management. Taylor was supported in his efforts by Henry Gantt, Frank and Lillian Gilberth and Harrington Emerson. All these disciples of Taylor became famous in their own right. Together with Taylor they revolutionised management thinking. Scientific management is the name given to the principles and practices, that grew out of the work of Frederick Taylor and his followers and that are characterised by concern for efficiency and systematisation in management. Four basic parts of a series of ideas developed by Taylor are as follows:

- i) Each person's job should be broken down into elements and a scientific way to perform each element should be determined.
- ii) Workers should be scientifically selected and trained to do the work in the designed and trained manner.
- iii) There should be good cooperation between management and workers so that tasks are performed in the designed manner.
- iv) There should be a division of labour between managers and workers. Managers should take over the work of supervising and setting up instructions and designing the work, and the workers should be free to perform the work themselves.

Thus, the scientific method provides a logical framework for the analysis of problems. It basically consists of defining the problem, gathering data, analysing the data, developing alternatives, and selecting the best alternative. Taylor believed that following the scientific method, would provide a way to determine the most efficient way to perform work. Instead of abdicating responsibility for establishing standards,

the management would scientifically study all facets of an operation and carefully set a logical and rational standard. Instead of guessing or relying solely on trial and error, the management should go through the time consuming process of logical study and scientific research to develop answers to business problems. Taylor believed, sincerely that scientific management practices would benefit both the employee and the employer through the creation of larger surplus, and hence the organisation would receive more income. He believed that management and labour had a common interest in increasing productivity. Taylor did a lot of work on improving management of production operations. He demonstrated in the classic case of the pig iron experiment at the Bethlehem Steel Company, how both output per worker and the daily pay of worker could be increased by employing scientific method.

Among the other significant contributors to scientific management was Henry L Gantt. Gantt was a contemporary and an associate of Taylor. He emphasised the psychology of the worker and the importance of morale in production. Gantt insisted that willingness to use correct methods and skills in performing a task was as important as knowing the methods and having the skills. Thus he saw the importance of the human element in productivity and propounded the concept of motivation as we understand today. Gantt devised a wage-payment system and developed a charting system or control chart for scheduling production operation which became the basis for modern scheduling techniques like CPM and PERT.

Frank and Lillian Gilbreth concentrated on time-and-motion study to develop more efficient ways of performing repetitive tasks. Time-and-motion study is a process of analysing jobs to determine the best movements for performing each task. Time-and-motion study and piece-rate incentives are two major managerial practices developed by scientific management theorists and widely used even today. The piece-rate incentive system envisages, that the largest amount of income goes to workers who produce the maximum output. In addition, scientific selection and training of workers, importance of work design and encouraging managers to seek the best way of doing a job, development of a rational approach to solving organisation problems and above all professionalisation of management, are some of the other contributions of the scientific management school.

Harrington Emerson in his classic book “Twelve Principles of Efficiency” (1913) set forth principles which state that a manager should carefully define objectives, use the scientific method of analysis, develop and use standardised procedures, and reward employees for good work.

Limitations of Scientific Management

The scientific management school is criticised on the following grounds. No man is entirely an ‘economic man’ and man’s behaviour is dictated not only by financial needs, but by other needs like social needs, security needs and esteem needs. Hence, it may not always be true that economic incentives are strong enough to motivate workers. Secondly, there is no such thing as ‘one best way’ of doing a job so far as the component motions are concerned and hence time and motion study may not be entirely scientific. Two studies done by two different persons may time the same job entirely differently. Thirdly, separation of planning and doing a job and the greater specialisation inherent in the system tend to reduce the need for skill and produce greater monotony of work. Lastly, advances in methods and better tools and machines eliminated some workers, causing resentment from them.

1.6.2 Administrative Management

While pioneers of the scientific management tried to determine the best way to perform a job, those in the administrative management explored the possibilities of an ideal way to put all jobs together and operate an organisation. Thus, the emphasis of administrative or general management theory is on finding ‘the best way’ to run an organisation. This school of thought is also called administrative or traditional principles of management. Henry Fayol (1841-1925), a French industrialist, is the chief architect and the father of the administrative management theory. Other prominent exponents include Chester I Barnard and Colnel Lyndall Urwick (a British management expert).

Fayol's Unified Concept

As the managing director of a mining company, Fayol developed a unified concept of management and broad administrative principles applicable to general and higher managerial levels. He used the word ‘administration’ for what we call management. Fayol focused on managerial levels and the organisation as a whole. His perspective extended beyond the shop level and the physical production processes and was macro in nature. In his French book ‘Industrial and General Management’, he writes that all activities of business enterprises could be divided into six groups: technical, commercial, financial, accounting, security and administrative (or managerial). He focused on the managerial activity and propounded that fundamental functions of any manager consists of planning, organising, commanding, coordinating and controlling. He emphasised that the process of management is the same at any level of an organisation and is common to all types of organisations. He also presented the following 14 principles of management as general guidelines for management practice:

Division of Labour: Specialisation in the nature of work leads to division of labour. This results in efficiency in the use of labour.

Authority and Responsibility: These are directly related. Responsibility flows from authority. This authority is derived from the official position in the organisation and the personal factors such as intelligence, work attitude, personal traits, experience and the moral worth of the person holding the position.

Discipline: It is the respect for following laid down norms for achieving obedience, application, involvement as well as an outward mark of respect. Without discipline no unit can function properly. Authority, discipline and personality are closely related.

Unity of Command: This means that employees should receive orders from one superior authority only, i.e., accountability to one authority only. This authority is distributed among various levels in the hierarchy of positions in the organisation.

Unity of Direction: Activities in an enterprise must be organised to achieve set goals. Each group of activities with the same objective must have one authority and one plan.

Subordination of Individual to Organisational Interest: If this is not so it results in the malfunctioning of the organisation and gives rise to conflicts.

Remuneration: Employees work for remuneration; therefore, remuneration must be fair. It is an important motivating factor.

Distribution of Authority: This determines the extent of centralisation and dispersion of authority in the organisation. It depends on the philosophy and perception of individual organisations.

Scalar Chain: Positions in an organisation follow a “chain of superiors” from the highest to the lowest rank. Authority flows through the chain. This chain should not be short circuited unless following it is detrimental to the organisation. Such cases are not normal.

Order: Organisation of activities, materials and persons must be so arranged and related to make the organisation structure effective and efficient.

Equity: Kindness and fair play should be the basis of management in dealing with subordinates. This helps in commanding loyalty and devotion from the subordinates.

Stability of Tenure: Frequent change of persons affects an organisation badly. A high turnover of people constitutes both the cause and effect of bad management. Job insecurity affects the morale of employees.

