

# Classical theory, bureaucracy and contingency theories explained essay sample



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The earliest contributors to our understanding of management theory include practising managers and social scientists. More recent theorists have tended to be academics or management consultants. The early the early theorists can be divided into two main groups- the practising managers, such as Taylor and Fayol, and the social scientists, such as Mayo and McGregor.

### The Classical Theories

The classical management theory is a school of management thought in which theorists delved into how to find the best possible way for workers to perform their tasks. The classical management theory is divided into two branches, the scientific and the administrative. The scientific branch comes from the scientific mindset of attempting to increase productivity. During the height of the scientific theory, theorists would use almost mechanical methods towards labour and organization to achieve goals of productivity and efficiency. Some of the basic techniques of the classical scientific theory include creating standardized methods for a task and dividing work between employees equally. \* Henri Fayol (1841-1925)

\* Frederick Winslow Taylor (1856-1915)(Scientific management) \* Frank and Lillian Gilbreth (early 1900's)(Scientific management) \* Henry Gantt (early 1900's)(Scientific management)

\* Lyndall F Urwick (mid 1900's)

Thanks to these contributors, the basic ideas regarding scientific management developed include the following: \* Developing new standard methods for doing each job

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

### Strengths of Classical Management Theory

Current management organization and structure can find much of its roots from the classical management theory. One of the main advantages of the classical management theory was to devise a methodology for how management should operate. Management principles devised during this period can be seen as a foundation for current management behaviour today, such as serving as a force of authority and responsibility. In addition, another benefit of the classical management theory is the focus on division of labour. By dividing labour, tasks could be completed more quickly and efficiently, thus allowing productivity to increase. Division of labour can be seen in many applications today, ranging from fast food restaurants to large production facilities. In addition, the classical management theory also gave rise to an autocratic leadership style, allowing employees to take direction and command from their managers.

**Hierarchy:** Clear organisational structure with three distinct management levels; Top management, middle management, and supervisors.

**Division of labour:** tasks are broken down into smaller tasks so it is easier to complete.

**Employees' responsibilities and expectations** are clearly defined. This leads to increased productivity and higher efficiency as workers are not expected

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to multitask. Incentives: if the workers complete their tasks they are rewarded hence they are motivated towards productivity. Employees feel appreciated when they are rewarded for hard work. Autocratic leadership: there is a single leader to make decisions, to organize and direct the employees. All decisions are made at the top level and communicated down. It is beneficial in instances where small business decisions need to be made. This helps the organisation to grow and have a strong leader.

### Bureaucratic Theory by Max Weber

Embellished the scientific management theory with Bureaucratic Theory was developed by a German Sociologist and political economist Max Weber (1864-1920). According to him, bureaucracy is the most efficient form of organisation. The organisation has a well-defined line of authority. It has clear rules and regulations which are strictly followed. According to Max Weber, there are three types of power in an organisation: – Traditional Power, Charismatic Power, and Bureaucratic Power or Legal Power. Features of Bureaucratic Organisation

The characteristics or features of Bureaucratic Organisation are as follows:-

1. There is a high degree of Division of Labour and Specialisation.
2. There is a well defined Hierarchy of Authority.
3. It follows the principle of Rationality, Objectively and Consistency.
4. There are Formal and Impersonal relations among the member of the organisation.
5. Interpersonal relations are based on positions and not on personalities.
6. There are well defined Rules and Regulations. These rules cover all the duties

and rights of the employees. These rules must be strictly followed. 7. There are well defined Methods for all types of work.

8. Selection and Promotion is based on Technical qualifications. 9. Only Bureaucratic or legal power is given importance.

### Criticism of Bureaucratic Organisation

Bureaucratic organisation is a very rigid type of organisation. It does not give importance to human relations. It is suitable for government organisations. It is also suitable for organisations where change is very slow. It is appropriate for static organisations. Bureaucratic organisation is criticised because of the following reasons:- 1. Too much emphasis on rules and regulations. The rules and regulations are rigid and inflexible. 2. No importance is given to informal groups. Nowadays, informal groups play an important role in all business organisations. 3. Bureaucracy involves a lot of paper work. This results in lot of wastage of time, effort and money. 4. There will be unnecessary delay in decision-making due to formalities and rules. 5. Bureaucratic model may be suitable for government organisations. But it is not suitable for business organisations because business organisations believe in quick decision making and flexibility in procedures. 6. Too much importance is given to the technical qualifications of the employees for promotion and transfers.

