Developments in management and organisational behaviour business essay

Business

study of management and organisational behaviour. Others say that all thesedifferent ideas are little more than short-term fads and have little practicalvalue.'What do you think? What role does management theory have in helping ussolve problems we face in our organisational lives today? PART 1 THE ORGANISATIONAL SETTING42THE THEORY OF MANAGEMENTA central part of the study of organisation and management is the development of management thinking and what might be termed management theory. The application of theorybrings about change in actual behaviour. Managers reading the work of leading writers onthe subject might see in their ideas and conclusions a message about how they shouldbehave. This will influence their attitudes towards management practice. The study of management theory is important for the following reasons:■ It helps to view the interrelationships between the development of theory, behaviour inorganisations and management practice.■ An understanding of the development of management thinking helps in understandingprinciples underlying the process of management.■ Knowledge of the history helps in understanding the nature of management and organisational behaviour and reasons for the attention given to main topic areas.■ Many of the earlier ideas are of continuing importance to the manager and later ideas onmanagement tend to incorporate earlier ideas and conclusions.■ Management theories are interpretive and evolve in line with changes in the organisational environment. As McGregor puts it: Every managerial act rests on assumptions, generalizations, and hypotheses – that is to say, on theory. Our assumptions are frequently implicit, sometimes quite unconscious, often conflicting; nevertheless, they determine our predictions that if we do a, b

will occur. Theory and practice are inseparable. 1Miner makes the point that the more that is known about organisations and their methodsof operation, the better the chances of dealing effectively with them. Understanding maybe more advanced than prediction, but both provide the opportunity to influence or tomanage the future. Theory provides a sound basis for action. 2However, if action is to beeffective, the theory must be adequate and appropriate to the task and to improved organisational performance. It must be a ‘ good’ theory. DEVELOPMENTS IN MANAGEMENT AND ORGANISATIONAL BEHAVIOURIt is helpful, therefore, to trace major developments in management and organisationalbehaviour and what has led to the concentration of attention on such topics as motivation, groups, leadership, structure, and organisation development. 3Writing on organisation and management, in some form or another, can be traced backthousands of years. 4Also, Shafritz makes an interesting observation about the contributionof William Shakespeare (1564–1616): While William Shakespeare’s contribution to literature and the development of the English languagehave long been acknowledged and thoroughly documented, his contribution to the theory of management and administration have been all but ignored. This is a surprising oversight when you considerthat many of his plays deal with issues of personnel management and organizational behavior. 5However, the systematic development of management thinking is viewed, generally, asdating from the end of the nineteenth century with the emergence of large industrial organisations and the ensuing problems associated with their structure and management. 6Inorder to help identify main trends in the development of organisational behaviour

andmanagement theory, it is usual to categorise the work of writers into various ‘ approaches’, based on their views of organisations, their structure and management. Although a rathersimplistic process, it does provide a framework in which to help direct study and focus attention on the progression of ideas concerned with improving organisational performance. CHAPTER 2 APPROACHES TO ORGANISATION AND MANAGEMENT43Figure 2. 1 Main approaches to organisation, structure and managementA framework of analysisThere are, however, many ways of categorising these various approaches. For example, Skipton attempts a classification of 11 main schools of management theory. 7Whatever formof categorisation is adopted, it is possible to identify a number of other approaches, or atleast sub-divisions of approaches, and cross-grouping among the various approaches. Thechoice of a particular categorisation is therefore largely at the discretion of the observer. The following analysis will revolve around a framework based on four main approaches, shown in Figure 2. 1:■ classical – including scientific management and bureaucracy;■ human relations – including neo-human relations;■ systems;■ contingency. Attention is also drawn to other ‘ approaches’ or ideas, including:■ decision-making;■ social action;■ postmodernism. See Figure 2. 4 on page 64. THE CLASSICAL APPROACHThe classical writers thought of the organisation in terms of its purpose and formal structure. They placed emphasis on the planning of work, the technical requirements of theorganisation, principles of management, and the assumption of rational and logicalbehaviour. The analysis of organisation in this manner is associated with work carried outinitially in the early part of the last century, by such writers as Taylor, Fayol, Urwick, Mooneyand Reiley,

