

Unit - 2

Evolution of Management Thought

1.) Classical approach or traditional approach :-

Classical approach is also called traditional approach. The main features of this approach are:-

(i) Mgt. is viewed as a systematic network of interrelated functions.

(ii) On the basis of experiences or practices, principles are developed. These principles are used as guidelines for practicing executive.

(iii) Functions, principles and skills of mgt. are considered universal. They can be applied in different situation.

(iv) Formal education and training is used for developing managerial skills.

(v) People are motivated by economic.

gains therefore organisation control depends on economic status.

The classical approach was developed by three main streams :-

- 1: Scientific management
- 2: Administrative theory
- 3: Bureaucracy

Scientific mgt. was developed by engineers F.W. Taylor, Harrington Emerson. They looked mgt. as technical point of view and only improving efficiency in use of man and machine.

Administrative theory of functional approach was developed by mgt. practitioners and thinker Sir Henry Fayol, Allan C. Reilly.

Bureaucracy was developed by a German psychologist Max Weber. In this theory mgt. is visualise as a machine model of organisation. Max Weber only focused on rules and regulations for controlling human beings.

2.) Behaviour Approach:-

The behaviour approach was developed by Prof. Elton Mayo. Prof. Elton Mayo is considered to the founder of behaviour school of thought. He conducted the famous experiment, its name was Hawthorne Experiment.

The experiment influence on the social and psychological factor on employee morale and productivity. The job holder become the focal point of this approach. Behaviour approach is multi dimensional and interdisciplinary in nature. Several sociologist and psychologist work on behaviour approach. Abraham H. Maslow, Lyle M.C. Gregor, Keith Davis, George Homans.

Some features of this approach are:-

- (i) Organisation is viewed as social technical system.
- (ii) A wide range of factors influence interpersonal and group behaviour of people in organisation.
- (iii) They should be match between the

organisational goals and human needs.

(iv) Several differences in the attitudes perception and values of employees. So there work influence from there behaviour and performance.

(v) Some degrees of conflicts may be desirable in organisation.

3.) Quantitative approach :-

It is also called mathematical approach. It is starting after world war II. During the war inter-disciplinary group of scientist were engaged to undertake applied scientific research in technical military operations. These groups were expected to develop optimal decisions about employment of military resources.

Mathematical model building to be applied to find out optimal solution to military and logistical problems. Main features of this approach are:-

(i) Management is a series of decision making.

(ii) Variables can be presented in the form of mathematical model. It consist set of functional equations and these variable are in interrelationship.

(iii) If the model is properly formulated and the equations are correctly solved we get the best solution of the model.

(iv) Decision making model should be evaluated in the light of seterriteria like cost reduction, return on investment, meeting time etc.

4) Social system approach :-

Chestered T. Barnard developpe the concept of social system that is composed of people who work in cooperation. An organization comes into existance when there are a number of persons communicate with each other and they are willing to cooperate for a common purpose.

Barnard also recognise in formal

organization representing social interaction which generally do not have a coordinated joined purpose. The main features of this approach are :-

- (i) Organization is treated as a social system.
- (ii) Relationships exists among the external and external environment of the organization.
- (iii) Co-operation among group members is necessary for the achievement of organizational goals.

* Scientific - Management theory :-

F. W. Taylor was the first person who introduce the scientific methods in management. Taylor is regarded as the father of scientific management.

According to F. W. Taylor scientific mgt. is the substitution of exact scientific investigations and knowledge for the old individual judgement or opinion in all matters relating to the work done in the shop.

1. Science is not a rule of thumb:- Scientific investigation should be used for taking managerial decisions instead for basing decision and opinion, in or rule of thumb.
2. Scientific selection and training of workers:- Every organization should follow a scientific system of selection. The selected workers are to be trained to avoid wrong method of work. Management is responsible for their scientific education and training.
3. Cooperation between labour and mgt:- There should be cooperation between the mgt. and the workers. This requires change of mental attitude of the workers and the mgt. towards each other.
4. Maximum output:- The mgt. and the workers should try to achieve maximum output in place of restricted output. This will be beneficial to both the parties.

5. Equal division of responsibility:-
There must be equal division of responsibility between the managers and workers. The mgt. should be responsible for planning and organizing the work where as the workers should be responsible for the execution of work as per instructions of the management.

★ Fayol's theory of mgt:- Henry Fayol classify all operations in business organization under the following six categories:-

- (i) Technical (Productivity)
- (ii) Commercial (Purchase and Sales)
- (iii) Financial (Funding and controlling capital)
- (iv) Security (Protection)
- (v) Accounting (Balance sheet & financial statement)
- (vi) Administrative (Planning, Organizing, Staffing, Directing)

* 14 Principles of Henry Fayol :-

- 1.) Division of work :- Work should be divided among individuals and groups to ensure that effort and attention are focused on special portions of the task. Fayol presented work specialization as the best way to use the human resources of the organization.
- 2.) Authority and responsibility :- The concepts of authority and responsibility is closely related. Authority was defined by Fayol as the right to give orders and the power to exact obedience. Responsibility involves being accountable and is therefore naturally associated with authority. Whoever assumes authority also assumes responsibility.
- 3.) Discipline :- Employees must obey, but this is two sided : employees will only obey orders if management play their part by providing good leadership.

- 4.) Unity of Command :- Workers should receive orders from only one manager.
- 5.) Unity of direction :- The entire organization should be moving towards a common objective in a common direction.
- 6.) Subordination of Individual interests to general interests :- The interests of one person should not take priority over the interests of the organization as a whole.
- 7.) Remuneration :- Many variables, such as cost of living, supply of qualified personnel, general business conditions and success of the business should be considered in determining a worker's rate of pay.
- 8.) Centralization and Decentralization :- Fayol defined centralization as lowering the importance of the subordinate role. Decentralization is increasing the importance. The degree to which centralization or decentralization should be adopted depends on the specific

organization in which the manager is working.

- 9) Order :- For the sake of efficiency and coordination, all materials and people related to a specific kind of work should be treated as equally as possible.
- 10) Equality :- In running a business 'combination of kindness and justice' is needed. Treating employees well is important to achieve equality.
- 11) Stability :- Retaining productive employees should always be a high priority of mgt. Recruitment and selection costs, as well as increased product-rejects rates are usually associated with hiring new workers.
- 12) Initiative :- Mgt. should take steps to encourage worker initiative, which is defined as new or additional work activity undertaken through self direction.
- 13) Scalar chain :- Managers in hierarchies are part of a chain-like authority

scale. Each manager, from the first line supervisor to the president, possess certain amounts of authority. The president possess the most authority, the first line supervisor, the least. Lower level managers should always keep upper level managers informed of their work activities. The existence of a scalar chain and adherence to it are necessary if the organization is to be successful.

- 14.) Espirit De Corps :- Mgt. should encourage harmony and general good feelings about employees.

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