Initiative: It is the keenness with which employees think and carry out a plan. Curbing initiative demoralises people and deprives them of job satisfaction.

Esprit de Corps: This fosters brotherhood among employees and forms a key factor in raising employees' stake in the growth of an organisation. This is an extension of the principle of unity of command.

Apart from a list of basic management principles, for achieving good organisation and dealing with the numerous facets of managing an organisation, he laid tremendous emphasis on logic, rationality and consistency. Taylor worked from the bottom of the hierarchy upward, whereas Fayol worked from the apex downwards, with ‘management centered’ philosophy.

Chester Barnard, who held a number of important public service posts including President of New Jersey Bell Telephone, has significantly influenced the theory and practice of management for nearly half a century, through his ideas expressed in his classic book ‘the functions of the executive’. He believed that the most important function of a manager is to promote cooperative effort toward goals of the organisation. Cooperation depends on effective communication and a balance between rewards to, and contributions by, each employee.

Colonel L Urwick was a distinguished executive and management consultant in U.K. He wrote a book entitled ‘the elements of administration’ in which he tried to assemble the concepts and principles of Taylor, Fayol, Mooney, Railey and other early management theorists.

Inspired by Fayol, Harold Koontz and Cyril O'Donnell propounded a new school of thought known as the management process school. They believe that management is a dynamic process of performing the functions of planning, organising, staffing, directing and controlling. These functions and the principles, on which they are based, are believed to have general and universal applicability. Managers perform the same functions irrespective of their levels and the difference, if any, will be in the degree of complexity. These functions are applicable to all organisations wherever group effort is involved and the management theory is not culture bound. In other words these functions are all pervasive. For the same reason the management process approach is also called the universal approach.

Limitations of Administrative Management

Like the scientific management school, the administrative management school is also criticised on some grounds. Many of the principles of this school, including those of Fayol, are contradictory and have dilemmas. These principles are no better than

proverbs which give opposite messages. For example, the principle of unity of command contradicts the principle of specialisation or division of labour and the principle of limited span of control, contradicts that the number of organisational levels should be kept at a minimum. Further the principle of specialisation is internally inconsistent; for purpose, process, and place are competing modes of specialisation and to secure the advantages of anyone mode, the organiser must sacrifice the advantages of the other three modes. All modes cannot be followed simultaneously while pursuing specialisation.

Secondly, these principles are based on a few case studies and they are not empirically tested. Thirdly, these principles are stated as unconditional statements and valid under all circumstances which is not practicable. More and more conditional principles of management are needed. Fourthly, these principles result in the formation of mechanistic organisation structures which are insensitive to employees' social and psychological needs. Such structures inhibit the employees' self actualisation and accentuate their dependence on superiors.

This school does not consider sociology, biology, psychology, economics, etc. as relevant to be included within the purview. Further, these principles are based on the assumption that organisations are closed systems. According to this school of thought employees tend to develop an orientation towards their own departments rather than towards the whole organisation. Lastly, the rigid structures created by these principles do not work well under unstable conditions.

1.6.3 Bureaucratic Organisation

As organisations became larger and more complex, the authoritarian-paternalistic pattern gave way to increased functional specialisation with many layers of middle and lower management for coordinating organisational effort. The result was a bureaucratic approach to organisational structure. With the intentions of eliminating managerial inconsistencies and as a reaction to managerial abuses of power, Max Weber propounded a set of principles to provide grounds for organising group efforts. The characteristics of bureaucratic organisation are division of labour by functional specialisation. He defined hierarchy of authority, a set of rules covering the rights and duties of employees, and a system of procedures for dealing with work situations, impersonal relations between people, and promotion and selection of employees based on technical competence. Often public services, like a large number of offices and employees postal services are cited as examples of bureaucratic organisations. The strength of such a bureaucratic organisation exists in its system of workable, set of rules, policies, and a hierarchy of authority.

The advantages of bureaucracy are many fold. Apart from consistent employee behaviour, it eliminates overlapping or conflicting jobs or duties and the behaviour of the system is predictable. In turn, consistency and precise job definitions help to avoid wasteful actions and improve efficiency. Further, bureaucracy has the advantages of basing its mode of hiring and promotion on merit, developing expertise in employees and assuring continuity in the organisation. In other words, bureaucracy emphasises the position rather than person, and the organisation continues even when individuals leave.

Despite the above advantages, bureaucratic organisation has some significant negative and side effects. Too much of red tapism and paperwork not only lead to unpleasant experiences, but also to inefficient operations. Since employees are treated impersonally and are expected to rely on rules and policies, they are unwilling to

exercise individual judgment and avoid risks. Consequently their growth, creativity, development, and even initiative suffer considerably. Machine like treatment makes employees, unconcerned about the organisation, and exhibit indifference regarding the organisation and job performance. Bureaucracy expects conformity in behaviour rather than performance.

1.6.4 Criticism of Classical Management Theory

Apart from the limitations and disadvantages of schools of classical theory discussed so far under each school, there are some general criticisms on schools of classical theory. The notion of rational economic person is often strongly criticised. The assumption that people are motivated primarily by economic reward might have been appropriate around 1900 A.D., and for a few people today. This assumption is not correct under the new circumstances where aspirations and the educational level of people have changed. Further, organisations have grown more complex and hence require more creativity and judgment from employees. Secondly the classical theory assumes that all organisations can be managed according to one set of principles and the same may not be valid. In other words, all pervasiveness of principles of management is also questioned. With changes in objectives, approaches, structures and environment, organisations may have to have some changes in principles.

The principles propounded by the classical theory are not vigorously scientific and thus did not stand the test of time. They did not add up to the consistent and complete body of theory. They reflected the observers' empirical observations and their logical deductions, rather than a precise theory built upon truly scientific research and evidence. However, the principles which were plausible and highly relevant to practitioners have been later developed into guidelines for managing business enterprises (Mc Farland, 1974, p 17). The traditionalists believed that management theories can be deduced from observing and analysing what managers do, and the empirical findings have been distilled to arrive at certain principles. Hence, they are criticised for carrying on the practices of the past and perpetuating outmoded practices and mediocrity. Yet, this is the leading school of thought and the most prevalent kind of management found in practice.

Self Check Exercise

- 3) Enumerate and critically examine the statement "the management process approach is a universal approach".

Note: i) Write your answer in the space given below.

ii) Check your answer with the answers given at the end of this Unit.