and Brech. Such writers were laying the foundation for a comprehensive theoryof management. A clear understanding of the purpose of an organisation is seen as essential to understanding how the organisation works and how its methods of working can be improved. Identification of general objectives would lead to the clarification of purposes and responsibilities at all levels of the organisation and to the most effective structure. Attention is givenPART 1 THE ORGANISATIONAL SETTING44to the division of work, the clear definition of duties and responsibilities, and maintainingspecialisation and co-ordination. Emphasis is on a hierarchy of management and formalorganisational relationships. Sets of principlesThe classical writers (also variously known as the formal or scientific management writers– although scientific management is really only a part of the classical approach) were concerned with improving the organisation structure as a means of increasing efficiency. Theyemphasised the importance of principles for the design of a logical structure of organisation. Their writings were in a normative style and they saw these principles as a set of ‘ rules’ offering general solutions to common problems of organisation and management. Most classical writers had their own set of principles but among the most publicised arethose of Fayol and Urwick (see Chapters 8 and 9). Fayol recognised there was no limit to theprinciples of management but in his writing advocated 14. 8Urwick originally specified eightprinciples, but these were revised to ten in his later writing. 9Mooney and Reiley set out a number of common principles which relate to all types oforganisations. They place particular attention on:■ the principle of co-ordination – the need for people to act together with unity of action, the exercise of authority and the

need for discipline;■ the scalar principle – the hierarchy of organisation, the grading of duties and the processof delegation; and■ the functional principle – specialisation and the distinction between different kinds ofduties. 10Brech attempts to provide a practical approach to organisation structure based on triedgeneral principles as opposed to the concentration on specific cases or complex generalisations of little value to the practising manager. He sets out the various functions in theorganisation and the definition of formal organisational relationships. 11 Although clearly astrong supporter of the formal approach in some of his views such as, for example, on theprinciple of span of control, Brech is less definite than other classical writers and recognisesa degree of flexibility according to the particular situation. Brech does place great emphasis, however, on the need for written definition of responsibilities and the value of job descriptions as an aid to effective organisation and delegation. This work builds on the ideas of earlier writers, such as Urwick, and therefore provides acomprehensive view of the classical approach to organisation and management. Evaluation of the classical approachThe classical writers have been criticised generally for not taking sufficient account ofpersonality factors and for creating an organisation structure in which people can exerciseonly limited control over their work environment. The idea of sets of principles to guidemanagerial action has also been subject to much criticism. For example, Simon writes: Organisational design is not unlike architectural design. It involves creating large, complex systemshaving multiple goals. It is illusory to suppose that good designs can be created by using the so-calledprinciples of classical organisation theory. 12Research studies have also expressed doubt about

the effectiveness of these principleswhen applied in practice. 13However, the classical approach prompted the start of a more systematic view of management and attempted to provide some common principles applicableto all organisations. These principles are still of relevance in that they offer a useful startingpoint in attempting to analyse the effectiveness of the design of organisation structure. Theapplication of these principles must take full account of: CHAPTER 2 APPROACHES TO ORGANISATION AND MANAGEMENT45■ the particular situational variables of each individual organisation; and■ the psychological and social factors relating to members of the organisation. Major sub-groupingsTwo major ‘ sub-groupings’ of the classical approach are: 1 scientific management, and2 bureaucracy. SCIENTIFIC MANAGEMENTMany of the classical writers were concerned with the improvement of management as ameans of increasing productivity. At this time, emphasis was on the problem of obtainingincreased productivity from individual workers through the technical structuring of the workorganisation and the provision of monetary incentives as the motivator for higher levels ofoutput. A major contributor to this approach was F. W. Taylor (1856–1917), the ‘ father’ ofscientific management. 14 Taylor believed that in the same way that there is a best machinefor each job, so there is a best working method by which people should undertake their jobs. He considered that all work processes could be analysed into discrete tasks and that by scientific method it was possible to find the ‘ one best way’ to perform each task. Each job wasbroken down into component parts, each part timed and the parts rearranged into the mostefficient method of working. Principles to guide managementTaylor was a believer in the

