

SCHOOLS OF MANAGEMENT THOUGHTS

We have already seen that the development of management thought has been evolutionary in nature. The present position is therefore, best appreciated and understood in the light of its evolution over the years. The time periods in which different concepts have developed may be divided into five parts:

- | | | |
|----|-------------------------------|----------------|
| 1. | Pre-scientific management era | (before 1880) |
| 2. | Scientific management era | (1880-1930) |
| 3. | Human relations era | (1930-1950) |
| 4. | Social Science era | (1950-onwards) |
| 5. | Management Science era | (- do-) |

The management Theory Jungle:

Prof. Harold Koontz in his famous article on “The Management Theory Jungle” has identified six major schools of management thoughts.

1. The Management Process School
2. The Empirical School
3. The Human Behavior School
4. The Social System School
5. The Decision Theory School
6. The Mathematical School
7. The Systems Approach School

The Management Process School: It developed during Scientific Management era. **Fredrick Taylor** and **Henri Fayol** were the founders of this school of thought. They looked upon Management theory as a process of getting things done through and with people operating in organized groups.

The work of Taylor and Fayol was complementary. They both realized that the problem of personnel and its management at all levels is the key to Industrial Success. Both applied Scientific methods to this problem. Taylor worked primarily on the operative level from the bottom of the Hierarchy towards the top, while Fayol worked downwards. Fayol in addition to his general principles also gave a list of ‘Elements of Management’ which he later called the Functions of Management. They were - **a) Forecasting, b) Organising, c) Command, d) Coordination and e) Control.**

The Other important contributors of this School were:

Charles Babbage (1771-1858): A mathematics genius He advocated accurate data obtained from rigid investigation.

Frank Gilbreth (1868-1924) was an Engineer and concentrated his attention on motion study. He is well known for:

- Micromotion study - a technique to analyse individual motions.

- Chronocyclograph - an improvement on above technique.
- Therbligs (Gilberth spelled backwards) which are 17 basic motions such as 'hold', 'search' etc.

Oliver Sheldon: A British industrial consultant he wrote, *Philosophy of Management*. He sought to formulate a theory of management as a whole.

Lawrence Gantt: An engineer from USA he is best known for his graphic methods in designing and operating charts. Gantt charts displaying the activity and time duration relationship are popular even today.

The Empirical School: It started around 1952. It was based on the premises that management problems can be solved better by drawing upon the experience of the managers. Earnest Dale, the founder of this school identified management as a study of experience rather than general principles. However this thought too starts making generalization on the basis of experience and research. Moreover experience is not useful in changed and new circumstances and dynamic situations.

The Human Behaviour School: This period is known as the legacy of **Elton Mayo** and **Mary Foliet**. They believed that an organization was more than a formal structure or arrangement of functions. Their insight represented a reaction to the dehumanizing aspects of scientific management. Proponents of scientific management looked upon workers as mere 'economic men' who could be motivated by monetary incentives alone. Human relations approach on the other hand recognized workers as a product of personal sentiments and emotional involvement. In fact Mayo went on to prove that beyond a point Motivation depends more on social status and personal appreciation and less on materialistic incentives. The supporters of this theory are heavily influenced by Psychology and indeed most of them are trained psychologists. This school of thought has further two branches - **Interpersonal Behavior Approach** and **Group Behavior Approach**.

Interpersonal Behavior Approach: It is based on the idea that managing involves getting things done through people, and therefore, its study should be centered on interpersonal relationships. Leadership, Motivation, emotions are the key considerations. It believes that a successful manager is a good leader and an amateur psychologist.

No one can deny that managing involves human behavior. Also we know that leadership and motivation are vital aspects of management. Yet the fact remains that even good psychologists do not necessarily prove to be good managers. Even psychologists need to know something about planning, control and control techniques. Thus managers must extend their views far beyond psychological matters. It is being realized that leadership, for example, is very much a function of situation and circumstances also. Motivation is linked to operation theory techniques which show clearly who is responsible for what, and accurate and prompt feedback of information, on how well a person is doing.

Group Behavior Approach. This approach is similar to the interpersonal approach and sometimes is confused with it but in this approach psychology of individual in a group

becomes more important. Thus it tends to be based on socio-psychology. Its proponents look upon management as a study of group behavior pattern. Thus organizational behavior becomes important in management. The cultural traits of the group, their average education etc. assumes greater importance. This approach further refined the management concept but this alone could never prove sufficient for good management performance.

