

Are classical theorists  
old fashioned and out  
of date



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Is this really the case? Consider the above statement through a critical examination of practices which can be identified in work today. In your analysis, you should draw upon appropriate academic material, and also other sources which can help in identifying current practices. These can include your own experiences from work, those of family relatives and friends, weblogs, working life diaries, newspaper articles and other media reports.

Classical Management Theory is a “ Body of management thought based on the belief that employees have only economical and physical needs, and that social needs and need for job-satisfaction either don’t exist or are unimportant. Accordingly, this school advocates high specialization of labor, centralized decision making, and profit maximization.” (www.businessdictionary.com) To have originated at the end of the nineteenth century and in the beginning of the twentieth century, the Classical Management Theory dominated management thinking in the 1920s and 1930s by emphasising on the efficiency of the work process. Classical Management Theory has three main schools of thought: Scientific Management, which identifies the best way to do a line of work; “ Bureaucratic Management, which focuses on rules and procedure, hierarchy and clear division of labour; and Administrative Management, which emphasises the flow of information within the organisation.” (www.lehren.org) The aim of this essay is to discuss the three schools of thought of Classical Management Theory and to find out that whether they have really become outdated and are of little relevance to work and organisation in today’s world.

Frederick Taylor is known as the begetter of Scientific Management. Taylor's approach was to increase organisational productiveness by raising the efficiency level of the production process through emphasising on the empirical research. Especially in the United States where labour was in short supply at the start of the twentieth century, especially the skilled labour, and the only way of increasing productivity was by raising the efficiency of the workers. Scientific Management states that the line of work should be designed in such a way that every worker has a well-controlled and well-stipulated task, and specific methods and procedures are strictly followed for each job. (www. lehren. org; Cole, 2004) Taylor's management theory is founded upon a belief that managers not only are intellectually better than an average employee, but they have a positive duty as well to oversee staff and to organise their work activities. Therefore, his theory was only used on low-level repetitive and routine tasks which could be easily managed at the supervisory level. Taylor developed four main principles for his theory of Scientific Management. First principle is to scientifically develop best methodology to perform each task. Second principle is that managers should make sure that the best person is picked to perform the task and to make sure that he/she gets the best training. Third principle is that managers are responsible for assuring that the best person selected for the job does it by applying the best methodology. Last principle Taylor developed was that total responsibility for the work method should be removed from the worker and should be passed on to the management, and the employee is only responsible for the actual work performance. (Cole, 2004; Boddy, 2005)

On production-line time studies Taylor has based his management system. Taylor contrived the best and quickest methods of performing each component by breaking down each job into its components and applying time study as his base. He also tried to persuade employers to pay a higher rate to more productive workers. In the early parts of twentieth century Scientific Management Theory became very popular as its use was shown to lead to an increase in the productivity and efficiency level of the organisations and businesses.

Max Weber is known as the father of Modern Sociology. He had first used the term 'bureaucracy' to describe an organisational form which in his view was superior to others. He viewed an ideal organisation to be bureaucratic whose divisions of labour were clearly expressed and whose objectives and activities were rationally thought. He believed that performance evaluation should entirely be made on the basis of merit and that technical competence should be emphasized on. The key elements of a bureaucracy are defined by Weber as: A clear chain of command within a well-defined hierarchy where the top post holders have the authority and the right to control the lower post holders; Specialisation of skills and clear division of labour, where every employee will have the authority and essential expertise to finish a particular task; In writing, accurate and complete rules and regulations, to control and govern all decisions, activities and situations; Impersonal relationships between workers and managers, with clear duties of personnel and clear statements of the rights; And all the decisions regarding selection, recruitment and promotion will be made on the basis of technical competence. The framework Weber provided for his theory of Bureaucratic

Management advanced the formation of many huge corporations such as Ford. (www. lehren. org; Stoner et al, 1996)

Henri Fayol a French industrialist was one of the most influential management thinkers who developed one of the Classical Management Theory known as ' Administrative Management'. Scientific Management theory was concerned with increasing the productiveness of the shop floor while Fayol's theory grew out of the need to find guidelines to manage complex organisations like factories. An early effort pioneered by Fayol was to identify the skills and principles that underlie effective management. According to Cole (2004), Fayol believed that sound management falls into certain patterns which once identified can be analysed, so he focused on management of business operations, which he felt had been the most neglected. He developed fourteen general principles of management based on his management experience. It was generally believed that managers are born not made, before Fayol. He insisted that management was a skill like other skills which could be taught and learned once the principles underlying it were understood.

