

Evolution Of Management & Approaches to Management

I. Pre-Classical Contributions

A number of individuals in the pre-classical period of the middle and late 1800s offered ideas that laid the groundwork for subsequent, broader inquiries into the nature of management.

Among the principal pre-classical contributors are Robert Owen, Charles Babbage, Andrew Ure and Charles Duplin and Henry R Towne.

ROBERT OWEN (1771-1858): A successful British entrepreneur was well ahead of his time in recognizing the importance of human resources. He became particularly interested in the working and living conditions of his employees while running a cotton mill in New Lanark, Scotland. As was common, the mill employed 400 to 500 young children, who worked 13-hour days that included 1 hour off for meals. Although his business partners resisted some of his ideas, Owen tried to improve the living condition of the employees by upgrading streets, houses, sanitation and the educational system in New Lanark. At the time, Owen was considered to be radical, but today his views are widely accepted. His ideas laid the groundwork for the human relations movement. He is considered as a pioneer in the field of human resource management process. He advocated the necessity of concern for the welfare of workers.

CHARLES BABAGE (1792-1871): An English mathematician is widely known as the father of modern computing. His projects produced the world's first practical mechanical calculator and an analytical engine that had the basic element of a modern day computer. Difficulties in directing his various projects, however, helped him to explore new ways of doing things. In the process, he made direct contributions to management theory.

Babbage was enthralled with the idea of work specialization, the degree to which work was divided into various jobs. He recognized that not only physical work but mental work as well could be specialized.

Babbage also devised a profit-sharing plan that had two parts, a bonus that was awarded for useful suggestions and a portion of wages that was depended on factory profit.

Andrew Ure (1778-1857) and Charles Duplin (1784-1873):

They emphasized the necessity of management education, which paved the way for professionals manning the management positions.

Henry Robinson Towne (1844-1924):

On reviewing the contributions of pre-classical theorists, it is clear that their emphasis was more on developing some specific techniques to solve some identified problems. Because of their obvious technical background, they could not think of management as a separate field.

By and large, they integrated management with their respective areas of specialization. It was Andrew Ure, Charles Duplin, and Henry Robinson Towne who laid the foundations of the management theories that ultimately shaped the management thoughts as we see today. Henry R. Towne outlined the importance of management as a science and called for the development of management principles.

II. Classical Approach:

The classical theory signifies the beginning of the systematic study of management organisation. It is often called the traditional theory. It can be traced historically to the 19th century prototype industrial and military organisations. Several writers contributed to the classical thought in the early years of the 20th century. They include Taylor, Fayol, Weber.

The classical theory incorporates three viewpoints: (1) Taylor's Scientific Management (2) Fayol's Administrative Management; and (3) Weber's Ideal Bureaucracy (an organisation based on rules and regulations, formal relations, specialization, etc.). All the three concentrated on the structure of organisation for greater efficiency.

Salient features of classical approach are as follows:

1. The classical theory laid emphasis on division of labour and specialization, structure, scalar and functional processes and span of control. Thus, they concentrated on the anatomy of formal organisation.
2. The classical theorists emphasis organisation structure for co-ordination of various activities. They ignored the role of human element.
3. The classical theory ignored the impact of external environment on the working of the organisation. Thus, it treated organisations as closed systems.
4. The efficiency of the organisation can be increased by making each individual efficient.
5. The integration of the organisation is achieved through the authority and control of the central mechanism. Thus, it is based on centralization of authority.
6. There is no conflict between the individuals and the organisation. In case of any conflict, the interests of the organisation should prevail.
7. The people at work could be motivated by the economic rewards as they were supposed to be 'rational economic persons'.

II (a) Scientific Management Approach :

The impetus for the scientific management approach came from the first industrial revolution. Because it brought about such an extraordinary mechanization of industry, this revolution necessitated the development of new management principles and practices. The main contributors Notes to scientific management were Frederick W. Taylor, Henry L. Gantt, Frank Gilbreth, Lillian Gilbreth and Harrington Emerson.