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1.7 NEO-CLASSICAL THEORY (1920s-1950s)

The Traditional classical theory and its principles are attacked on the ground that they are contradictory, pay little attention to motivation, and make hasty pronouncements on what should be done, without examining the assumptions

underlying such pronouncements. As such, these principles do not represent the heart of knowledge of management but a small part of the total body of administrative management. As a reaction to schools of classical theory, which over emphasised the mechanical and physiological characters of management, came up the schools of neoclassical theory, with a more human-oriented approach and emphasis on the needs, drives, behaviours and attitudes of individuals. Another impetus was the development of the concepts of industrial psychology around the same time. Two important groups, namely, human relations school and behavioural schools emerged during 1920s and 1930s under the neoclassical theory. Names of two persons, often mentioned, from the period earlier to neoclassical theory, are Robert Owen and Andrew Ure. As Young Welsh factory owner, Robert Owen was first one to emphasise human needs of employees as early as 1800. Andrew Ure has incorporated human factors in his book 'The Philosophy of Manufactures' published in 1835. The human relations movement of the 1940s and the 1950s filled many gaps in knowledge about business organisations, but it did little to fill major gaps in management theory, or to create a new and viable theory of management.

1.7.1 Human-Relations School

Elton Mayo is considered as the father of the human relations movement, which later became organisational behaviour. The other two important co-researchers of this school are F.J. Roethlisberger and William J Dickson. They believed that organisations always involve interrelationships among members and that it is the manager's role to see that relationships are as conflict-free as possible, in order to accomplish the organisation's objectives. They believed that the human aspect of business organisations had been largely ignored. They felt that satisfaction of psychological needs should be the primary concern of the management.

Mayo, Roethlisberger and Dickson conducted studies, at the Hawthorne, Illinois plant of Chicago Western Electric Company, which became famous as the Hawthorne experiments or studies later. They felt that, if the best work environment could be determined (just as the best way to perform the job could be determined by scientific management), then workers would be more efficient and become less tired. They also felt the importance of evaluating the attitudes and reactions of workers to their jobs and their environment. They attempted through several experiments to determine the relationship between working conditions and productivity. They set up test groups, for which changes were made in lighting, frequency of rest periods, and working hours and control groups, for which no changes were made.

Mayo and others, in their initial lighting experiment, came to the conclusion that some factors other than light were responsible for increased productivity. From a follow up interview of employees, they realised that people were not leaving their feelings, attitudes, and emotions at home, and employees were not at work simply for economic benefit. But other dimensions also affected their performance. In a final experiment they discovered that the workers had developed their own idea of the level of output that was fair. This informal standard of behaviour, called a norm, was enforced by the work group to the point that output was restricted. Any worker who produced more than that number was pressurised by coworkers to comply with the norm.

Mayo and his colleagues arrived at two important conclusions: (i) existence of strong informal groups (ii) employees' behaviour at work is affected by non-economic factors. They revealed some inadequacies of the rational and structured approaches of classical theory and the fallacy of viewing all workers as rational and economic

beings. Thus evolved a social person view of employees from the Hawthorne studies.

As against the rational economic view, the social person view is that (i) individuals are motivated by social needs (ii) people obtain their sense of identity through interpersonal relationships (iii) because of industrial progress and routinisation, the work has become dissatisfying (iv) employees are more responsive to the social forces of peer groups than to incentives and controls of management (v) employees respond to provisions for their social needs and acceptance offered by management. The social person view of human relations school has necessitated managerial strategies for improving the human skills of the supervisors, replacing individual incentive plans by group incentive plans; focusing on employees' feelings and attitudes, and their effect on productivity rather than managerial functions. The concept of social manager has evolved, and the social manager assumes the role of helper and coach, and carries out human relations programs shunning a stern and aloof attitude.

This theory, virtually, looked beyond organisational factors (i.e., environmental factors) and aimed at as conflict-free inter-relationships, as possible, among members of the organisation. Drawing heavily from social psychology and individual psychology, this theory expected the manager to be a leader and supervisor of a rather tolerant (democratic and participative) type and considered every employee to be a unique socio-psychological being. The lesson of Hawthorne experiments was that the psychological needs of individuals have a significant impact on group performance and that employees often mis-state their concerns. As a corollary it was also learnt that when employees are given special attention, output is likely to increase regardless of the actual changes in the working conditions (Hawthorne Effect). In other words, the result supported the thesis that reasonable satisfaction of the needs and desires of employees will lead to greater output.

Human relations approaches laid greater emphasis on the work group and need for better communication between supervisors and workers. The Human relations movement is looked as a trend towards power equalisation. It is an attempt for reduction in the power and status differential between supervisors and subordinates. It is looked upon as a continuing reaction against the emphasis of programmed work, rigid hierarchical control and a high degree of specialisation of Taylorism. However, they did not reject all the classical ideas. The neoclassical writers believed that treating employees like individuals (neoclassical) would make them act according to the principles (classical). They said "treat employees as if they are important and give the workers the feeling of participation."

Limitations of Human Relation School

Human relations school has several limitations as well. It is considered to be a swing in the opposite direction of classical theory. In other words, they saw only human variables as critical and ignored other variables. Every organisation is made up of a number of diverse social groups with incompatible values and interests. These groups might cooperate in some spheres and compete and clash in others. It is practically impossible to satisfy everybody and turn the organisation into a big happy family.

This approach over-emphasises the importance of symbolic rewards which may not be appreciated by recipient's 'significant others' and underplays the role of material rewards. Further, the assumption about formation of informal groups is unrealistic and not very common. Informal groups can only make the worker's day more pleasant and not his repetitive, monotonous and uncreative task. Workers do not

come to the organisation to seek affection and affiliation. Techniques of human relations school try to play a trick on workers to create a false sense of happiness, and are not really concerned with their real well being. There is a difference between allowing workers to participate in making decisions and letting workers think that they are participating. In this sense, this approach is also production-oriented and not employee-oriented. The unqualified application of these techniques in all situations is not possible. For example, where secrecy of decision is required and when decisions have to be made quickly on emergent basis, this approach may not work. This approach makes an unrealistic demand on the supervisor and expects him to give up his desire for power. The assumptions, that the satisfied workers are more productive, and that improved working conditions and human relations lead to increased output may, not always be true. Above all, human behaviour is not the total field of concern of the manager.

Human relations movement, accepted scientific management's central goal of efficiency, but focused on individuals and on small-group processes rather than large organisations. It stressed communication, leadership and interpersonal relations, particularly between employees and their bosses. Like scientific management efforts, research in human relations, focused on the lower levels of organisation rather than on the middle and upper groups, and hence lacked comprehensive scope. Behaviour scientists became interested in companies as research sites, but they tended to use their findings to build their own disciplines, or to establish a science of human relations rather than a science of management. Thus the human relations movement accepted many of the assumptions of the scientific management thinkers, and it did not achieve a major breakthrough in management theory.

