Principles and practice of management essay sample

Psychology, Motivation

INTRODUCTION:

The schools of management thought are theoretical frameworks for the study of management. Each of the schools of management thought are based on somewhat different assumptions about human beings and the organizations for which they work. Since the formal study of management began late in the 19th century, the study of management has progressed through several stages as scholars and practitioners working in different eras focused on what they believed to be important aspects of good management practice. Over time, management thinkers have sought ways to organize and classify the voluminous information about management that has been collected and disseminated. These attempts at classification have resulted in the identification of management schools. The following Table provides a brief summary of five major schools of management thought, their approximate dates of origin, and their relative areas of emphasis.

The various schools of management can be put into five broad categories. They are: A) The classical approach

B) The behavioral approach

C) The quantitative approach

D) The systems approach

E) The contingency approach

A)THE CLASSICAL APPROACH:

One of the first schools of management thought, the classical management theory, developed during the Industrial Revolution when new problems related to the factory system began to appear. Managers were unsure of how

to train employees (many of them non-English speaking immigrants) or deal with increased labor dissatisfaction, so they began to test solutions. As a result, the classical management theory developed from efforts to find the " one best way" to perform and manage tasks. This school of thought is made up of three branches. They are: 1) Scientific management

2) Administrative principles

3) Bureaucratic organization

1) SCIENTIFIC MANAGEMENT:

* Contribution of F. W. Taylor: The scientific management school is primarily attributed to the ideas and works of Fredrick. W. Taylor, who is known as the " the father of scientific management". He is well known for his famous work, " The Principles of Scientific Management", published in 1911, which became the foundation of scientific management movement. Taylor was interested in replacing the traditional management by scientific management by developing the most scientific and rational principles for handling people, machines, materials, and money and to secure maximum benefits for the employers as well as employees. He offered 4 principles as basis for scientific management. They are: a) Every job should be broken into its elements and a scientific method to perform each element should be established. b) The scientific selection of workers, so that each worker would be given responsibility for the task for which he or she was best suited. c) The scientific education and development of the worker.

d) Intimate, friendly cooperation between management and labor. * Contributions of the Gilbreths: Frank. B and Lillian. M. Gilbreth made their contribution to the scientific management movement as a husband-and-wife team. Lillian and Frank collaborated on fatigue and motion studies and focused on ways of promoting the individual worker's welfare. To them, the ultimate aim of scientific management was to help workers reach their full potential as human beings. In their conception, motion and fatigue were intertwined-every motion that was eliminated reduced fatigue. Using motion picture cameras, they tried to find out the most economical motions for each task in order to upgrade performance and reduce fatigue. The Gilbreths argued that motion study would raise worker morale because of its obvious physical benefits and because it demonstrated management's concern for the worker.

* Contributions of Henry Gantt: an associate of Taylor's 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. He was also responsible for introducing " Task and Bonus Plan". It was aimed at providing extra wages for extra work in addition to a guaranteed minimum wage. Bonuses were also awarded to supervisors who were successful in getting their workers to meet the output goal. * Contributions of Harrington Emerson: He is known as the high priest of efficiency. He came to fame when he was called as an expert by the Interstate Commerce Commission in1911 in a hearing for increase in the

railroad freight rate. His book. " Twelve Principles of Efficiency" published in 1912, contained principles and techniques for optimum productivity achieved in the most efficient manner.

2) ADMINISTRATIVE PRINCIPLES:

* Contributions of Henry Fayol: Henri Fayol, a French mining engineer, developed 14 principles of management based on his management experiences. These principles provide modern-day managers with general guidelines on how a supervisor should organize her department and manage her staff. Although later research has created controversy over many of the following principles, they are still widely used in management theories. 1. Division of work: Division of work and specialization produces more and better work with the same effort. 2. Authority and responsibility: Authority is the right to give orders and the power to exact obedience. A manager has official authority because of her position, as well as personal authority based on individual personality, intelligence, and experience. Authority creates responsibility. 3. Discipline: Obedience and respect within an organization are absolutely essential. Good discipline requires managers to apply sanctions whenever violations become apparent.