F.W. Taylor (1865-1915) was the first person who insisted on the introduction of scientific methods in management. He launched a new movement during the last decade of 19th century which is known as 'Scientific Management'. That is why, Taylor is regarded as the father of scientific management. Taylor was an American engineer who responded to the challenges of management around the turn of the century. During that period, productivity was very low, labour became extremely dissatisfied and industries had to face frequent strikes and lockouts. Taylor's contribution was a system based on science whereby lower labour cost could be achieved simultaneously with higher wages. He suggested the change in the mental attitudes of the workers and the management to bring harmony in the industry. Scientific management means application of scientific methods to the problems of management. Taylor advocated scientific task setting based on time and motion study, standardization of materials, tools and working conditions, scientific selection and training of workers and so on. It is to be noted that Taylor's thinking was confined to management at the shop level. However, he demonstrated the possibility and significance of the scientific analysis of the various aspects of management.

To sum up, he laid emphasis on the following principles:

1. Science, not rule of thumb.
2. Harmony in group action, rather than discord.
3. Maximum output in place of restricted output.
4. Scientific selection, training and placement of the workers.
5. Almost equal division of work and responsibility between workers and managers

The basic idea behind the principles of scientific management is to change the mental attitudes of the workers and the management towards each other. Taylor called it 'Mental Revolution' which has three implications:

1. all out efforts for increase in production;
2. creation of the spirit of mutual trust and confidence; and
3. inculcating and developing the scientific attitude towards problems.

Taylor suggested that management should try to find the best methods of doing various jobs and introduce standardized materials, tools and equipment so that wastages are reduced. The management should select right types of people and give them adequate training so as to increase the quantity and quality of production. It must create congenial working conditions for optimum efficiency of the workers. It should perform the decision-making function and should always try to give maximum cooperation to the workers to ensure that work is done according to the scientific techniques.

The workers should also revise their attitude towards the management. They should not be work-shirkers. They should be disciplined, loyal and sincere in fulfilling the tasks assigned to them. They should not indulge in wastage of resources. Both the management and the workers should trust each other and cooperate in achieving maximum production.

Thus, Taylor stood for creating a mental revolution on the part of management and workers. It is to be noted that Taylor's thinking was confined to management at the shop

level. However, he demonstrated the possibility and significance of the scientific analysis of the various aspects of management.

To put the philosophy of scientific management into practice, Taylor and his associates suggested the following techniques:

1. Scientific task setting to determine a fair days; work.
2. Work study to simplify work and increase efficiency. This involves methods study, time study and motion study.
3. Standardization of materials, tools equipment, costing system, etc.
4. Scientific selection and training of workers.
5. Differential piece-wage plan to reward the highly efficient workers.
6. Specialization in planning and operations through 'functional foremanship'. Foremen in the planning department include: route clerk, instruction card clear, time and cost clerk and shop disciplinarian and those in the operations department include: gang boss, speed boss, repair boss and inspector.
7. Elimination of wastes and rationalization of system of control.

Criticism of Scientific Management

Taylor's scientific management was criticized not only by the workers and managers but also by the psychologists and the general public. The main grounds of criticism are given below:

1. The use of the word 'Scientific' before 'Management' was objected because what is actually meant by scientific management is nothing but a scientific approach to management.
2. Taylor advocated the concept of functional foremanship to bring about specialization in the organisation. But this is not feasible in practice as a worker can't carry out instructions from eight foremen.
3. Scientific management is production-centered as it concentrates too much on the technical aspects of work and undermines the human factor in industry.
4. Scientific Management ignores social and psychological needs of workers as it treats them as extension of machines devoid of any feelings and emotions.
5. Trade unionists regarded the principles of scientific management as the means to exploit labour because the wages of the workers were not increased in direct proportion to productivity increases.

Many of the above objections were later remedied by the other contributors to scientific management like Henri L. Gantt, Frank Gilbreth, Lillian Gilbreth and Harrington Emerson. Many of the recommendations of Taylor are still being applied by the modern business undertakings. In short, it can be said that Taylor was the pioneer in introducing scientific reasoning to the discipline of management.

Henry Gantt, an associate of Taylor, developed the Gantt chart, a bar graph that measures planned and completed work along each stage of production. Based on time instead of quantity, volume, or weight, this visual display chart has been a widely used planning and control tool since its development in 1910.