1.7.2 Behavioural Schools

Since the Hawthorne experiments, there has been an increased interest in an application of behavioural sciences in management. The human relations approach has evolved into modern behaviourism. The term modern behaviourism refers to the current stage of evolution of the behavioural school of management, which gives primacy to psychological considerations, but treats fulfillment of emotional needs mainly as a means of achieving other primary economic goals. Much of the discussions under behavioural schools can as well be considered under organisational (modern) humanism in modern management theory. Important behavioural scientists, who contributed to gain insight in ways to achieve managerial effectiveness and developing techniques to utilize people more effectively in organisations, are Abraham Maslow, Douglas McGregor, Chris Argyris, Frederick Herzberg, Rensis Likert, Kurt Lewin, Chester Barnard, Mary Parker Follett, George Homans and Warren Bennis. They had rigorous training in various social sciences and used sophisticated research methods. They regard the classical management theory as highly mechanistic, which tends to degrade the human spirit and is non-responsive to the human needs. As against overly specialised jobs, under-utilised people, too much control over employees with no scope to make decisions, and little concern about subordinates' needs for recognition and self-fulfillment, the behaviourists preferred more flexible organisation structures, with jobs built around the capabilities and aptitudes of average employees.

It is difficult to classify all these researchers as neoclassical theorists. Many of them should be considered as contributors to modern management theories in general, and social system theory and modern humanism theory in particular. Secondly, the behavioural school is a logical extension of human relations' school and both in turn

lead to social system theory and modern behaviourism. Hence, contributions and limitations of the human relations school and the behaviourism school overlap to a considerable extent. All of them are largely concerned with motivation. Theories concerning motivation are classified in many ways. They argued that the design of work has not changed enough to keep pace with changes in the needs of today's employees, and believed that employees today desire diverse and challenging work. They preferred participative and group decision-making, process of self direction and control instead of imposed control. They put forth the practical realistic model of human motivation, and stressed the situational constraints and social aspects of organisational and environmental changes.

Self Check Exercise

4) What are the contributions and limitations of the human relations school?

Note: i) Write your answer in the space given below.

ii) Check your answer with the answers given at the end of this Unit.

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1.8 MODERN MANAGEMENT THEORY

Modern management theory highlights, the complexity of the organisation as well as individuals and the diversity of their needs, motives, aspirations and potentials. As a result, one time status or universal management principles are impracticable. The complexities require intricate managerial strategies for dealing with people and organisation. As against the rational economic man of the classical theory and the social person view of neoclassical theory, the complex employee view is the premises of modern management theory.

The complex employee view holds that people are both complex and variable. They have many motives, learn new motives through experience and motives vary from organisation to organisation and department to department. Complex interactions relate the employee and the organisation. There is no single managerial strategy that works for all people at all times. Managers can employ different strategies at different times and for different persons. Analytical tools may be useful while applying managerial strategies. Four important modern management theories arising out of the complex employee view, are systems theory, contingency theory, organisational humanism, and management science.

This stage of management theory represents the work of revisionist researchers combining streams of efforts in the behavioural sciences with those in mathematics, statistics, and the use of computers. Naturally many revisionists are behavioural scientists whose research extended beyond the human relations area. It is the powerful combination of systems theorists, operations research specialists, decision theorists, statisticians, computer experts, and others skilled in quantitative research and decision methods. Rigorous research and testing of propositions, using behavioural, statistical and mathematical tools, characterised this school of thought. This period is also called synthesis period.

As against the predominantly engineering-oriented quantitative theorists in classical theory, industrial psychologists together with sociologists and applied anthropologists who dominated the neoclassical theory, it is the revisionist researchers, who dominated the modern management theory and questioned old tenets, developed new hypotheses, and offered better explanations of organisational and managerial behaviour. The revisionist movement appears to have begun with Litchfield's propositions published in the first issue of *Administrative Science Quarterly* in 1956. They questioned principles developed by deductive reasoning in classical theory but did not discard all of the early theories. A logical extension of application of management knowledge into non-business areas such as education, government and health, is a significant contribution of the modern management theory.

It is interesting to note that the classical theory was organisation centered with emphasis on efficiency having process or functional approach, based on deductive evidence and descriptive research. Neoclassical theory had the person-centered approach, was increasingly experimental, and almost remained descriptive and highly deductive. On the other hand, revisionists used behavioural and quantitative tools and remained more inductive, experimental, rigorous and complete. According to the modern management school, management is an exercise in logic and applies itself to situations, that can be reduced to unitised measurements and handled with quantitative methods, where computers have an increasing role to play. (Fig. 1.2 depicts a tabular summary of contemporary contribution modern management vide Hodgetts and Altman, 1981, p.I4-15).

1.8.1 Systems Theory

As noted earlier, the drawback of the classical theory and the neoclassical theory is emphasising one aspect at the cost of the other. The classical theory emphasised the 'task', 'structure' and 'efficiency' and the neoclassical theory emphasized 'people'. Systems theory has come up as via media with an integrated and holistic approach to management problems. This has emerged as a way of looking at the organisation as a whole. Chester Barnard, George Homans, Philip Selznick and Herbert Simon are some of the advocates of the systems theory.

A system is an entity made up of two or more interdependent parts that interact to form a functioning organism. An organisation, human body, a flower and a tree are examples of a system (anything and everything is a system). The phrase 'interdependent parts' is very important and means that a manager should not look for a single cause of a problem. A system can either be open or closed. An open system interacts with its environment. All biological, human and social systems are open systems and many physical and mechanical systems are closed systems. Traditional organisation theorists regarded organisation as closed systems, while modern view is to treat it as an open system, having constant interaction with its environment. In other words, an organisation is an open system that interacts regularly with external forces such as government agencies, customers and suppliers. These external forces have an impact on organisation practices.

The open system concept is the first part of the two parts of systems theory. The second part is the impact of changes within an organisation. The changes in one part of the organisation affect all other parts of the organisation. This interdependence complicates the manager's job. The boundaries of open systems are permeable or penetrable, flexible and changeable depending upon its activities. The function of the management is to act as a boundary-linking pin among the various subsystems within the organisational system.

Every system has flows of information, material and energy, and these inputs get converted into outputs of goods, services and satisfactions in the organisation. This process is called 'throughput'. This change process is synergistic. Synergy means that the output of a system is always more than the combined output of its parts. In other words, these interrelated parts become more productive when they act in cooperation and interaction, rather than in isolation.

A system adapts and adjusts to the changing conditions of its environment and exercises control over its operations through feedback. Information flows to appropriate people as feed back to carry out this function.