Dedication and commitment of the employee is not considered. 7. There is difficulty in coordination and communication. 8. There is limited scope for Human Resource (HR).

### The Ideal Bureaucracy

By studying the organizational innovations in Germany at the turn of the

20th century, Max Weber identified the core elements of this new form of <https://assignbuster.com/classical-theory-bureaucracy-and-contingency-theories-explained-essay-sample/>

organization. For Weber, the ideal bureaucracy was characterized by impersonality, efficiency and rationality. The key feature of the organization was that the authority of officials was subject to published rules and codes of practice; all rules, decisions and actions were recorded in writing. Max Weber believed that, due to their efficiency and stability, bureaucracies would become the most prevalent form of organization in society. However, he was also concerned that bureaucracies shared so many common structures it could mean that all organizations would become very much alike, which in turn could lead to the development of a new class of worker, the professional bureaucrat. Criticism of Weber's Bureaucratic Theory

One critique was Weber's claim that bureaucratic organizations were based on rational-legal authority. Parsons (1947) and Gouldner (1954) note that Weber said authority rests both in the "legal incumbency of office" and on "technical competence". This works if superiors have more knowledge and skill, but often this is not the case. Thompson notes that in modern organizations authority is centralized but ability is decentralized (Thompson 1961). In fact staff-line distinctions seem to be a structural resolution of this authority-ability quandary that Weber overlooked. Contingency theory

\* The contingency approach to organisations and management recognises that there may not be a single 'recipe' for the successful management of firms and organisations. \* Instead, it is recognised that an organisation and management approach will be altered by the market and economic circumstances which the organisation operates within. \* Different companies in different markets will therefore need different management 'recipe's' to be successful. \* In this sense the organisation and managerial approach is <https://assignbuster.com/classical-theory-bureaucracy-and-contingency-theories-explained-essay-sample/>

contingent upon the circumstances in which the organisation operates.

Contingency theories were developed and analysed by:

- \* Lawrence and Lorsch (1960's)
- \* Burns and Stalker (1960's)
- \* Joan Woodward (1960's)
- \* The Aston Group (Pugh, Hickson et al) (1970's)

Some important contingencies for companies :

1. Technology
2. Suppliers and distributors
3. Consumer interest groups
4. Customers and competitors
5. Government
6. Unions

Contingency theory has historically sought to develop generalizations about the formal structures that would fit the use of different technologies. This focus was put forward by Joan Woodward (1958), who argued that technologies directly determine organizational attributes such as span of control, centralization of authority, and the formalization of rules and procedures.

P. R. Lawrence and J. W. Lorsch found that companies operating in less stable environments operated more effectively, if the organizational structure was less formalized, more decentralized and more reliant on mutual adjustment between various departments in the company. Likewise,

companies in uncertain environments seemed to be more effective with a <https://assignbuster.com/classical-theory-bureaucracy-and-contingency-theories-explained-essay-sample/>

greater degree of differentiation between subtasks in the organization, and when the differentiated units were heavily integrated with each other.

On the other hand, companies operating in more stable and certain environments functioned more effectively if the organization was more formalized, centralized in the decision-making and less reliant on mutual adjustment between departments. Likewise, these companies do probably not need a high degree of differentiation of subtasks and integration between units.

Tom Burns and G. M. Stalker found similar results in their research, where organizations operating in more stable environments tend to exhibit a more mechanistic organizational structure, where companies operating in more dynamic and uncertain environments tend to show a more organic organizational structure.

Business leaders should therefore look at the contingencies of the environment, and assess whether or not the organization is capable of handling the uncertainties of the environment, and whether or not the organization is able to process the required amount of information.

An essay that provides a comprehensive examination of the subject matter and Which fully explains the subjects considered and very fully considers the relevance Of the subject matter to construction OR forwards a comprehensive evaluation