4. Unity of command: An employee should receive orders from only one superior. 5. Unity of direction: Organizational activities must have one central authority and one plan of action. 6. Subordination of individual interest to general interest: The interests of one employee or group of employees are subordinate to the interests and goals of the organization. 7. Remuneration of personnel: Salaries — the price of services rendered by

employees — should be fair and provide satisfaction both to the employee and employer. 8. Centralization: The objective of centralization is the best utilization of personnel. The degree of centralization varies according to the dynamics of each organization. 9. Scalar chain: A chain of authority exists from the highest organizational authority to the lowest ranks. 10. Order: Organizational order for materials and personnel is essential.

The right materials and the right employees are necessary for each organizational function and activity. 11. Equity: In organizations, equity is a combination of kindliness and justice. Both equity and equality of treatment should be considered when dealing with employees. 12. Stability of tenure of personnel: To attain the maximum productivity of personnel, a stable work force is needed. 13. Initiative: Thinking out a plan and ensuring its success is an extremely strong motivator. Zeal, energy, and initiative are desired at all levels of the organizational ladder. 14. Esprit de corps: Teamwork is fundamentally important to an organization. Work teams and extensive face-to-face verbal communication encourages teamwork.

3) BUREAUCRATIC ORGANISATION:

* Contributions of Max Weber: Weber looked for rules to eliminate managerial inconsistencies that contribute to ineffectiveness. He further believed that every deviation from the formal structure interferes with efficient management. He believed in strict adherence to rules which would make bureaucracy a very efficient form of organization founded on principles of logic, order and legitimate authority. The basic characteristics of a bureaucratic organization are: 1. A division of labour by functional

specialization: A maximum possible division of labor makes it possible to utilize all links of the organization experts who are fully responsible for the effective fulfillment of their duties. 2. A well defined hierarchy of authority: Each lower official is under the control and supervision of a higher one. Every subordinate is accountable to his superior for his own decisions and actions and the decisions and actions of his subordinates in turn. 3. A system of rules covering the duties and rights of employees: These rules should be clear cut and the responsibility of every member in the organization must be clearly defined and assigned and strictly adhered to.

B) THE BEHAVIOURAL APPROACH:

As management research continued in the 20th century, questions began to come up regarding the interactions and motivations of the individual within organizations. Management principles developed during the classical period were simply not useful in dealing with many management situations and could not explain the behavior of individual employees. In short, classical theory ignored employee motivation and behavior. As a result, the behavioral school was a natural outgrowth of this revolutionary management experiment. The behavioral management theory is often called the human relations movement because it addresses the human dimension of work. Behavioral theorists believed that a better understanding of human behavior at work, such as motivation, conflict, expectations, and group dynamics, improved productivity. The theorists who contributed to this school viewed employees as individuals, resources, and assets to be developed and worked

with — not as machines, as in the past. Several individuals and experiments contributed to this theory.

* The Hawthorne Experiments: The human relations movement grew out of a famous series of studies conducted at the western electric company from 1924 to 1933. These eventually became known as the " Hawthorne Experiments" because many of them were performed at western electric's Hawthorne plant near Chicago. The Hawthorne studies began as an attempt to investigate the relationship between the level of lighting in the workplace and worker productivity. In some of the early studies, the western electric researchers divided the employees into test groups, who were subjected to deliberate changes in lighting, and control groups, whose lighting remained constant throughout the experiments. The results of the experiments were ambiguous. When the test groups lighting was improved, productivity tended to increase, although erratically. But when lighting conditions were made worse, there was also a tendency for productivity to increase in the test group. To compound the mystery, the control groups output also rose the course of the studies, even though it experienced no changes in illumination. Obviously, something besides lighting was influencing the workers performance. In a new set of experiments, small group of workers was placed in a separate room and a number of variables were altered.

Wages were increased, rest periods of varying length were introduced, the work day and work week were shortened. Researchers, who now acted as supervisors, also allowed the groups to choose their own rest periods and to have a say in other suggested changes. Again, the results were ambiguous.