1.8.2 Contingency Theory

As indicated under the systems theory, today's organisations are quite complex and there can not be one correct managerial strategy that works in all situations. The contingency approach stresses the absence of a single best way to manage and emphasises the need for managerial strategies based on all relevant facts. In other words, each manager's situation must be viewed separately. Wide range external and internal factors must be considered and then the focus should be on the action that best fits the given situation. This approach, in a way attempts to integrate the various schools of management thought, otherwise it is obvious that the principles and concepts of various schools have no general and universal applicability under all conditions. The contingency approach suggests that managers need to be developed in skills, that are most useful in identifying the important situational factors. They should be able to identify which technique, in a particular situation, will best contribute to the attainment of management goals. In other words, managers should develop a sort of situational sensitivity and practical selectively. Contingency approach is most applied in the activities of motivating, leading and structuring the organisation. The other potential areas of application include employee development and training, decisions of decentralisation, establishment of communication and control systems, and planning information decision systems. The implication of contingent theory on motivation is that, the behaviour results from individual reactions to important aspects of the environment, and individuals are motivated by influences around them. The implication on leadership is that managers must not only be kind and considerate to the subordinates, but also be flexible leaders and act at the right time. Contingency leadership, approaches and discusses the aspects of the leadership situation, that influence how a leader should behave. This theory says that organisation must be designed to fit its situation, particularly the organisations environment and the technology it uses. Researchers have found that the more complex and changing the environment, the more flexible the structure must be. Bureaucratic structure, like that of a manufacturing organisation, can be effective only in a stable, unchanging environment. An R & D organisation may find a more flexible structure to be most effective.

1.8.3 Organisational Humanism

This school of thought is an extension of behavioural schools of neoclassical theory and hence has much in common with behavioural schools. Some of the researchers like Chris Argyris, Douglas Mc Gregor and Abraham Maslow, mentioned under behavioural schools, are the propounders of organisational humanism or the modern behavioural school. The underlying philosophy of this school is that individuals need to use all of their capacities and creative skills at work as well as at home. This 'self-actualizing view' is the basis of this school. According to this view, motives fall into

categories, that can be arranged according to their importance, and employees seek to mature (self-actualise) on the job and are capable of being so. Employees are primarily self-motivated and self-controlled and react negatively to externally imposed controls. If allowed to become self-actualised, employees will integrate the goals with those of the organisation. Self-actualization refers to reaching one's potential i.e., ultimate use of personal skills.

Exponents of this theory, felt that rational design of organisations, leads to highly specialised and routine jobs, in which employees cannot use all their creative and motivated potential. Hence, unnecessary rules, rigidly designed jobs and inflexible supervision should be avoided and in consistence with human nature. Employees should have greater freedom and satisfaction at work. Self-actualised employees, are highly motivated and produce organisational benefits, that cannot be achieved in the bureaucratic organisation. The best role for a manager is to challenge employees, develop their decision making skills, and allow them to seek responsibility. Humanist approach suggests, to rely on the worker's internal motivation (i.e., desire to grow) as against external pressures (social acceptance and organisational play), suggested in classical and neoclassical theories. Organisational humanism focuses on individual needs and the satisfaction of these needs at work.

Organisational humanism is criticized on the ground that it is difficult to believe that every employee seeks self-actualisation at work. Organisational humanists say that there are many ways in which employees can entertain themselves at work and make their jobs interesting.

1.8.4 Management Science

Management Science should not be confused with scientific management of classic theory. However, the management science approach, also known as quantitative approach, has evolved from the early application of some of the scientific management techniques of classical theorists. Because of the complexities of organisations discussed earlier, today's managers are required to have more and better information in order to make effective decisions. The management science approach proposes the use of quantitative technique to aid decision making. Despite voluminous data to be analysed and sophisticated computations to be done, a wide variety of quantitative tools have been developed and high-speed computers deployed in the analysis of information.

This approach gained momentum during the Second World War, when interdisciplinary groups of scientists, called Operations Research Teams, were engaged to seek solutions to many complex problems of war. These teams constructed mathematical models to simulate real life problems, and by changing the values of variables in the model, analysed the effect of changes and presented a rational basis for decision makers. Tools such as linear programming, queuing theory, simulation models, CPM, PERT, inventory-control and quality control tools were extensively used in this approach. Thus the focus of management science or quantitative approach is on making objective and rational decisions. Objective rationality implied an ability and willingness to follow a reasoned, unemotional, orderly and scientific approach, in relating means with ends and in visualising the totality of the decision environment. It is an attempt to rationalise and quantify the managerial process.

This approach facilitated disciplined thinking, achieving precision and perfection, by expressing relationships among variables and facts in quantitative terms. While this approach has found wide applications in planning and control activities, not all

managerial processes can be rationalised and quantified. The area such as organising, staffing and leading which are more human than technical in nature, found this approach not so beneficial and this is the major limitation of these tools.

Lastly, it can be seen that the most dramatic developments in management theory and practice have occurred since 1900. The modern management theory has provided few key concepts, like looking at organisations as open systems, having contingency basis for managerial actions, considering a variety of individual needs in designing organisations, and use of a wide variety of quantitative tools to aid managerial decisions.

Self Check Exercise

5) What are the bases and assumptions of the theory of organisational humanism?

Note: i) Write your answer in the space given below.

ii) Check your answer with the answers given at the end of this Unit.

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1.9 OTHER SCHOOLS OF THOUGHT, STYLES AND APPROACHES

As noted in the beginning, Evans (1976) discusses the following twelve basic styles of management and organisational thought (after adding one more style to the 11 styles of Herbert Hicks). These are traditional, empirical, human relations, decision theory, mathematical, social systems, formalism, spontaneity, participative, challenge-response, directive and checks and balances approaches or styles. Of these styles, human relations school has already been discussed explicitly. The traditional style, is the same as administrative management of classical theory. The empirical style shares a number of basic premises of traditional style and emphasizes the case study approach. The essence of this style is that the practitioners do enunciate general guidelines for other or later managers.

The decision-theory school concentrates on logic and the rational process involved in decision making and believes that the more rational the decision is, the more efficient and, effective the organisation will be. This is in effect the same as the quantitative methods discussed under management science of modern management theory. The mathematical approach does not differ much from the decision-theory school and it is part of or even same as the management science school. The social systems school, is sociologically oriented and emphasises group and individual behaviour, in terms of cultural relationships, and then, looks at the ways in which these behavioural patterns interlock, in a miniature social system. These aspects are covered under the behavioural schools of neoclassical theory.

