

Henri fayol a classical
management
administrative theorist
commerce essay



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Classical approach techniques were founded in the early 1900's and is the foundation of many modern management theories. The classical approach concentrates solely on the economical and physical stance of an organisation. A classical management technique aims to investigate the operations within an organisation in order to improve efficiency. Henri Fayol is one of many classical management theorists who has created a 14 principle model, some of which included are, that workers are only motivated by money, encouraging a centralised organisation with lower subordinates and enable authority and responsibility.

Furthermore another classical management theorist named Max Weber aimed to reduce bureaucracy using his 'Bureaucratic Management' model which he developed in the late 1800's.

Classical management theorists argue that other areas of classical management simply do not exist – for example job enrichment and psychological needs of an individual.

However a Modernist approach may be that a worker does not solely rely on money as a part of their motivation, non-financial methods of motivation are also favoured upon. For example building relationships within an organisation or managing emotions of workers.

Organisations are becoming larger in scale and are beginning to operate in a variety of worldwide markets, managing change and its employee's is becoming increasingly difficult therefore having to adapt to different management approaches in order to stay competitive, furthermore this leads

back to whether the classical/modernist approach is still appropriate to this time and age.

– **Essay**

Henri Fayol a classical management administrative theorist has developed 14 principles which give managers fundamental basic guidelines to follow. Centralisation has always been a favourable approach for organisations in the early 1900's. However due to the growing scale of organisations today, centralisation has become less favourable for large organisations, this is because they feel need to supervise and manage its large employee base.

Henri Fayol's studies show that centralisation should require a balance of centralisation and decentralisation. This balance allows change in the classical management era to be communicated effectively and also enables decisions to made from the upper hierarchy.

However in modern organisations, various different types of hierarchy structures can be implemented inorder to suit the business needs. For example Flat structure and Matrix structure, the flat structure gives employee's more decision making responsibility with fewer layers of management from the director to the worker, on the other hand a matrix structure has various management and supervisory layers from top to bottom. To an extent the classical approach for modern organisations has given a variety of choice of managing employee's within an organisation based on their environment and size. Larger modern organisations may adopt a matrix structure inorder to allow them to monitor their employee's

effectively whereas smaller organisations may adopt a flat structure which enables change to be processed quicker.

This to an extent shows the validity of the statement whether a classical approach is no longer suitable to existing organisations and change. Henri Fayol's theory on a balanced hierarchy shows importance of a changing hierarchical model.

However American modernist named Melville Dalton argued in his management studies that power and decision making can be spread amongst lower ranking employees instead of having managers to make decisions on their behalf in any hierarchy model. " the increasing size of modern organizations and the increasing complexity of the problems with which they have to deal makes technically impossible the participation of the rank and file in the making of decisions." (lilt.ilstu.edu, 1998) This quote also shows that larger organisations find it increasing difficult to implement decisions and change.

On the other hand another classical management theorist named Max Weber believed that organisations should have a well-defined hierarchy, a clear division of labour, rules and regulations, impersonal relationships between managers and employee's, competence and records. To an extent some of Max Weber's theory still exists in 21st century management. In modern organisations numerous amounts of rules, regulations and company policies exist which help prevent employees from carrying out unlawful duties internally and consequences relating to those actions.

Rules and regulations within an organisation help prevent change from occurring to an extent, an example of this is legislation – the Data Protection Act 1998 may prevent employees from misplacing sensitive information within the workplace therefore rules and regulations within an organisation to an extent are good practice measures for maintaining standardisation.

Rules and regulations to an extent also can contribute to significant change within an organisation, for example new health and safety legislation or even employee law.

To an extent some these models shows that the fundamental basics have been further developed from classical and modern theorists in order to adapt to business requirements.

Furthermore during the 1885 – 1915 Scientific management was developed by Frederick Taylor, sometimes known as the father of “ scientific management”, scientific management was aimed at improving the processes of an organisation. Scientific management theories aimed at improving employee productivity using ‘ time and motion’ studies, for example using larger shovels in order to reduce the amount of stops between A and B.

Frederick Taylor also found in his studies that non-incentive wage systems allowed lower productivity as workers that are receiving the same wage regardless of the output.

“ Non-incentive wage systems encourage low productivity if the employee will receive the same pay regardless of how much is produced, assuming the

employee can convince the employer that the slow pace really is a good pace for the job.” (netmba. com, 2003) this quote also shows that employee’s tried to dodge the time and motion study in fear that employers will set new time benchmarks.

In modern day organisations minimum wage legislation has also been introduced, this therefore limits the productivity of its employee’s; however organisations are now implementing targets and bonus incentive schemes which allow workers to earn above their minimum wage.

This shows although scientific management and classical management differ, organisations are trying to adapt to various different management theories which allow them to maximise their performance.

On the other hand Simon Herbert who is a modernist questioned rationality within an organisation, as an expert in the administration field Herbert identified areas in which decision makers can align rationality and judgement against organisational goals.

Simon Herbert has divided rationality into six different areas, some of which are “ 1. Objectively rational – if, in fact, it is the correct behaviour for maximising given values in a given situation. 2. Subjectively rational – if it maximises attainment relative to the actual knowledge of the subject and 3. Personally rational – if it is oriented to the individual’s goals.” (Brown, 2011) However although this may be beneficial for decision makers Herbert assumes that decision makers already possess the knowledge required and often dismisses knowledge of their alternatives.

Herbert also outlined the human capacity of processing as a limitation of rationality and also identified conflicting options for decision makers.

To an extent this modernist theory is no longer suitable to modern organisations to-date as it requires decision makers to require knowledge of their alternatives, can contain incomplete information and related consequences to the decision. However some of Herbert's theory on "bounded rationality" may be more relevant to modern organisations and change as rationality is affected by limited resources to deal with complex decisions, limited information and limited time.

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