Frank and Lillian Gilbreth, a husband-and-wife team, studied job motions. In Frank's early career as an apprentice bricklayer, he was interested in standardization and method study. He watched bricklayers and saw that some workers were slow and inefficient, while others were very productive. He discovered that each bricklayer used a different set of motions to lay bricks. From his observations, Frank isolated the basic movements necessary to do the job and eliminated unnecessary motions. Workers using these movements raised their output from 1,000 to 2,700 bricks per day. This was the first motion study designed to isolate the best possible method of performing a given job. Later, Frank and his wife Lillian studied job motions using a motionpicture camera and a split-second clock. When her husband died at the age of 56, Lillian continued their work.

The basic ideas regarding scientific management developed include the following:

- a) Developing new standard methods for doing each job
- b) Selecting, training, and developing workers instead of allowing them to choose their own tasks and train themselves
- c) Developing a spirit of cooperation between workers and management to ensure that work is carried out in accordance with devised procedures
- d) Dividing work between workers and management in almost equal shares, with each group taking over the work for which it is best fitted

II (b) Administrative Management Approach

The advocates of this school perceive management as a process involving certain functions such as planning, organising, directing and controlling. That is why, it is also called the 'functional' approach. Henri Fayol is regarded as the father of this school. Henri Fayol defined management Notes in terms of certain functions and then laid down fourteen principles of management which according to him have universal applicability.

Henri Fayol was a French executive who emphasized that management could be both taught and learnt. His long practical experience is reflected in his paper. "Administration industrielle et generale" (General and Industrial Management). Fayol tried to develop a theory of management. He discussed the principles of general management and argued that managerial ability can be acquired as any other technical ability. He not only recommended formal teaching in management but also practised it by founding the Centre for Administrative Studies in Paris. Thus, he was a pioneer in the field of management education. In brief, Fayol's views on management command acceptability even today because they are much in tune with the requirements of the management in the present-day world.

Principles of Management (Contribution of Henry Fayol)

Henry Fayol was born in 1861 at Constantinople in France. He graduated as a mining engineer in 1860 from the National School of Mining. After his graduation, he joined a French Coal Mining Company as an Engineer. After a couple of years, he was promoted as manager. He was appointed as General Manager of his company in 1888. At that time, the company suffered heavy losses and was nearly bankrupt. Henry Fayol succeeded in converting his company from near bankruptcy to a strong financial position and a record of profits and dividends over a long period.

Concept of Management:

Henry Fayol is considered the father of modern theory of general and industrial management. He divided general and industrial management into six groups:

1. Technical activities: Production, manufacture, adaptation.
2. Commercial activities: Buying, selling and exchange.
3. Financial activities: Search for and optimum use of capital.
4. Security activities: Protection of property and persons.
5. Accounting activities: Stock-taking, balance sheet, cost, and statistics.
6. Managerial activities: Planning, organisation, command, co-ordination and control.

These six functions had to be performed to operate successfully any kind of business. He, however, pointed out that the last function i.e., ability to manage, was the most important for upper levels of managers.

The process of management as an ongoing managerial cycle involving planning, organising, directing, co-ordination, and controlling, is actually based on the analysis of general management by Fayol. Hence, it is said that Fayol established the pattern of management thought and practice. Even today, management process has general recognition.

Fayol's Principles of Management: [14 Principles]

1. Division of work: Division of work or specialization alone can give maximum productivity and efficiency. Both technical and managerial activities can be performed in the best manner only through division of labour and specialization.
2. Authority and Responsibility: The right to give order is called authority. The obligation to accomplish is called responsibility. Authority and Responsibility are the two sides of the management coin. They exist together. They are complementary and mutually interdependent.
3. Discipline: The objectives, rules and regulations, the policies and procedures must be honoured by each member of an organisation. There must be clear and fair agreement on the rules and objectives, on the policies and procedures. There must be penalties (punishment) for non-obedience or indiscipline. No organisation can work smoothly without discipline - preferably voluntary discipline.