Performance tended to increase over time but it also rose and fell erratically. Part way through this set of experiments, Elton Mayo and some associates from Harvard including Fritz. J. Roethlisberger and William. J. Dickson became involved. In these and subsequent experiments, Mayo and his associates decided that a complex chain of attitudes had touched off the productivity increases. Because they had been singled out for special attention both the test and the control groups had developed a group ride that motivated them to improve their work performance. Sympathetic supervision had further reinforced their motivation. The researchers concluded that the employers would work harder if they believed that management was concerned about their welfare and supervisors paid special attention to them. This phenomenon was subsequently labeled the Hawthorne effect. * Contributions of Abraham Maslow: Abraham Maslow, a practicing psychologist, developed one of the most widely recognized need theories, a theory of motivation based upon a consideration of human needs . His theory of human needs had three assumptions: * Human needs are never completely satisfied.

* Human behavior is purposeful and is motivated by the need for satisfaction. * Needs can be classified according to a hierarchical structure of importance, from the lowest to highest. Maslow broke down the needs hierarchy into five specific areas: * Physiological needs: Maslow grouped all physical needs necessary for maintaining basic human well-being, such as food and drink, into this category. After the need is satisfied, however, it is no longer is a motivator. * Safety needs: These needs include the need for

basic security, stability, protection, and freedom from fear. A normal state exists for an individual to have all these needs generally satisfied. Otherwise, they become primary motivators. * Belonging and love needs: After the physical and safety needs are satisfied and are no longer motivators, the need for belonging and love emerges as a primary motivator. The individual strives to establish meaningful relationships with significant others. * Esteem needs: An individual must develop self-confidence and wants to achieve status, reputation, fame, and glory.

* Self-actualization needs: Assuming that all the previous needs in the hierarchy are satisfied, an individual feels a need to find himself. Maslow's hierarchy of needs theory helped managers visualize employee motivation. * Contributions of Douglas McGregor: Douglas McGregor was heavily influenced by both the Hawthorne studies and Maslow. He believed that two basic kinds of managers exist. One type, the Theory X manager, has a negative view of employees and assumes that they are lazy, untrustworthy, and incapable of assuming responsibility.

On the other hand, the Theory Y manager assumes that employees are not only trustworthy and capable of assuming responsibility, but also have high levels of motivation. An important aspect of McGregor's idea was his belief that managers who hold either set of assumptions can create self-fulfilling prophecies — that through their behavior, these managers create situations where subordinates act in ways that confirm the manager's original expectations. As a group, these theorists discovered that people worked for

inner satisfaction and not materialistic rewards, shifting the focus to the role of individuals in an organization's performance.

C) THE QUANTITATIVE APPROACH:

* Management science and MIS:

It uses mathematical and statistical approaches to solve management problems. It originated during World War II, as strategists tried to apply scientific knowledge and methods to the complex problems of war. Industry began to apply management science after the war. George Dantzig developed linear programming, an algebraic method to determine the optimal allocation of scarce resources. Other tools used in industry include inventory control theory, goal programming, queuing models and simulation. The advent of the computer made many management science tools and concepts more practical and applicable for the industry. Increasingly, management science and management information systems (MIS) are interconnected. MIS focuses on providing needed information to managers in a useful format and at the proper time. Decision support systems (DSS) attempts to integrate decision models, data and the decision maker into a system that supports better management decisions. * Production and operations management:

This school focuses on the operation and control of the production process that transforms resources into finished goods and services. It has its roots in scientific management but it developed into an identifiable area of management study after World War II. It uses many tools of management science. Operations management emphasises the productivity and quality of

both manufacturing and service organisations. W. Edwards Deming exerted tremendous influence in shaping modern ideas about improving productivity and quality. Foremost areas of study within operations management include capacity-planning, facilities location, facilities layout, materials requirement planning, scheduling, purchasing and inventory control, quality control, computer integrated manufacturing, just-in-time inventory systems and flexible manufacturing systems.

