

# The human side of enterprise business essay

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## **Introduction:**

Effective management can actualise high calibre teams by using the values of effectiveness, efficiency and productivity. The high performance teams are guided by principles of individual effectiveness, since the failure of one can affect the performance of the entire group. Effective management employs an open organisational climate so as to 'tap' talents from the teams and individuals of the organisation. Throughout this assignment I will be examining what effective management means from a theoretical standpoint and how that translates to management styles adopted by The Boots Company.

## **The Theory of Management:**

There many different theories regarding 'management' however it is universally agreed that management theory can be clustered into 5 groups as illustrated in Figure 1:

### **The Classical School**

The classical approach to management is thought in the terms of its purpose and formal structure. The classical idea of management was fundamentally concerned with developing a theory to improve organisations efficiency and effectiveness. Henri Fayol (1841-1925), one of the founding classically theorists was a practising manager who laid the building blocks of thought about organisation of work and the organisation of people at work. He is quoted saying: 'To manage is to forecast and plan, to organise, to command, to coordinate and to control' Henri Fayol in conjunction with other practising managers, namely F. W. Taylor, went one step further to develop a

comprehensive theory of management. These branches of management developed through the school of classical theory management were namely bureaucratic, administrative and scientific management. While Fayol and Taylor were tackling with the problems of management. Max Weber (1864-1924) was a German sociologist. Although he spanned the same time period as Fayol and Taylor he was purely an academic and not a practising manager. His concerns with respect to organisations were from the point of view of authority structures through a hierarchical system described as bureaucracy. He constructed a model of bureaucracy called 'rational-legal authority' Max Weber believes all bureaucracies have certain characteristics, and they are as follows: A well-defined Hierarchy. All positions within a bureaucracy are structured in which higher positions supervise lower positions. This provides a clearly identified chain of command. Rules and regulations. A continuous organisation defined by rules. He believes that these rules and policies would provide certainty. Competence. Appointment to 'jobs' is absolutely essential to ensure there would be no personal bias and the significance of 'knowing someone'. Records. Weber feels it is absolutely essential for a bureaucracy to maintain complete files regarding all its activities. He believes this record keeping would advance an accurate organisation 'memory' where accurate and complete documents will be available in concerning all bureaucratic actions and determinations. The above features of bureaucratic organisations enable the authority of officials to be subject to rules and regulations. Indicating that authority is legitimate, not arbitrary. It is this point more than any other that led Webber to comment that Bureaucratic organisation was capable of attaining the highest degree of efficiency and was, in that sense, the most rational known means

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of carrying out 'imperative control of human beings'. Weber's model of 'rational-legal authority', although arguably instilled in organisations today has its critics. The main arguments being the loss of individualism, autonomy and individual freedom. A sense of isolation through specialisation can have a negative effect. Rather than improve efficiency and effectiveness, which is the key driver behind his model. It can cause a sense of loss of community and purpose and ultimately a lack of motivation. Another category of classical thinking of management is the scientific approach. The scientific management approach reinforces research for developing a compendious management solution. The major representative for this school of thought, arguably, is Frederick Winslow Taylor (1856-1915). Taylor's beliefs fundamentally believed that management were not only intellectually superior to the average employee, but had a positive duty to supervise, organise and develop them within their activities. This would eliminate as Taylor described 'The natural tendency of worker to soldier' on the job. This 'soldiering' tendency, Taylor reasoned was down to: Fear of unemployment, Fluctuations in earnings from piece rate systems. A system which Henri Fayol was a main believer in. Rule-of-thumb methods. Taylor's answer to these concerns was to practice 'scientific management'. Taylor developed four principles of scientific management: A scientific management methodology can be developed. Managers should assume the responsibility for choosing, training and developing their employees. Managers should fully cooperate with employees to insure proper application of the scientific management method. Management should become involved with the work of their employees as much as possible. Taylor believed that 'Scientific managements' rational approach to the organisation of work would enable

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tasks and processes to be quantified with a considerable degree of accuracy. This accurate measurement would provide a basis for improving working methods. Through this accurate implementation it would bring enormous increase in productivity. He also thought that it enabled employees to be paid by results, 'piece work', and to take advantage of additional incentive payments. Although Taylor believed that 'Scientific Management was 'Revolutionary' it did have its critics and obvious disadvantages. It was argued that this method left planning and control entirely in the hands of management and led to the fragmentation of the workforce as each job role is clearly defined and measured. It generated a 'carrot on a stick' approach to the motivation of employees by pay being strictly geared to output. However the main flaw can arguable to principle of micro management and insistence on close supervision which flies in the face of contemporary organisation management methods.