4. **Unity of Command:** In order to avoid any possible confusion and conflict, each member of an organisation must receive orders and instructions only from one superior (boss).
5. **Unity of Direction:** All members of an organisation must work together to accomplish common objectives.
6. **Emphasis on Subordination of Personal Interest to General or Common Interest:** This is also called principle of co-operation. Each shall work for all and all for each. General or common interest must be supreme in any joint enterprise.
7. **Remuneration:** Fair pay with non-financial rewards can act as the best incentive or motivator for good performance. Exploitation of employees in any manner must be eliminated. Sound scheme of remuneration includes adequate financial and non-financial incentives.
8. **Centralization:** There must be a good balance between centralization and decentralization of authority and power. Extreme centralization and decentralization must be avoided.
9. **Scalar Chain:** The unity of command brings about a chain or hierarchy of command linking all members of the organisation from the top to the bottom. Scalar denotes steps.
10. **Order:** Fayol suggested that there is a place for everything. Order or system alone can create a sound organisation and efficient management.
11. **Equity:** An organisation consists of a group of people involved in joint effort. Hence, equity (i.e., justice) must be there. Without equity, we cannot have sustained and adequate joint collaboration.
12. **Stability of Tenure:** A person needs time to adjust himself with the new work and demonstrate efficiency in due course. Hence, employees and managers must have job security. Security of income and employment is a pre-requisite of sound organisation and management.
13. **Esprit of Co-operation:** Esprit de corps is the foundation of a sound organisation. Union is strength. But unity demands co-operation. Pride, loyalty and sense of belonging are responsible for good performance.
14. **Initiative:** Creative thinking and capacity to take initiative can give us sound managerial planning and execution of predetermined plans.

Criticism of Process of Functional Approach

Though the proponents of management process approach have made significant contribution to the development of thought, their work suffers from the following limitations:

1. There is no single classification of managerial functions acceptable to all the functional theorists. There is also lack of unanimity about the various terms such as management and administration, commanding and directing, etc.
2. The functionalists considered their principles to be universal in nature. But many of the principles have failed to deliver the desired results in certain situations.
3. The functional theorists did not consider the external environment of business.
4. Fayol overemphasized the intellectual side of management. He felt that management should be formally taught, but he did not elaborate the nature and contents of management education.

Bureaucracy:

Max Weber (1864-1920), a German sociologist contributed his views on bureaucracy to the management thought. His primary contribution includes his theory of authority structure and his description of organisations based on the nature of authority relations within them. Essentially, it was Weber's contention that there are three types of legitimate authority which are as follows:

1. Rational-legal authority: Obedience is owed to a legally established position or rank within the hierarchy of a business, military unit, government, and so on.
2. Traditional authority: People obey a person because he belongs to certain class or occupies a position traditionally recognized as possessing authority, such as a real family.
3. Charismatic authority: Obedience is based on the followers belief that a person has some special power or appeal.

Weber's theory 'bureaucracy' recognizes rational-legal authority as the most important type in organisations. Under traditional authority, leaders are not chosen for their competence, a charismatic authority is too emotional and irrational. A bureaucratic organisation which is based on rational-legal authority display the following features:

1. Division of Work: There is a high degree of division of work at both the operative and administrative levels. This leads to specialization of work.
2. Hierarchy of Positions: There is a hierarchy of authority in the organisation. Each lower position is under the control of a higher one. Thus, there is unity of command. The bureaucratic structure is hierarchical in nature. It is like a pyramid in which quantity of authority increases as one moves up the ladder in the organisation.
3. Rules and Regulations: The rules, regulations and procedures are clearly laid down by the top administration. Their benefits are as under:
 - (a) They standardize operations and decisions.
 - (b) They serve as receptacles of past learning.
 - (c) They protect incumbents and ensure equality of treatment.
4. Impersonal Conduct: There is impersonality of relationships among the organisational members. The decisions are entirely guided by rules and regulations and are totally impersonal. There is no room for emotions and sentiments in this type of structure.
5. Staffing: The personnel are employed by a contractual relationship between the employee and employer. The tenure of service is governed by the rules and regulations of the organisation. The employees get a salary every months which is based on the job they handle and also the length of service.
6. Technical Competence: The bureaucrats are neither elected not inherited, but they are appointed through selection and the basis of selection is their technical competence. Promotions in bureaucracies are also based on technical qualifications and performance.
7. Official Records: The administration of a bureaucratic organisation is supported by an efficient system of record-keeping. The decisions and activities of the organisation are formally recorded and preserved safely for future reference This is made possible by extensive filing system. The filing system makes the organisation independent of individuals. The official records serve as the memory of the organisation.