The ideas Classical Theorists have presented still have many applications in the management of today's organisations but with some modifications. Managers of today are facing many internal challenges which are similar to the ones faced by the managers during earlier periods. Like Taylor's concern for increase productivity of workers is still shared by managers. The Scientific Management theory is still relevant, even today but it is not as popular as it was in the past. The job design it presented is still widely used in industries today and has made most of the industrial work repetitive, <https://assignbuster.com/are-classical-theorists-old-fashioned-and-out-of-date/>

tedious, menial and depressing, and can be noted for example in fast-food restaurants like KFC and McDonald and in assembly lines of automobile manufacturers. McDonald's divides its operation into a number of tasks such as operating a deep fryer or cooking operation, supervising and assign people to perform the tasks. The modern mass automobile assembly lines pour out finished merchandises faster than Taylor could have ever thought off or imagined. In addition to this, the efficiency techniques of Scientific Management are used in the training of Surgeons.

Armies in the past have employed the Scientific Management theory and armies of today still employ the same theory. Of the main points listed - select workers with appropriate or necessary skills for each job, a standard method to perform each task, training for standard task, eliminating interruptions and wage incentive for increasing output and planning work - all but wage incentives are used by modern military for increased output. Wage incentives usually appear in the form of skill bonuses in armies. Furthermore, industrial engineers of today are also taught Scientific Management methods which include job-tasks analysis, time and motion studies and detailed production planning regarding the field of operation research and management.

In United States Bureaucratic Management is still used by service-based organisations like libraries. Libraries of Wichita State University are one concrete example where Weber's Bureaucratic Management ideas are still applied. Postal service in United States is also still using bureaucracy. (www.biz.colostate.edu)

Piece rate and mass production line systems are still being used in the manufacturing and garment industries of Mauritius. Sea-food hub is another industry where the Classical Management Theories are also applied.

But since the emergence and formulation of the Classical Management Theories in the nineteenth century the economic landscape has rapidly changed. Businesses of today do not exist in a vacuum. They have become open systems with dynamic and constant interaction with the environment. Business environment of today is highly competitive and global, and managers of today are increasingly becoming aware of the business environment and its effects.

There are two types of business environment known as the internal and the external environment. Factors that can be relatively controlled by the organisation relates to the internal environment. These factors are the employees, owners, customers, suppliers, pressure groups and authorities. The external environment constitutes of Political, Economical, Social and Technological (PEST) factors that cannot be controlled by the organisation. (Boddy, 2005)

Business environment of today is characterised with uncertainty, changes and innovation. At the same time concern about the natural environment has also emerged worldwide. Current natural concerns are climate changes, pollution, ozone depletion and other global issues like population and food security. It is becoming more challenging because of the commotion in the financial sector and global economic slowdown. Businesses must adapt to the environment at all cost or die. As McDonald's have concluded managers

of today have to be concerned not only with the scientific facts but with the environment and the public perception.

The business environment in today's world is becoming exceedingly competitive and tough for organisations. The level of competition in almost every sector is intensifying. New opportunities and threats are being created constantly due to the changes in technology. Every aspect of the business environment is sweeping with rapid change and prompting the managers to rethink the ways in which they do things. Smart companies are those which are working hard to improve their productivity, efficiency, testing new initiatives and adapting to the changing environment and technology in order to differentiate themselves from the competitors existing in these highly competitive business environments.

The command and control style of management which was presented in the Classical Management Theories will work in an environment where there is plenty of room for error and both competition and change is limited, but in today's age of communication and computing it is impossible for such a case to exist. Things are changing very quickly in today's business environment and profit margins for organisations are reducing, and in addition to this more and more things are happening on a continuous basis. So due to the rapid pace at which changes are occurring, it has become important for organisations to push down decision-making to the level in the organisation that has all of the relevant information at the time when a decision has to be made. This calls for quite different management attitudes, and demands for a flexible and democratic point of view and that accountability must be delegated, but all these things are not present in the Classical Management

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Theories. So for organisations to compete successfully with other organisations at national and international level, managers must act as entrepreneurs and try to create new business models that is to re-plan, strategize, rethink, learn continuously and innovate. The most important source for businesses to gain competitive advantage and sustainable development is innovation and innovative management. The theories presented by the classical theorists cannot cope with the dramatic and rapid changes of the business environment. Every procedure, standard ratio, process and rule of thumb is being challenged and re-engineered. Classical Management Theories which once were reliable guides for managers now are not enough for managers to base their decisions and take actions upon them.

So to conclude, organisations today are mostly influenced by the external environment (continuous technology change, globalisation, fierce market share competition, hiring and retaining front line workers and executives) that often fluctuate with time. Yet Classical Management Theories only portrays the image of an organisation that is not shaped by the external influences. In today's world of Classical Management Theories are gradually fading and the principal reason behind this is that people and their needs are considered as secondary to the needs of an organisation by Classical theorists. Nowadays, Human Resource Management has also very seriously challenged the scientific approach. Furthermore, in organisations the Bureaucratic Management is rapidly giving way to the Matrix structure. However, Classical Management Theories are still important because they had introduced the concepts of management for intellectual analysis and

provided ideas which were further developed by the subsequent management schools of thought.

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