The school of formalism is the same as the bureaucratic management of classical theory. It believes that the bureaucracy, with clearly defined jobs and highly formalized structure of organisation, maintains the system and provides the services. The school of spontaneity, which draws heavily from social psychology, group dynamics and

psychological disciplines, opposes the bureaucracy and emphasises the creative ability of individuals. This is a part of the behavioural school of neoclassical theory. The participative school, is also a part of the behavioural school, and emphasises the need for opportunity to participate in the decision making process. The school of challenge-response, is yet another extension of behavioural school, which takes the participative approach further, to allow freedom to individuals to face challenges and come out with responses. Consequently, this approach provides enormous opportunity for individuals to grow. The directive school is an extension of scientific management of classical theory. It believes that people need to be told what to do. Hence, it is opposite of the challenge-response school. The school of checks and balances, takes the administrative management school of classical theory, one step further by prescribing that there must be adequate checks and balances in the system, so that no individual or segment, of the organisation, is able to become dominant enough to take over control.

In this way, there are many more schools of thought propounded in the literature of management, but in essence all of them can be fit into the schools of thought discussed so far.

1.10 PROBLEMS AND CONFLICTS IN MANAGEMENT THEORIES

It has already been observed that there are contradictory and conflicting arguments in management theories, and hence they are no more than proverbs. The problem is how a practitioner must choose his approach. Alternatively, is there any way to synthesise a unified management theory, from among the diffused theories or the jungle of approaches. As discussed in the beginning of this unit, revisionists are aiming for a high-level, comprehensive, integrated theory that would bring order to the theory jungle. Their theory and methods are colliding at certain points with those of the earlier scientific management (classical theory) and human-relations (neo-classical theory) movements. It also appears that unification of different schools of thought, of the theories in management, is unlikely, and each will maintain its view point. The reasons for such a conclusion lie in the problems of semantics (everyone saying the same thing but using different terminology). One can notice the differences in definitions of management and the tunnel vision of each school, to see its own point of view.

As far as practitioners are concerned, there is no rational basis to choose a style or approach. Each approach depends upon a special knowledge of concepts from different fields of study. Probably, each individual may have to assess themselves and their environment, and make a choice of one or more approaches that suit them. Evans cites the example of the technical processing work of libraries, as best suited to the school of challenge-response, and says that the 'most successful managers select elements from various schools that fit their personalities'. As a matter of fact, practicing managers are basically unaware of, or less concerned, about management's division into schools. They give different emphasis, to problems in different situations, and draw together, what they know about management and what is most appropriate. In other words, the schools of thoughts, in management, are transcending into an electric stage as far as modern managers are concerned.

Another basic problem of the management theory is to provide, adequate explanations and predictions, in subject matter, that is subjected to rapid and extensive change.

Management theories have to be dynamic, and embrace a number of upcoming subjects and concepts.

Yet another problem inherent in the applied science nature of management, is that of separating the managerial implications from non managerial implications, when inputs are taken from the fields, like organisation theory, decision theory, personality theory, game theory, information theory, communication theory, learning theory, group theory and motivation theory. The problem is to demonstrate and support, conclusions applicable to management theory.

The recent trend is towards greater attention to comparative management theory, which emphasises cross-cultural study as well as variations within a given culture i.e., across the boundaries between nations or cultural groupings of nations, and in different organisational or administrative contexts like schools, hospitals, libraries, etc., within a given culture.

1.11 APPLICATION OF MANAGEMENT THEORIES IN LIBRARY AND INFORMATION SCIENCE FIELD

There are not many attempts to examine the environment of libraries and information centres as organisations to discern the prevailing styles of management. There are also no efforts made to see the effect and application of various schools of thought. However, Evans makes an attempt to see the development of library management as a parallel to development of schools of management theories. He finds the same pattern in library management theory, as that in business, with starting point at a much later time in library management theory. In other words, he identifies three basic periods, namely, Pre-1937, scientific (1937-1955) and human relations (1955-present) periods.

During the pre-1937 period, libraries had been run with the traditional rather conservative approach. Libraries had small collections and showed little concern for economy or cost.

As a result there was little change in the area of library management. Emphasis was on following past practice and what other libraries were doing.

Scientific (1937-1955) period saw libraries, with large collections, staff and budget, with a concern for efficient operation. Costing, use of mechanized equipment like punched and edge-notched cards, and studies on technical services and cataloguing became common. There were attempts to use findings of scientific management and operations research techniques, developed during World War II. The second part of scientific management extended till mid 1960s, when use of computers and systems analysis in library situations began. True to the spirit of scientific management, this period emphasised activities and work flow rather than people.

The human-relations period (1955-present) has picked up a few concepts of Mayo and his followers but not applied them in the manner Mayo might have expected. Democratic and participative administration, use of committees and apparent involvement decision making are some of the concepts' heard in this era.

As suggested, in case of theories of management, Evans suggests the need of unified theory of library management. The above attempt of Evans looks like wishful thinking, and one cannot clearly see different eras of management theory in librarianship.

There is very little evidence to see parallels of traditional autocratic approach, economic rationality of classical theory, social person view of neoclassical theory and complex person view of management. At the most, scant attention of librarians, particularly researchers, has been recently drawn towards application of systems theory, quantitative techniques and behavioural sciences to library and information centre management.

1.12 SUMMARY

Though practice of management existed thousands of years ago, most of them needed to be refined and synthesized to call them management principles. The early ‘autocratic period’ of management is characterised by the use of absolute authority, coercion and force, with strategies like ‘fear of God’. The history of Management as a discipline is traced from the 19th century. Development of a unified and integrated management theory out of ‘the management theory jungle’ has some difficulties like applied science nature of the subject, lack of coherent theoretical concepts of its own and heavy reliance on concepts borrowed from other disciplines. A number of separate schools of management thought have emerged since the end of the 19th century and each sees management from its own viewpoint. There are many ways of classifying these theories or schools. One broad way of grouping management theories is to group them as classical, neo-classical and modern management theories. The classical management theory is referred to the period between 1880s and 1920s. This phase consists of Scientific management of F. W. Taylor and his followers, Administrative management of Henry Fayol and others, and Bureaucratic organisation of Max Weber. The classical theory emphasised the economic rationality of management and organisation, and suggested to determine the best way to perform a job. This theory is criticised for its assumption that people are motivated primarily by economic reward.

The Neo-classical theory, which is identified with the period from 1920s to 1950s, is concerned with the human oriented approach and emphasised the needs, drives, behaviours, and attitudes of people. The human relations school together with (early) behavioural schools constitutes this group. The social person view of employees is the basis of this set of schools. The famous Hawthorne experiment conducted by Mayo, Roethlisberger and Dickson is a milestone in the endeavours of this school. Several behavioural scientists including Maslow, Mc Gregor, Argyris, Herzberg and Likert have contributed to this school as well as to organisational humanism school under the modern management theory. This school is criticised for its over emphasis on human variables and symbolic rewards which may not be appreciated by the recipient’s ‘significant others’.

