

APPROACHES TO MANAGEMENT

Management affecting people, technology, values and human wants has attracted the attention of psychologists, anthropologists, sociologists, mathematicians, economists, politicians, scientists, physicists, biologists, business administration scholars and even practicing managers.

As a result, various schools of management thought, each employing certain beliefs, views and disciplines, have come into existence.

Classical Approach

Classical management theory is based on the belief that workers only have physical and economic needs. It does not take into account social needs or job satisfaction, but instead advocates a specialization of labor, centralized leadership and decision-making, and profit maximization.

This approach states that people are motivated by economic incentives and they will rationally consider opportunities that provide for them the greatest economic gain. The classical approach can be broken down into three historical philosophies of management. These are:

- A. Scientific management
- B. Administrative management approach
- C. Bureaucratic model

A. Scientific management

The growth of factory system led to numerous problems in production and in labour control. Managers could not solve the problems by trial and error methods. The results could not be predicted. So the need arose for better management techniques.

The use of method of science for solving management problems was thought of. The scientific management concept was first developed by F.W. Taylor in between 1895 and 1911.

The main features of Taylor's scientific management are:

- a) Science and not rule of thumb
- b) Harmony and not discord
- c) Maximum output and not restricted output
- d) Specialization-Division of work between management and workers
- e) Training and development of workers

B. Administrative management approach

Scientific management focused primarily on the efficiency of production, but administrative management focused on formal organisation structure and the delineation of the basic process of general management. This approach is also known as functional or process approach and is based primarily on the ideas of Henry Fayol (1841-1925).

He broke down the managerial function into five steps including planning, organizing, commanding, coordinating and controlling. Further, he developed fourteen management principles that have been widely circulated as guide for management thought. These are:

- 1) Division of work
- 2) Authority
- 3) Discipline
- 4) Unity of command
- 5) Unity of direction
- 6) Subordination of individual interest to the common goal
- 7) Remuneration of staff
- 8) Centralisation
- 9) Scalar chain
- 10) Order
- 11) Equity
- 12) Stability of staff
- 13) Initiative
- 14) Esprit de corps

C. Bureaucratic model

The third major pillar in the development of classical organisation was provided by Max Weber's bureaucratic model. Weber developed a set of rational ideas about administrative structure of large, complex organisations that define what has come to be known as bureaucracy.

The basic characteristics of a bureaucratic organisation are as follows:

- 1) A division of labour based on functional specialization.
- 2) A well-defined hierarchy of authority.
- 3) A system of rules concerning the rights and duties of positional holders.
- 4) A system of procedures for dealing with work situations.
- 5) Impersonality of interpersonal relations.
- 6) Selection and promotion of employees based on technical competence.

Human relations Approach

According to Human Relations Approach, management is the Study of behaviour of people at work.

This approach had its origin in a series of experiments conducted by Professor Elton Mayo and his associates at the Harvard School of Business at the Western Electric Company's Hawthorne Works, near Chicago.

These studies brought out for the first time the important relationships between social factors and productivity. Before it, productivity of the employees was considered to be a function only of physical conditions of work and money wages paid to them. For the first time it was realised that productivity depended largely upon the satisfaction of the employees in work situations.

Following the Hawthorne Experiments, a great deal of work has been carried on by behavioural scientists belonging to a variety of disciplines including Psychology, Sociology, Philosophy and Anthropology in studying the behaviour of people at work.

Those who subscribe to the Human Relations School of Thought are of the view that the effectiveness of any organisation depends on the quality of relationships among the people working in the organisation.

So, according to them, the managers must concern themselves with an analysis of organisational behaviour, that is, interaction of people with the organisation. The basic assumption of this school still remains that the goals of the organisation are achieved through and with the people.

Apart from the study of formal organisation and techniques used by such organisations, this school studies the psychological processes in the organisations, informal organisations, conflict, change, motivation and relationships, and the various techniques of achieving organisational development by improving the relationships among the various groups of people constituting the organisation and its internal environment.

Thus, it may be said that this school concentrates on people and their behaviour within the formal and informal organisations.

The main features of the Human Relations Approach to management are the following:

- 1) Since management is getting things done through and with people, a manager must have a basic understanding of human behaviour in all respects—particularly in the context of work groups and organisations.
- 2) The managers must study the inter-personal relations among the people at work.

- 3) Larger production and higher motivation can be achieved only through good human relation.
- 4) The study of management must draw the concepts and principles of various behavioural sciences like Psychology and Sociology.

Behavioral Approach

The behavioural approach on the human relations approach is based upon the premise of increase in production and managerial efficiency through an understanding of the people.

The human relations approach of management involves with the human behaviour and focused attention on the human beings in the organisation. The growth and popularity of this approach is attributable to Elton Mayo (1880- 1949) and his Hawthorne experiments.

The Hawthorne experiments were carried out at the Hawthorne plant of the western electric company. These experiments were carried out by Elton Mayo and the staff of the Harvard Business School, main researchers was Elton Mayo, White Head, Roethlisberger and Dickson. The first of Mayo's four studies took place at a Philadelphia textile mill.