Criticism of Bureaucracy

It is not free of flaws. It may lead to many undesirable consequences such as:

1. The rules may be followed in letter and not in spirit. Thus, instead of providing guidelines,

the rules may become source of inefficiency. The rules may be misused or misinterpreted by the persons concerned with the implementation of rules. Red tapism and technicalism may follow as a result.

2. Bureaucracy does not consider informal organisation and inter-personal difficulties.
3. Bureaucracy discourages innovation because every employee is supposed to act as per rules and regulations or to the secondary goals.
4. Goal displacement may take place in a bureaucratic organisation. The bureaucrats may give priority to rules and regulations or to the secondary goals.
5. The bureaucratic structure is tall consisting of several layers of executives. Thus, communication from the top level to the lowest level will take a very long time.

III . Behavioral Theory or Neo-classical Theory:

The Behavioral Theory of Management, often referred to as Neo-Classical Management Theory, focuses upon individual behavior, motivations, and social interactions. Specifically, it incorporates the study of human behavior through psychology, sociology, and anthropology.

Human Relations Approach

The classical writers including Weber, Taylor and Fayol neglected the human relations aspect. The neo-classicists focussed on the human aspect of industry. They modified the classical theory by emphasizing the fact that organisation is a social system and the human factor is the most important element within it. They conducted some experiments (known as Hawthorne Experiments) and investigated informal groupings, informal relationships, patterns of communication, patterns of informal leadership, etc. This led to the development of human relations approach. **Elton Mayo** is generally recognized as the father of the Human Relations School. Other prominent contributors to this schools include Roethlisberger, Dickson, Dewey, Lewin, etc.

The human relations approach is concerned with recognition of the importance of human element in organisations. It revealed the importance of social and psychological factors in determining workers' productivity and satisfaction. It was instrumental in creating a new image of man and the work place. The neo-classical or human relations approach put stress on inter-personal relations and informal groups at the work-place.

The human relationists argued that achievement of organisational objectives is impossible without the willing cooperation of people and such cooperation cannot be automatically secured or ordered. It has to be consciously achieved. The neo-classical approach advocated people-oriented organisation structure which will integrate both informal and formal organisations.

The basic tenets of neo-classical theory or human relations approach are as under:

1. The business organisation is a social system.
2. The behaviour of an individual is dominated by the informal group of which he is a member.
3. An individual employee cannot be motivated by economic incentives alone. His social and psychological needs must be satisfied to improve the level of motivation.
4. In an organisation, it is ultimately cooperative attitude and not the more command which yields result.
5. Management must aim at developing social and leadership skills in addition to technical

skills. It must take interest in the welfare of workers.

6. Morale and productivity go hand in hand in an organisation.

Hawthorne Studies

In 1927, a group of researchers led by George Elton Mayo and Fritz J. Roethlisberger at the Harvard Business School were invited to join in the studies at the Hawthorne Works of Western Electric Company, Chicago. The experiment lasted upto 1932. Earlier, from 1924 to 1927, the National Research Council made a study in collaboration with the Western Electric Company to determine the effect of illumination and other conditions upon workers and their productivity.

1. Illumination Experiment: This experiment was conducted to establish relationship between output and illumination. The output tended to increase every time as the intensity of light was improved. But the output again showed an upward trend when the illumination was brought down gradually from the normal level. Thus, it was found that there is no consistent relationship between output of workers and illumination in the factory. There were some other factors which influenced the productivity of workers when the intensity of light was increased or decreased.

