

2. Neo Classical School of Thought

This school of thought lays emphasis on human elements in an organization.

☛ **Max Parker Follett** recognized the **significance of human elements**, attributed greater significance to the **functioning of groups in workplace**.

☛ **Elton Mayo** father of Human Relations Approach conducted the study to evaluate the **attitudes and psychological reactions of workers** in on the job situations.

Maslow's focus was on **importance of human needs** driving force for **motivation**.

McGregor has made assumption about people categorizing them as under

- **Theory X** People are by nature **lazy**, have **little ambition, dislike work, avoid responsibility**.
- **Theory Y** People are **more positive, innovative, creative and do not dislike work**. **Chris Argyris's** contributions are **maturity –immaturity theory, integration of individual and organizational goals**.

3. Modern Approaches

These approaches are classified as

- i. Quantitative School of thought.
- ii. System Theory Approach.
- iii. The Contingency Theory.

i. Quantitative School of Thought: Different branches of quantitative approaches are **Management Science, Operations Management, MIS**.

Management science approach or operations research approach is used in production, **scheduling human resource planning, inventory management** etc.

Operations management is primarily concerned with **production management** and related management.

MIS approach focuses on design and implementation of information system for management uses. It **converts raw data into information inputs** to be used by management **for decision making**.

ii. System Theory Approach: It considers organization as a whole because of **interdependent nature of activities** requiring organization to **interact with external environment** factors.

iii. Contingency Theory Approach: This Approach discards the concept of universality in management principles and **determines managerial decisions considering situational factors**.

Contingency theory and System theory together are classified as **integrative school of management** thought because these two theories integrate the classical, behavioral and quantitative theories and uses only the best of each approach in a given situation.