rational–economic needs concept of motivation. He believedthat if management acted on his ideas, work would become more satisfying and profitablefor all concerned. Workers would be motivated by obtaining the highest possible wagesthrough working in the most efficient and productive way. Taylor was concerned withfinding more efficient methods and procedures for co-ordination and control of work. He set out a number of principles to guide management. These principles are usuallysummarised as:■ the development of a true science for each person's work;■ the scientific selection, training and development of the workers;■ co-operation with the workers to ensure work is carried out in the prescribed way;■ the division of work and responsibility between management and the workers. In his famous studies at the Bethlehem Steel Corporation, Taylor, who was appointedas a management consultant, applied his ideas on scientific management to the handling ofpig iron. A group of 75 men were loading an average of 121/2 tons per man per day. Taylorselected a Dutch labourer, called Schmidt, whom he reported to be a ' high-priced' manwith a reputation for placing a high value on money, and a man of limited mental ability. By following detailed instructions on when to pick up the pig iron and walk, and when tosit and rest, and with no back talk, Schmidt increased his output to 471/2 tons per day. Hemaintained this level of output throughout the three years of the study. In return Schmidtreceived a 60 per cent increase in wages compared with what was paid to the other men. One by one other men were selected and trained to handle pig iron at the rate of 471/2 tonsper day and in return they received 60 per cent more wages. Taylor drew attention to theneed for the scientific selection of the workers.

When the other labourers in the groupwere trained in the same method, only one in eight was physically capable of the effortof loading 471/2 tons per day, although there was a noticeable increase in their level ofoutput. PART 1 THE ORGANISATIONAL SETTING46Reactions against scientific managementThere were strong criticisms of, and reaction against, scientific management methods fromthe workers who found the work boring and requiring little skill. Despite these criticismsTaylor attempted to expand the implementation of his ideas in the Bethlehem Steel Corporation. However, fears of mass redundancies persuaded the management to request Taylorto moderate his activities. Yet Taylor's belief in his methods was so strong that he would notaccept management's interference and eventually they dispensed with his services. Scientific management was applied for a time in other countries with similar criticismsand hostile reactions. The ideas of scientific management were also adopted in the AmericanWatertown Arsenal despite the lingering doubts of the controller. He was not convincedabout the benefits of paying bonuses based on methods which reduced time taken to complete a job; also the workers reacted unfavourably to time and motion studies and he wasfearful of a strike. The controller eventually gave way, however, and the scientific management approach was adopted – to be followed almost immediately by a strike of mouldingworkers. The strike at Watertown Arsenal led to an investigation of Taylor's methods by aHouse of Representatives Committee which reported in 1912. The conclusion of the committee was that scientific management did provide someuseful techniques and offered valuable organisational suggestions, but gave productionmanagers a dangerously high level of uncontrolled power. The

studies at Watertown Arsenalwere resumed but the unions retained an underlying hostility towards scientific management. A subsequent attitude survey among the workers revealed a broad level of resentmentand hostility, by both union and non-union members, to scientific management methods. As a result of this report the Senate banned Taylor's methods of time study in defenceestablishments. Taylorism as management controlThere has also been considerable interest in ' Taylorism' as representing a system of management control over workers. Taylor placed emphasis on the content of a ' fair day's work' andon optimising the level of workers' productivity. A major obstacle to this objective was' systematic soldiering' and what Taylor saw as the deliberate attempt by workers to promotetheir best interests and to keep employers ignorant of how fast work, especially piece-ratework, could be carried out. According to Braverman, scientific management starts from the capitalist point of view andmethod of production, and the adaptation of labour to the needs of capital. Taylor's workwas more concerned with the organisation of labour than with the development of technology. A distinctive feature of Taylor's thought was the concept of management control. 15Braverman suggests Taylor's conclusion was that workers should be controlled not only bythe giving of orders and maintenance of discipline, but also by removing from them anydecisions about the manner in which their work was to be carried out. By division of labour, and by dictating precise stages and methods for every aspect of work performance, management could gain control of the actual process of work. The rationalisation of productionprocesses and division of labour tends to result in the de-skilling of work and this may bea main strategy of the