The complex employee view has become the basis of modern management theory which began around 1950s (more particularly with revisionists movement propounded by Litchfield in Administrative Science Quarterly in 1956). This group tried to test the views of earlier schools and accept them selectively. In the process it has made use of many tools like computers and mathematical techniques and theories from other disciplines like systems theory, decision theory, behavioural science, etc. Four important schools in this group are systems theory, contingency theory, organisational humanism and management science.

There are many more names of schools of management thoughts in the literature of management, but most of them substantially overlap one another. There are also problems in synthesising a unified theory of management.

1.13 ANSWERS TO SELF CHECK EXERCISES

- 1) This early ‘autocratic period’ of management is characterised by use of strategies like ‘fear of punishment’ and ‘fear of God’, absolute authority, coercion and force on the human side of management. For example, in the 16th century Machiavelli wrote ‘The Prince’ in an attempt to gain favour with the ruler of an Italian city state and described the way that a good prince or leader should act. One of the two basic approaches propounded by him is the ‘fear approach’ as basis for leadership and administration. The Roman Catholic Church, a power in feudal society is the best example of a departmentalised organisation having heavy reliance upon power and authority rather than ability and leadership. These are only glimpses of management thought in early history.
- 2) The chaos caused by the proliferation of management theories is aptly called ‘the management theory jungle’ (Koontz, 1961) and a strong feel for a unified and integrated theory of management is felt (McFarland, 1974, p II). A number of theoretical approaches with varying hypotheses, assumptions and propositions have emerged. Lack of adequate concept formation is considered a serious drawback in the development of a unified and integrated management theory. Part of the difficulty in the development of management concepts comes from the fact that management is an applied science, it lacks coherent theoretical concepts of its own and management scholars have borrowed and applied concepts from other disciplines. Thus management theory has evolved in a symbiotic relationship to its related and supporting disciplines like mathematics, statistics and behavioural sciences depriving the motivation to devise its own conceptual framework independent of related disciplines. Moreover, management research has kept psychologically and philosophically closer to practice than to theory.
- 3) Inspired by Fayol, Harold Koontz and Cyril O'Donnell propounded a new school of thought known as the management process school. They believe that management is a dynamic process of performing the functions of planning, organising, staffing, directing and controlling. These functions and the principles on which they are based, are believed to have general and universal applicability. Managers perform the same functions irrespective of their levels and the difference, if any, will be in the degree of complexity. These functions are applicable to all organisations where ever group effort is involved and the management theory is not culture bound. In other words these functions are all pervasive. For the same reason the management process approach is also called the universal approach.

Administrative management school is strongly criticised for its emphasis on rational economic person and lack of concern about motivating workers. The assumption that people are motivated primarily by economic reward might have been appropriate around 1900 A.D., and for a few people today. This assumption is not correct under the new circumstances where aspirations and educational level of people have changed. Further, organisations have grown more complex and hence require more creativity and judgment from employees.

Many of the principles of this school including those of Fayol are contradictory and have dilemmas. These principles are no better than proverbs which give opposite messages. For example, the principle of unity of command contradicts the principle of specialisation or division of labour and the principle of limited

span of control contradict that the number of organisational levels should be kept at a minimum. Further the principle of specialisation is internally inconsistent; for purpose, process, and place are competing modes of specialisation and to secure the advantages of any one mode, the organiser must sacrifice the advantages of the other three modes. All modes cannot be followed simultaneously while pursuing specialisation.

Further, these principles are based on a few case studies and they are not empirically tested. Moreover, these principles are stated as unconditional statements and valid under all circumstances which is not practicable. More and more conditional principles of management are needed. In addition, these principles result in the formation of mechanistic organisation structure which are insensitive to employees' social and psychological needs. Such structure inhibits the employees' self actualisation and accentuates their dependence on superiors.

The assumption of this theory that all organisations can be managed according to one set of principles may not be valid. In other words, all pervasiveness of principles of management is also questioned. With changes in objectives, approaches, structures and environment, organisations may have to have some changes in principles.

- 4) Elton Mayo, FJ. Roethlisberger, William J Dickson and others who propounded the human relations theory believed that organisations always involve interrelationships among members and that it is the manager's role to see that relationships are as conflict free as possible in order to accomplish the organisation objectives. They believed that the human aspects of business organisations had been largely ignored. They felt that satisfaction of psychological needs should be the primary concern of the management.

Mayo, Roethlisberger and Dickson conducted studies at the Hawthorne, Illinois plant of Chicago Western Electric Company which became famous for the Hawthorne experiments or studies later. They attempted through several experiments to determine the relationship between working conditions and productivity. They set up test groups, for which changes were made in lighting, frequency of rest periods and working hours and control groups, for which no changes were made.

Mayo and others in their initial lighting experiment came to the conclusion that some factors other than light were responsible for increased productivity. From a follow up interview of employees, they realised that people were not leaving their feelings, attitudes, and emotions at home and employees were not at work simply for economic benefit. But other dimensions also affected their performance. In a final experiment they discovered that the workers had developed their own idea of the level of output that was fair. This informal standard of behaviour, called a norm, was enforced by the work group to the point that output was restricted. Any worker who produced more than that number was pressurised by co-workers to comply with the norm.

Mayo and his colleagues arrived at two important conclusions: (i) existence at strong informal groups (ii) employees' behaviour at work is affected by non economic factors. So revealed some inadequacies of the rational and structured approaches of classical theory and the fallacy of viewing all workers as rational and economic beings. Thus evolved a social person view of employees from Hawthorne studies.

As against the rational economic view, the social person view is that (i) individuals are motivated by social needs (ii) people obtain their sense of identity through interpersonal relationships (iii) because of industrial progress and routinisation, the work has become dissatisfying (iv) employees are more responsive to the social forces of peer groups than to incentives and controls of management (v) employees respond to provisions for their social needs and acceptance offered by management. The social person view of human relations school has necessitated managerial strategies for improving the human skills of the supervisors, replacing individual incentive plans by group incentive plans, focusing on employees' feelings and attitudes and their effect on productivity rather than managerial functions. The concept of social manager has evolved and the social manager assumes the role of helper and coach and carries out human relations programs shunning a stern and aloof attitude.