2. Relay Assembly Room Experiment: In this experiment, a small homogeneous work-group of girls was constituted. Several new elements were introduced in the work atmosphere of this group. These included shorter working hours, rest pauses, improved physical conditions, friendly and informal supervision, free social interaction among group members, etc. Productivity and morale increased considerably during the period of the experiment. Morale and productivity were maintained even if improvements in working conditions were withdrawn. The researches concluded that socio-psychological factors such as feeling of being important, recognition, attention, participation, cohesive work group, and non-directive supervision held the key for higher productivity.

3. Bank Wiring Observation Room Experiment: This experiment was conducted to study a group of workers under conditions which were as close as possible to normal. This group comprised of 14 workers. After the experiment, the production records of this group were compared with their earlier production records. There were no significant changes in the two because of the maintenance of 'normal conditions'. However, existence of informal cliques in the group and informal production norms were observed by the researchers.

The Bank Wiring Experiment led to the following observations:

- (a) Each individual was restricting output.
- (b) The group had its own "unofficial" standards of performance.
- (c) Individual output remained fairly constant over a period of time.
- (d) Departmental records were distorted due to differences between actual and reported output or between standard and reported working time.

4. Mass Interview Programme: The researchers interviewed a large number of workers with regard to their opinions on work, working conditions and supervision. Initially, a direct approach was used whereby interviewers asked questions considered important by managers and researchers. Later, this approach was replaced by an indirect technique where the interviewer simply listened to what the employees had to say. The findings confirmed the importance of social factors at work in the total work environment.

Contributions of Human Relations Approach or Hawthorne Studies

The human relationists proposed the following points as a result of their findings of the Hawthorne experiments:

1. **Social System:** The organisation in general is a social system composed of numerous interacting parts. The social system defines individual roles and establishes norms that may differ from those of the formal organisation.
2. **Social Environment:** The social environment on the job affects the workers and is also affected by them. Management is not the only variable. Social and psychological factors exercise a great influence on the behaviour of workers. Therefore, every manager should adopt a sound human approach to all organisational problems.
3. **Informal Organisation:** The informal organisation does also exist within the frame work of formal organisation and it affects and is affected by the formal organisation.
4. **Group Dynamics:** At the workplace, the workers often do not act or react as individuals but as members of groups. The group determines the norms of behaviour for the group members and thus exercises a powerful influence on the attitudes and performance of individual workers. The management should deal with workers as members of work group rather than as individuals.
5. **Informal Leader:** The informal leader sets and enforces group norms. He helps the workers to function as a social group and the formal leader is rendered ineffective unless he conforms to the norms of the group.
6. **Communication:** Two-way communication is necessary because it carries necessary information downward for the proper functioning of the organisation and transmits upward the feelings and sentiments of people who work in the organisation. It will help in securing workers' cooperation and participation in the decision-making process. Workers tend to be more productive when they are given the opportunity to express their feelings, opinions and grievances. This also give them psychological satisfaction.
7. **Non-economic Rewards:** Money is only one of the motivators, but not the sole motivator of human behaviour. The social and psychological needs of the workers are very strong. So non-economic rewards such as praise, status, interpersonal relations, etc. play an important role in motivating the employees. Such rewards must be integrated with the wages and fringe benefits of the employees.
8. **Conflicts:** There may arise conflicts between the organisational goals and group goals. Conflicts will harm the interest of workers if they are not handled properly. Conflicts can be resolved through improvement of human relations in the organisation.

Criticism of Human Relations Approach

The human relations approach has been criticized on the following grounds:

1. **Lack of Scientific Validity:** The human relationists drew conclusions from Hawthorne studies. These conclusions are based on clinical insight rather than on scientific evidence.
2. **Over-emphasis on Group:** The human relations approach over-emphasises the group and group decision-making.
3. **Over-stretching of Human Relations:** It is assumed that all organisational problems are amenable to solutions through human relations.
4. **Limited Focus on Work:** The human relations approach lacks adequate focus on work.
5. **Over-stress on Socio-psychological Factors:** The human relations approach undermines the role of economic incentives in motivation and gives excessive stress on social and psychological factors.

6. Conflict between Organisational and Individual Goals: It view conflict between the goal of the organisation and those of individuals as destructive

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