The problem he investigated was excessive labour turnover in a department where work was particularly monotonous and fatiguing. The workers tended to sink into a dejected, disconsolate mood soon after being assigned there eventually they would lose their tempers for no apparent reason and impulsively quit. At first Mayo thought the reason for the worker's behaviour must be physical fatigue.

So, he instituted a series of rest periods, during the workday. In course of trying to schedule these periods in the most efficient manner, management experimented with allowing the workers to do the scheduling themselves. The effect was dramatic. Turnover fell sharply to about the same level as that for the rest of the plant, productivity shot upward and the melancholy moods disappeared.

Similar results were obtained at the Hawthorne plant of the western electric company. Mayo's another studies made at the Bank hiring room and at an aircraft factory. Hence the Mayo's study showed that the role played by social needs is more responsive to the social forces operating at work than the economic rewards.

Systems Approach

This is a newly developed approach which came into existence in 1960. This approach was developed by Chester I. Bernard, Herbert A. Simon and their colleagues.

The system approach means a group of small inter-related units. A group of different units which means a complete unit is called a system, while the small units are themselves independent, but somehow or the other is connected with the sub-systems of the related system. All the sub-systems influence one another. For example- a scooter is a system which has many sub-systems in the form of engine, shaft, gear, wheels body, etc.

All these sub-systems are inter-related with one another and if one of them fails the whole system stops working. Therefore, the success of the system depends on the cooperation and efficiency of the sub-systems.

It can, therefore, be said that a system means different inter-related parts which work in unity simultaneously to achieve a particular purpose.

According to the system approach, the whole organization is a system and its various departments are its sub-systems. All the sub-systems work in unison. Then and only then the objective of the organization can be achieved. Therefore, when manager taken some decision regarding a particular sub-system, he should also take into consideration the defect of his decision on the other sub-systems.

For example, to decide on expanding the productive capacity, data from other departments in charge of product planning, market research, finance etc., are collected because the action of one department influences the action of others. Thus, the main focus of systems approach is on the interdependence and interrelatedness of the various subsystems. Each aspect should not be studied in isolation but must be examined in relation to the entire system as a whole.

A system can be of two types:

- (i) Closed system and
- (ii) Open system

(i) Closed System:

This is a system that remains unaffected by the environmental factors. Traditional management experts consider an organisation as a closed system. They believed that an organisation worked without being influenced by the outside factors, e.g., a watch is not influenced by the outside factors and it works continuously without getting interrupted. This is a good example of the closed system.

(ii) Open System:

An open system means a system which remains constantly in touch with its environment and is influenced by it. Modern management experts consider an organisation as an open system. Environment is a combination of many factors.

The chief factors of the environment of an organisation happen to be raw material, power, finance, machine, man-power, technique, market, new products, government policies, etc. All these factors of environment enter an organisation as Input. Within the organisation, they are converted into products through the process of various activities.

Then they walk out of the organisation in the form of output and once again mingle with the environment. At this time, they happen to be in the form of goods, services and satisfaction. All the factors of input and output influence the organisation. That is why an organisation is called an open system.

Contingency or Situational Approach

Contingency approach to management is an important modern approach. This approach originated in around 1970. According to it, the managers should take decisions not according to principles but according to the situations. It means that there cannot be any single principle / formula / managerial activity which can be suitable in all the situations. Its chief reason is the constantly changing nature of environment. Here environment means the sum total of all the factors which influence the organization.

These factors are both internal and external. The internal factors include objectives, policies, organization structure, management information system, etc. The external factors include customers, suppliers, competitors, government policies, political set-up, legal system, etc. All these factors are subject to change that is why the environment of an organization is called dynamic.

The system approach has failed to establish a relationship between the organization and environment. The contingency approach has made an attempt to remove this weakness. It is, therefore, the basic duty of the managers to analyse the environment and they should take decision on the basis of their analysis. The managers should always keep in mind that no single method can be suitable for doing any work. Its suitability depends on the situations.

It is quite possible that a particular method of doing a thing may be futile and to hope that these principles would be suitable or successful in one situation, but the same may not be the case in some other situation. So far as the different principles of management are concerned, they simply

guide the managers, and in the present dynamic environment, it would be futile to hope that these principles would be suitable or helpful in all the situations.

For example, autocratic leadership is workable in the case of illiterate workers whereas, participative leadership may work wonders in the case of skilled and talented workers and laissez-faire leadership is suitable to employees in R&D wing. Likewise financial incentive is more appropriate for employees at the lower level of organizational hierarchy while, non-financial incentives like ESOP, variable pay, career advancements and so on may prove to be highly effective for knowledge workers and employees at the higher levels of management.

Features of Contingency Approach:

1. The managerial action influences the environment.
2. The managerial action changes according to the situations.
3. There is essentially coordination between the organization and environment.

Limitations of Contingency Approach:

1. It is not sufficient to say that the managerial action depends on the situation. It is essential to say what action should be taken in a particular situation.
2. A situation can be influenced by many factors. It is difficult to analyse all these factors.