employer. 16Cloke and Goldsmith also suggest that Taylor was the leading promoter of the idea thatmanagers should design and control the work process scientifically in order to guaranteemaximum efficiency. He believed in multiple layers of management to supervise the workprocess and in rigid, detailed control of the workforce. Taylor's theories justified managerial control over the production process and removed decision makingfrom employees and from owners as well. The increasingly authoritative operational role of management diminished the direct involvement of owners in day-to-day decision making. Managers saw thisas an opportunity to solidify their power and adopted Taylor's ideas wholesale. In the process, theyaffirmed efficiency over collaboration, quantity over quality, and cost controls over customer service. 17CHAPTER 2 APPROACHES TO ORGANISATION AND MANAGEMENT47Critical reflection' Despite the strong criticisms of scientic management, in the right circumstances theunderlying principles still have relevance and much to offer business organisationstoday. It is just that many commentators appear reluctant to openly admit that this isthe case.'What are your views? Where could scientific management be applied for the bestoverall effect? RELEVANCE OF SCIENTIFIC MANAGEMENTWhile Taylor's work is often criticised today it should be remembered that he was writingat a time of industrial reorganisation and the emergence of large, complex organisationswith new forms of technology. Taylor's main concern was with the efficiency of bothworkers and management. He believed his methods of scientific management would leadto improved management–labour relations and contribute to improved industrial efficiencyand prosperity. Taylor adopted an

instrumental view of human behaviour together with the applicationof standard procedures of work. Workers were regarded as rational, economic beings motivated directly by monetary incentives linked to the level of work output. Workers wereviewed as isolated individuals and more as units of production to be handled almost inthe same way as machines. Hence, scientific management is often referred to as a machinetheory model. Taylor's work continues to evoke much comment and extreme points of view. Forexample, Rose suggests: It is difficult to discuss the ' contribution' of F. W. Taylor to the systematic study of industrial behaviourin an even-tempered way. The sheer silliness from a modern perspective of many of his ideas, andbarbarities they led to when applied in industry, encourage ridicule and denunciation. 18The theme of inefficiencyRose argues that Taylor's diagnosis of the industrial situation was based on the simple themeof inefficiency. Among his criticisms are that Taylor selected the best workers for his experiments and assumed that workers who were not good at one particular task would be best atsome other task. There is, however, no certainty of this in practice. Taylor regarded workersfrom an engineering viewpoint and as machines, but the one best way of performing a taskis not always the best method for every worker. The reduction of physical movement to find the one best way is not always beneficial andsome ' wasteful' movements are essential to the overall rhythm of work. Rose also argues thatthe concept of a fair day's pay for a fair day's work is not purely a technical matter. It is alsoa notion of social equity and not in keeping with a scientific approach. Drucker, however, claims: Frederick Winslow Taylor may prove a more useful prophet for our times than we yet recognize . . . Taylor's

greatest impact may still be ahead . . . the under-developed and developing countries are nowreaching the stage where they need Taylor and ‘ scientific management’ . . . But the need to study Tayloranew and apply him may be the greatest in the developed countries. 19According to Drucker, the central theme of Taylor’s work was not inefficiency but the needto substitute industrial warfare by industrial harmony. Taylor sought to do this through: PART 1 THE ORGANISATIONAL SETTING48■ higher wages from increased output;■ the removal of physical strain from doing work the wrong way;■ development of the workers and the opportunity for them to undertake tasks they werecapable of doing; and■ elimination of the ‘ boss’ and the duty of management to help workers. Drucker also suggests that Taylor’s idea of functional foremen can be related to what isnow known as matrix organisation (matrix organisation is discussed in Chapter 9). Supportfor Drucker’s views appears to come from Locke who asserts that much of the criticism ofTaylor is based on a misunderstanding of the precepts and that many of his ideas areaccepted by present-day managers. 20Impetus to management thinkingWhatever the opinions on scientific management, Taylor and his disciples have left tomodern management the legacy of such practices as work study, organisation and methods, payment by results, management by exception and production control. The development ofmass assembly line work (‘ Fordism’), which was invented by Henry Ford in 1913 and whichdominated production methods in Western economies, can be seen to have many commonlinks with the ideas of scientific management. 21 The concept of Six Sigma can also be relatedto Taylor’s quest for ‘ systematic management’. For example, in his book on the future