One important contributor of this theory was **Douglas McGregor**. He wrote *The human side of enterprise* which is still regarded as landmark in management literature. He challenged the conventional management approach, questioning many myths in the process. His theory is known as the X and Y theory:

	Theory X	Theory Y
1	Work is downright distasteful	Work is as natural and enjoyable as play or rest
2	The average human being dislikes and avoid work	The average human being likes work when it is source of satisfaction and dislikes it when it is source of punishment
3	Most people must be coerced, controlled, led, directed, threatened with punishment to make them work	Man will exercise self-direction and self-control in the service of objectives to which he is committed. Commitment is a function of achievement
4.	Average human being avoids responsibility, has little ambition, wants security.	Average person in proper condition, accepts and even more seeks responsibility. The capacity for imagination, ingenuity and creativity in finding solutions is popular.

Social Science Approach: It would be obvious that Social Science approach is a natural extension of Human Relations Approach. In fact it would be impossible to demarcate them. Some experts, for example, look upon Theory X & Y a part of Social Science Approach. It is argued that the Social Science Era has largely utilized the Conclusions of Human Relations Era. Thus this period is characterized by process of refinement, extension and synthesis of management in the last period. The spiritual Father of this approach was **Chester Barnard**.

Chester Barnard: He viewed organization as a social system or a system of cultural inter-relationships. His book *The Functions of an executive* is considered to be a pace-setter in management thought. He divides organization into formal and informal.

Formal Organization according to him is any cooperative system in which there are persons able to communicate with each other and who are willing to contribute towards a conscious common purpose.

Informal Organization he defined as any joint personal activity without any conscious joint purpose. He believed that informal organization is an essential part of the formal organization and it must be taken into account while determining managerial behaviour.

He also looked upon communication as the lifeline of management system. He said “In an exhaustive theory of organization, communication will occupy a central place, because the structure, extensiveness and scope of organization are almost entirely determined by communication techniques”.

Yet another aspect he put emphasis on was Leadership. Dynamism of leadership in the execution of business policies and securing the cooperation of employees through the use of incentives. He realized that material reward is crucial only upto a definite point. The incentives of status, power, good physical conditions, opportunities of participation and good social conditions are very important. He also pointed out that incentive should not be symbolic. It must be equal to or greater than the efforts involved..

He commented upon decision-making process and suggested participation of employees at all levels.

Rensis Likert: He conducted extensive research in human behavior which he explained in his two books: *The new pattern of Management* and *Human Organization*. He came out with a basic theory of Leadership where he dealt with four basic styles of management.

Exploitative authoritative: Under this style, management has no confidence or trust in subordinates and also looks upon them as incompetent, dishonest and work-haters.

Benevolent authoritative: Under this style management condescending and patronizing confidence in subordinates just as a master has in his servants.

Consultative: Management has substantial but not complete confidence and trust in subordinates and therefore management consults them while making decisions.

Participative: Management has complete confidence and trust in subordinates and may be called truly participative form of management.

He was a strong supporter of participative form of management. He rejected close supervision of subordinates. He advocated general supervision which is associated with high productivity.

Systems Approach: This approach, in the recent years, is being increasingly emphasized and advocated to study and analyze management thought. A **system** is essentially a set or assemblage of things interconnected/interdependent, so as to form a complex unity.

These systems could be physical (Engine), biological (human body) or theoretical (an idea or a concept). The study of different systems has helped in understanding systems knowledge and it has been found to be useful for exploring management theory and science.

A system works in a particular environment which may change or may be changing. Thus an understanding of environment and defining its boundaries is an essential aspect of these studies. Systems can be further subdivided into **planning systems, organizational systems; control systems; process systems** etc. A system has many **subsystems** within it such as systems of delegation, network planning and budgeting system.

This approach has become quite popular today but it does not make other approaches such as human relations approach or social science approach irrelevant. Also though considered recent, this in fact has been in use for a long time.

QUANTITATIVE APPROACH TO MANAGEMENT.

The **quantitative approach** to management involves the use of quantitative techniques to improve decision making. It includes applications of statistics, optimization models, information models, and computer simulations.

A. Important Contributions.

1. The quantitative approach evolved out of the development of mathematical and statistical solutions to military problems during World War II.
2. One group of military officers—the Whiz Kids—included Robert McNamara and Charles “Tex” Thornton
3. This approach has contributed most directly to managerial decision making, particularly in planning and controlling.
4. The availability of sophisticated computer software programs made the use of quantitative techniques somewhat less intimidating for managers

Decision making Approach: A successful management is the one which continuously and consistently makes correct decisions. Thus if correct decisions are ensured management will be successful. In other words a good management is a function of correct decisions. Thus certain scholars such as R. Schlaifer and Herbert Simon advocated decision theory school. This is also known as decision Science, operation research and rationalistic model. It looks upon management as a logical process. It is quite useful in managing certain areas but it has following disadvantages:

- It is oriented more towards technique than philosophy.
- Decision is too narrow a premise to carry entire management thought.

It is useful to only those problem areas where parameters are quantifiable and clear or where parameters can be directly measured or reliably estimated