This theory virtually looked beyond organisational factors (i.e., environmental factors) and aimed at as conflict-free inter-relationships as possible among members of the organisation. Drawing heavily from social psychology and individual psychology this theory expected a manager to be a leader and supervisor of a rather tolerant (democratic and participative) type and considered every employee to be a unique socio-psychological being. The lesson of Hawthorne experiments was that psychological needs of individuals have a significant impact on group performance and that employees often mis-state their concerns. As a corollary it was also learnt that when employees are given special attention, output is likely to increase regardless of the actual changes in the working conditions (Hawthorne effect). In other words, the result supported the thesis that reasonable satisfaction of the needs and desires of employees will lead to a greater output.

Human relations approaches laid greater emphasis on the work group and need for better communication between supervisors and workers. Human relations movement is looked as a trend toward power equalisation. It is an attempt for reduction in the power and status differential between supervisors and subordinates and looked upon as a continuing reaction against the emphasis of programmed work, rigid hierarchical control and a high degree of specialisation of Taylorism. However, they did not reject all the classical ideas.

Human relations school has several limitations as well. It is considered to be a swing in the opposite direction of classical theory. In other' words, they saw only human variables as critical and ignored other variables. Every organisation is made up of a number of diverse social groups with incompatible values and interests. These groups might cooperate in some spheres and compete and clash in others. It is practically impossible to satisfy everybody and turn an organisation into a big happy family.

This approach over-emphasises the importance of symbolic rewards which may not be appreciated by recipient's 'significant others' and underplays the role of material rewards. Further, the assumption about formation of informal groups is unrealistic and not very common. Informal groups can only make the worker's day more pleasant. and not his repetitive, monotonous and uncreative task. Workers do not come to the organisation to seek affection and affiliation. Techniques of human relations school try to play a trick on workers to create a false sense of happiness and are not really concerned with their real well being. There is a difference between allowing workers to participate in making decisions and letting workers think they are participating. In this sense, this approach is

also production-oriented and not employee-oriented. The unqualified application of these techniques in all situations is not possible. For example where secrecy of decision is required and when decisions have to be made quickly on emergent basis, this approach may not work. This approach makes an unrealistic demand on the supervisor and expects them to give up their desire for power. The assumption that the satisfied workers are more productive and improved working conditions and human relations lead to an increase in output may not always be true. Above all, human behaviour is not the total field of concern of the manager.

Human relations movement accepted scientific management's central goal of efficiency, but focused on individuals and on small-group processes rather than large organisations. It stressed communication leadership, and interpersonal relations, particularly between employees and their bosses. Like scientific management efforts, research in human relations focused on the lower levels of organisation rather than on the middle and upper groups and hence lacked the comprehensive scope. Behaviour scientists became interested in companies as research sites, but they tended to use their findings to build their own disciplines, or to establish a science of human relations movement accepted many of the assumptions of the scientific management thinkers, and it did not achieve a major breakthrough in management theory.

- 5) The underlying philosophy of organisational humanism or modern behavioural school is that individuals need to use all of their capacities and creative skills at work as well as at home. This 'self-actualising view' is the basis of this school. According to this view, motives fall into categories that can be arranged according to their importance and employees seek to mature (self-actualise) on the job and are primarily self-motivated and self-controlled and react negatively to externally imposed controls. If allowed to become self-actualised, employees will integrate their goals with those of the organisation. Self-actualisation refers to reaching one's potential i.e., ultimate use of personal skills.

Exponents of this theory felt that relational design of organisations leads to highly specialised and routine jobs in which employees cannot use all their creative and motivated potential. Hence, unnecessary rules, rigidly designed jobs and inflexible supervision should be avoided and in consistent with human nature employees should have greater freedom and satisfaction at work. Self-actualised employees are highly motivated and produce organisational benefits that cannot be achieved in the bureaucratic organisation. The best role for a manager is to challenge employees, develop their decision making skills, and allow them to seek responsibility. Humanist approach suggests to rely on the worker's internal motivation (i.e., desire to grow) as against external pressures (social acceptance and organisational play) suggested in classical and neoclassical theories. Organisational humanism focuses on individual needs and the satisfaction of these needs at work.

1.13 KEY WORDS

Administrative Management : This approach seeks to systematically study the management process. Functions that managers perform and effective principles of management have been developed.

Autocratic Leader

: A person who tells subordinates what to do and expects to be obeyed without question. A leadership style in which practically all authority centres in the leader.

Behavioural School of Management

: Also known as the behavioural sciences approach, the approach applies psychological and sociological theories, methods and techniques to the study of interpersonal and interapersonal aspects of managing. It is primarily concerned with human psychology, motivation, and leadership as distinct from simple mechanical efficiency

CPM (Critical Path Method)

: A planning and control technique that involves the display of a complex project as a network with one time estimate used for each step in the project.

Decision Making

: The process of generating and evaluating alternatives and making choices among them.

Delegation

: The process of assigning responsibility along with the needed authority.

Democratic Leader

: A person who tries to do what the majority of subordinates desire.

Empathy

: The ability to identify with the various feelings and thoughts of another person.

Formal Organisation

: An organisation with a well defined structure, clearly specified jobs for members, and a hierarchy of objectives.

Function

: A type of work activity that can be identified and distinguished from other work.

Gantt Chart

: A two dimensional graph with time on the horizontal axis and a listing of the parts of a program on the vertical axis.

Hawthorne Effect

: The influence of behavioural researches on the people they study.

Human Relations Movement

: The trend toward treating satisfaction of psychological needs as the primary concern of management.

Laissez-faire Leadership

: A leadership style in which the leader exercises very little control or influence over group members.

Linear Programming

: A mathematical technique that attempts to allocate limited or scarce resources among competing demands in an optimum way.

Management Principles

: Guides for managerial action. They are fundamental truths of organisation and management.

Management Functions

: The major components of a manager's job. They include planning, organisation, motivating and controlling.

Mathematical Models

: A mathematical equation(s) that defines and represents the relationship among elements of a system.

Modern Behaviourism

: The current stage of evolution of the behavioural school management, which gives primacy to psychological considerations but treats fulfillment of emotional need mainly as a means of achieving other primarily economic goals.

Motivation

: The willingness to put forth effort in the pursuit of goals.

Organisational Structure

: The formal relationship among groups and individuals in the organisation.

Participative Leader

: A person who involves subordinates in decision making but may retain the final authority.

PERT (Programme Evaluation and Review Technique)

: A planning and control technique that involves the display of a complex project as a network of events and activities with three times estimates used to calculate the expected time for each activity.

Simulation

: A technique for experimenting with a real world situation through an artificial model that represents that situation.

Queuing Models

: A class of mathematical models useful for determining the optimum number of service facilities.

Synergism

: The cooperative action of two or more persons working together to accomplish more than they could working separately.

Time Study

: The systematic measurement and analysis of the time required to do work.

1.15 REFERENCES AND FURTHER READING

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