ofmanagement, Hamel makes the following observation: One can imagine Taylor looking down from his well-ordered heaven and smiling fondly at theSix Sigma acolytes who continue to spread his gospel. (His only surprise might be that 21st-centurymanagers are still obsessing over the same problems that occupied his inventive mind a hundred yearsearlier.)22The principles of Taylor's scientific approach to management appear still to have relevance today. We can see examples of Taylorism alive and well, and management practicesbased on the philosophy of his ideas. As an example, Figure 2. 2 shows a ' Hanger InsertionProgramme' for a large American department store. Large hotel organisations often make useof standard recipes and performance standard manuals and it is common for housekeepingstaff to have a prescribed layout for each room, with training based on detailed proceduresand the one best way. Staff may be expected to clean a given number of rooms per shift withfinancial incentives for additional rooms. The strict routine, uniformity, clearly specifiedtasks, detailed checklists and close control in fast-food restaurants such as McDonald's alsosuggest close links with scientific management. Whatever else Taylor did, at least he gave a major impetus to the development of management thinking and the later development of organisational behaviour. For example, Crainer and Dearlove suggest that although Taylor's theories are now largely outdated, theystill had a profound impact throughout the world and his mark can be seen on much of thesubsequent management literature. 23 And Stern goes a stage further: The ' scientific management' of Frederick Taylor . . . shaped the first coherent school of thought withapplication to the industrialised world. He was our first

professional guru and Taylorism – with its twingoals of productivity and efficiency – still influences management thinking 100 years on. 24It is difficult to argue against the general line of Taylor's principles but they are subject tomisuse. What is important is the context and manner in which such principles are put intoeffect. There is arguably one best way technically to perform a job, particularly, for example, with factory assembly line production. However, account needs to be taken of humanbehaviour. People tend to have their preferred way of working and the need for variety andmore interesting or challenging tasks. Provided work is carried out safely and to a satisfactory standard and completed on time, to what extent should management insist on the ' onebest way'? CHAPTER 2 APPROACHES TO ORGANISATION AND MANAGEMENT49KEY IDEASHanger Insertion■ The new programme involving the process of hanging merchandise on hangers efficiently andeffectively. The purposes of this new programme:■ To assist the stores in better customer service – by having the merchandise ready to go on thefloor, saving space in the stockroom, and creating customer goodwill.■ To increase the units per hour produced.■ To perform the job duties as efficiently and effectively as possible. TECHNIQUES■ Keep the necessary items needed in your range. All supplies should be within arm's reach. Forexample, place the trash bin next to you, have your hanger supply near you. You should not needto take any steps.■ For ANY prepack, Unpack merchandise in the prepack or unpack enough of the prepack inthe amount to be placed on the trolley, tearing the plastic off of the entiregroup. Lay the merchandise out on the unpack table, and if applies, unfold eachpiece, removing tissue, etc. Insert the hangers and hang the entire group of

merchandise at once.■ When removing hangers from the merchandise, have the merchandise in a group on the unpacktable; remove these hangers working from the front to the back.■ When inserting hangers, as a group, insert working from the back to the front of the group on theunpack table. Hang pieces as a group.■ If merchandise is bulky, Leave merchandise folded, remove all of the plastic at once, insert hangers for merchandise unpacked, hang all pieces on thetrolley, then remove at the same time all excess plastic, clips, etc.■ When possible, it is more efficient to remove all the plastic at once after the merchandise is hung.■ When hanging pants, skirts, etc., slip the hanger over both sides of the piece of merchandise andpush metal clips down at the same time. This will alleviate additional steps.■ When pants are in plastic and hangers have to be removed, hang them first, take pants offhangers, lay on table, throw away plastic, insert hangers.■ When having to button pants, skirts, etc., take the top of the button through the hole first. Thismakes the process flow easier and more efficient.■ Put your supply of hangers in the cover of a tote and place on the table next to you. Figure 2. 2 Hanger Insertion Programme: an example of scientific managementIt seems that Taylor did not so much ignore (as is often suggested) but was more unawareof the complexity of human behaviour in organisations and the importance of the individual’s feelings and sentiments, group working, managerial behaviour and the workenvironment. However, we now have greater knowledge about social effects within thework organisation and about the value of money, incentives, motivation, and job satisfactionand performance.