

# The relevance of various management theory schools of thought



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This essay will identify the predominant and diverse schools of thought encapsulated within management theory and their relevance or lack thereof, or appropriateness of application within today's organisations. Four separate methodologies shall be addressed, the classical school, the school of human relations, and both systems and contingency theory.

The Classical theory of management was born of the 'scientific age' (Wren, 1995, p5). Taking account of this theory in the present age, a classical approach can offer structured management with purpose, drive and clear, understandable hierarchy (Cole, 2004, p4). Scientific management, with exponents such as Owen, Babbage and later Taylor and Gantt (Pindur et al, 1995, pp61-62) were concerned with observation and experience to seek greater efficiency for expanding industry; viewing workers as cogs in a machine and as another resource to be organised (Morgan, 1997, p38).

General administrative management's focus was on the running of the whole organisation (Pindur et al, 1995, p62). Fayol looked in more detail at the role of manager and purported five functions: planning, organising, commanding, coordinating and controlling (Fells, 2000, p346). Bureaucracy, with the main advocate Weber, took a theoretical view seeking to understand power and authority (Mullins, 1996, p46; Pugh and Hickson, 2007, p5). Weber sought clear hierarchy advocating recruitment and promotion due to merit. [With] standardization across the organisation; no matter who was in post (Höpfl, 2006, pp10-11).

Although still relevant today as a 'tool' to offer clear direction, (Lamond, 2005, p1279) classical theory has been heavily criticized for being too

prescriptive, limiting individual thought, creativity and flexibility of the organisation (Morgan, 1997, pp30-33; Mullins, 1996, pp41-46). It was thought not to look beyond the individual organisation to its' wider context. (Mullins, 1996, p52).

Contrastingly, the human relations (HR) theory of management sometimes referred to as ' human behaviour' school, ' leadership or ' behavioural sciences' approach, considers and prioritises ' people' as part of the management role. The exponents of this school lean heavily towards psychology and social studies believing " people should understand people" (Koontz, 1961, p178).

In the 1920's an awareness of the impact of social factors within the workplace grew and behaviour and performance of employees became a focus for study (Mullins, 1996). Mary Parker Follett wrote about individual and group behaviour within organisations (Wolfgang et al, 1995). She contentiously believed that authority was rooted in ' a position' and not with ' a person', causing much dispute and debate (Clegg et al, 2005; Mandeville, 1960).

Arguably HR theory originated with the Hawthorne Studies conducted from 1920's and 1930's (Grey, 2005). Ironically the origins of the studies can be linked to the scientific approach however they became inextricably linked with Elton Mayo and showed productivity increased often when not expected. Mayo identified , when people felt valued production could rise (Clegg et al, 2005). Whilst methods used and accuracy of data is disputed the results opened minds and encouraged debate on topics such as

leadership, motivation and informal groups within organisations and so the neo-human relations approach developed with Maslow and his understanding of peoples' needs entering the arena of theories (Mullins, 1996).

The HR approach can help provide solutions to problems such as absenteeism, staff turnover and production quality brought about by strict scientific approaches. However some may view the approach as an unwelcome intrusion; leaving no demarcation between private and work life (Grey, 2005). People are the key ingredient to the HR theory but we should not set aside that, structure and rules are undoubtedly required in the mix.

Accepting that Systems theory attempts to reconcile the classical and human relations approaches, this may then potentially provide the 'ideal' management theory. But does such an 'ideal' really exist? Exploring further, Systems theory focuses on the elements of organization, in terms of their interaction with external environment. Attention is focused on the total work organisation and the interrelationships of structure and behaviour, and the range of variables within the organisation (Mullins, 2000). The belief is that all employees work harmoniously through sharing common goals.

The Systems approach to management began in 19th century, and Ludwig von Bertalanffy made great contributions in developing it. There are two basic types of systems; closed and open; and one of the key concepts of von Bertalanffy's theory mentioned that open systems responded to their environments through exchanged information, energy or material (Kast and Rosenweig, 1972). The open systems model contains human relations as well as organisation development (Pindur et al, 1995).

Closed systems [on the other hand] are self-contained and do not interact with their environment (Cole, 2004). Some classical theories, like Taylor's scientific management, Weber's bureaucratic theory and Gulick's administrative management can be classified to the closed system model (Pindur et al, 1995).

Limitations within the Systems theory did exist though, and whilst the approach fostered both technical and social variables viewing organisations as 'a whole'; alterations to one aspect directly affected the other part.

The changing nature of the work environment, the increasing demands for flexibility and concerns with the contextual factors influencing structure have drawn attention to the contingency approach to organisational design (Mullins, 2000, p564). Diversity is no longer just the right thing to do; it has become a business imperative and perhaps the single most important factor of the twenty-first century for organization performance (Wheeler, 2005, s1-s7; Daft, 2008, p420).

Observed as a development of the Systems approach, the contingency theory goes a stage further in relating the environment, and other variables, to specific structures of organisation. [It] takes the view that there is no one best, universal structure (Mullins, 2000, p564), [or] universal principles that can be used for every situation, but instead [it] seeks to explain how one attribute or characteristic depends upon another (Vecchio, 2000, p338).

The contingency approach can be seen as a form of 'if-then' matrix relationship (Luthans, 1985); [it] draws attention to the situational factors; emphasis[ing] the need for flexibility (Mullins, 2000, p564). There is a <https://assignbuster.com/the-relevance-of-various-management-theory-schools-of-thought/>

multitude of possibilities and the best or preferred choice will be contingent on the situation being analysed (Hunt, 1992, p170).

Criticisms or doubts about the contingency approach and its practical value to management have been voiced. According to Robey (1982, p59), modern contingency theory provides an increasing amount of empirical research; defin[ing] variables ignored in earlier work. However, the contingency approach runs the risk of concluding that 'it all depends on everything'. Indeed, Vecchio (2000, pp. 11-12) simply summarises the contingency approach in two words. "It depends".

Whatever the criticisms and limitations of contingency models, the application of modern contingency theory can help contribute to more effective performance (Mullins, 2002, p578) - so can we deduce that whilst possibly overly flexible in its 'make-up', the contingency approach is however within practice, a suitably acceptable management theory?

## **Conclusion**

In conclusion it would appear that it is not only management theory that is disparate; the multiplicity of variables affecting the everyday running of organisations, also provides immense organisational diversity. Management theory and practice in implementation are inextricably linked which ensures that no holistic theory of management can be developed.

Many paradigms have been created within an historical context where necessity for change has been encountered. Theoretical management and its functions are therefore viewed as evolutionary.

Classical theory, whilst used today appears limited in application. Human Relations theory is still useful when applied in terms of an organisation's social dimension. A unitarist Systems theory whilst initially popular was overtaken by a more necessary flexible approach to management, gleaned from Contingency theory. This perspective took a pluralist view of organisations.

Organisations vary in terms of groups of individuals, industry type, structure, culture and objectives, making management differ within each entity. The trajectory of management theory, as time has progressed has added to the management debate and provided structure in which there is near agreement within groupings of schools who disagree vehemently as to the thinking of their adversaries. Because of management's diversity we are of the thinking that there is no one solution that will remedy or enhance all situations.

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