D) SYSTEMS APPROACH:

A recurrent drawback of the classical, behavioral and quantitative schools is that they lay more emphasis on one aspect of the organization at the expense of another. However, it is difficult to know which aspect is most functional, constructive and appropriate in a given situation. What is needed is a singular expansive, detailed, conceptual framework that can help a manager diagnose a problem and decide which tool or combination of tools 30 Management Process and Organizational Behavior Will accomplish the task best. The systems approach helps in obtaining an integrated approach to management problems. Some important contributors of the systems approach are Chester Barnard, George Homans, Philip Selznick and Herbert Simon. The following are the key concepts of this approach: * A system is a set of interdependent parts, which together form a unitary whole that performs some function.

An organization is also a system composed of four interdependent parts, namely, task, structure, people and technology. * A system can be either open or closed. A system is considered open if it interacts with its

environment. All biological, human and social systems are open systems because they constantly intermingle with their environments. A system is considered closed if it does not interact with the environment. Physical and mechanical systems are closed systems because they are insulated from their external environment. Traditional organization theorists regarded organizations as closed systems while, according to the modern view, organizations are open systems, constantly interacting with their environments. * Each system, including an organization, has its own boundaries, which separate it from other systems in the environment. The boundaries for open systems are however, ' permeable' or penetrable, unlike those of the closed systems. They are quite flexible and adjustable, depending upon their activities. The confines for closed systems are rigid.

The function of management is to act as a boundary-linking pin among the various subsystems within the organizational system, on the one hand and between the organization and the external environmental system, on the other. In the context of a business organization, it has many boundary contacts or ' interfaces' with many external systems like suppliers, creditors, customers, government agencies etc. * Every system has flows of information, material and energy. These enter the system from the environment as inputs and exit the system as outputs. The inputs of a business organization are raw materials, equipment, human effort, technology and information. The organization converts these inputs into outputs of goods, services and satisfactions.

This process of change is known as ' throughput'. * It should be remembered that the output of a system is always more than the combined output of its parts. This is called ' synergy'. In organizational terms, synergy refers to the increase in productivity when separate departments within an organization cooperate, coexist and interact as compared to the productivity when they acted in isolation. In other words, as separate departments within an organization cooperate and interact, they become more productive than if they had acted in isolation. For example, it is obviously more efficient for each department in a small firm to manage one finance department than for each department to have a separate finance department of its own.

E) THE CONTIGENCY APPROACH:

According to this approach, management values and concepts of various schools have no universal applications. In other words, there is no optimal or single best way of doing things under all conditions. Methods and techniques, which are highly effective in one situation, may not work in other situations. Results differ because situations differ. Accordingly, the contingency approach suggests that the task of managers is to try to identify which technique will best contribute to the attainment of management goals in a particular situation. Thus, managers have to employ a sort of situational sensitivity and practical selectivity.

The contingency school originated in the 1960s. It has been applied primarily to management issues such as organizational design, job design, motivation, and leadership style. For example, optimal organizational structure has been theorized to depend upon organizational size, technology, and environmental

uncertainty; optimal leadership style, meanwhile, has been theorized to depend upon a variety of factors, including task structure, position power, characteristics of the work group, characteristics of individual subordinates, quality requirements, and problem structure, to name a few. A few of the major contributors to this school of management thought include Joan Woodward, Paul Lawrence, Jay Lorsch, and Fred Fiedler, among many others.

CONCLUSION:

All of the preceding theories have come down to us in the late twentieth-century world of organizations and management. Here they are practiced against a backdrop of rapid change and profound rethinking about how management and organizations will evolve in the next century. At the heart of this rethinking, which is really occurring in numerous ways at the same time, are new ways of thinking about relationships and time.

As boundaries between cultures and nations are blurred and new communications technology makes it possible to think of the world as a " global village," the scope of international and intercultural relationships is rapidly expanding. The pace of organizational activity picks up dramatically. These trends indicate a heightened level of intensity in organizations and management today.

In times when theories are changing, it is often true that the last thing that happens is that someone assigns a name to the new theory. We use to convey the mood of current thinking and debate about management and organizations. It is quite likely that twenty years from now, well into your

organizational lives, you will look back and call this period of movement by some other name.