### **Human Relation theory.**

The human resources approach looks at unlocking creative solutions through people through an interest in workers and considerate management styles to meet the employees' social requirements. Through this thinking it is if the employees basic human requirements are met then this will increase motivation and ultimately productivity and efficiency. Two of the best known contributors to the human resources were Abraham Maslow (1908-1970) and Douglas McGregor (1906-1964). Abraham Maslow through his job as a practising psychologist observed his patients problems usually routed in an inability to fulfil their needs. It's from this that he developed a 'hierachy of needs'. Being a practising psychologist his hierarchy of needs naturally

started with physiological needs but then progressed to incorporate the following: Physiological needs: Purely in an organisational setting this are reflected in heat, financial means, and environment. Safety Needs: These include the need for security, stability, protection. An orderly working environment free from the threat of violence, job security and safe jobs. Belongingness needs: Within an organisation this is the idea of belonging to a group and the desire for a sound working relationship in particular with respect to management. Esteem Needs: From an organisational perspective this means the need to be recognised for contribution and an increase in responsibility. Self-actualisation needs: Providing people with the opportunity to grow, be creative, and acquire challenges assignments and advancement. In Maslow's Theory low order take priority these orders must be met before ascending to the next 'need'. The hierarchy engages managers to see what employee motivation is. It helps in understanding the motivations and needs employees have and the requirement to satisfy the basic human needs subsequently achieving higher levels of motivation. Douglas McGregor is the second most predominant theorist associated with the human relation management. Figure 2 illustrates his Theory 'X' and Theory 'Y' model. McGregor said 'Theory X places exclusive reliance upon external control of human behaviour, whereas Theory Y relies heavily on self-control and self-direction.'<http://research-methodology.net/wp-content/uploads/2012/07/Theory-X-and-Theory-Y.gif> His theory is based on two types of manager. Theory 'X' is a manager whose view of employees' is that they are lazy, incapable of responsibility and untrustworthy. 'X' theory assumes that people inherently dislike work and will avoid if possible and that they prefer to be directed and have very little <https://assignbuster.com/the-human-side-of-enterprise-business-essay/>

ambition and job security is there main driver. Theory ' Y' is responsibilities. The dramatic difference in management viewpoints towards colleagues as illustrated in McGregors theory help managers develop sound styles of management and employee motivational assumptions.

## **Systems Theory.**

Defined at its simplest, a system is a collection of interrelated parts which form a whole. In the term of management theory it attempts to collate all various schools of management into a cohesive and comprehensive management theory. Within the context of an organisation it attempts, in its simplest form, to take inputs, convert them to achieve outputs (Figure 3). The inputs within an organisation are aspects such as: people, materials, information, finance etc. The conversion or transformation is looking at production and marketing, planning, controlling, previous theory models actively play a part in providing a functional overview of an organisation. organising, research and development etc. This ultimately leads to outputs such as products, services ideas etc. whatever the original strategic organisational goal is. In stark contrast to previous theories' previously discussed in this paper the systems approach, unlike classical and human resource the systems approach is holistic. This relies on all aspects interacting to obtain a given goal within an organisation. This system theory also provides managers with a tool for analysing an organisation without providing a specific theory. This model is dynamic since all outputs are constantly feedback from the information and results in the outputs to change, were applicable the inputs or transformation to obtain maximum efficiency and effectiveness. Basically all aspects rely on familisation of all

system characteristics and by this association a functional overview of an organisation.

## **Contingency Theory.**

### **Modern Theory.**

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