CLASSICAL THEORY

INTRODUCTION

Let us begin by looking at the Classical Theories. The main feature of these theories is that there is little concern for the human element in the organization. F.W. Taylor (1856-1917) is recognized by many scholars as the major Classical Theorist.

F.W. Taylor was known as the Father of Scientific Management. As a mechanical engineer at the Midvale and Bethlehem Steel Companies in Pennsylvania, Taylor was consistently appalled at the inefficiency of workers. Taylor believed that worker output was only about one-third of what was possible. Therefore, his main aim was to reduce the level of inefficiency that existed in the US manufacturing industry.

Below are some of the ways employed by Taylor to manage staff effectively.

1. Select workers to perform a task.
2. Observe them performing the task and note the key elements of it.
3. Record the time taken to do each part of the task.
4. Identify the quickest method recorded.
5. Train all workers in the quickest method and do not allow them to make any changes in it.
6. Supervise workers to ensure that this’ best way’ is being carried out and time them to check that the set time is not being exceeded.
7. Pay workers on the basis of results.

Activity 4.1

Take a few minutes and record in your notebooks some of the possible effects (both positive and negative) of Taylor’s approach, then compare your answers with the observations of scholars who have researched the effectiveness of Taylor’s methods of management.

Feedback

See what researchers have identified in the following list:

1. the great emphasis placed on increasing efficiency and productivity was greeted with open arms by industrial leaders;
2. the approach was seen as a route to greater profits;
3. the approach was adopted by manufacturers of the early twentieth century who were introducing the first forms of mass production and flow line techniques;
4. workers and leaders were more suspicious as they believed that it would lead to more work but no more pay or benefits;
5. they did not believe Taylor’s view that the fruits of higher efficiency would be shared between workers and business owners

If you were able to identify three or more of these, you have done very well.
Now let's consider the relevance of Taylor's approach to modern industry. Some modern organizations still employ Taylor's methods in the following ways.

- Some managers still believe that money is the only way to motivate staff.
- Some organizations still pay careful attention to the selection of workers.
- Observing and recording performance of staff is being done in organizations but with the cooperation and consultation of staff.
- Emphasis is still placed on efficiency, that is, managers are still trying to establish the best way of doing the job.
- Taylor's piece work payment systems are still being used in some garment manufacturing firms in Jamaica and other Caribbean countries, but not on such a wide scale.

Please review Taylor's Principles before we move on to our next classical theorist, Henri Fayol.

Another major theorist of the Classical School is Henri Fayol. This French industrialist was a major contributor to administrative theory. His theory describes efforts to define the universal functions that managers perform and the principles that constitute good management practices.

Fayol proposed that all managers perform five main functions listed below.

1) They Plan
2) They Co-ordinate
3) They Organize
4) They Command
5) They Control
Fayol put forward fourteen (14) principles of management as outlined below.

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<tr>
<th>Principle</th>
<th>Description</th>
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<td>1. Division of Work</td>
<td>Specialization allows workers and managers to acquire an ability, sureness, and accuracy that will increase output.</td>
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<td>2. Authority</td>
<td>The right to give orders and the power to exact obedience are the essence of authority.</td>
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<td>3. Discipline</td>
<td>Discipline comprises obedience, application, energy, behaviour, and outward marks of respect between employers and employees.</td>
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<td>4. Unity of Command</td>
<td>Every employee should receive orders from only one superior.</td>
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<td>5. Unity of Direction</td>
<td>Each group of organizational activities that have the same objective should be directed by one manager using one plan.</td>
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<td>6. Subordination of Individual Interests to the General Interests</td>
<td>The interests of any one employee or group of employees should not take precedence over the interests of the organization as a whole.</td>
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<td>7. Remuneration</td>
<td>Workers must be paid a fair wage for their services.</td>
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<td>8. Centralization</td>
<td>Centralization refers to the degree to which subordinates are involved in decision making.</td>
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<td>9. Scalar Chain</td>
<td>The line of authority from top management to the lowest ranks represents the scalar chain.</td>
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<td>10. Order</td>
<td>People and materials should be in the right place at the right time.</td>
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<td>11. Equity</td>
<td>Managers should be kind and fair to their subordinates.</td>
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<td>12. Stability of Tenure of Personnel</td>
<td>High employee turnover is inefficient. Management should provide orderly personnel planning and ensure that replacements are available to fill vacancies.</td>
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<td>13. Initiative</td>
<td>Employees who are allowed to originate and carry out plans will exert high levels of effort.</td>
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<td>14. Esprit de Corps</td>
<td>Promoting team spirit will build harmony and unity within the organization.</td>
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Contribution to Modern Organization

- Fayol's fourteen principles have formed the foundation for modern management practices and sound administrative structure.
- His functions of management provided a theoretical basis for all managers, no matter their area of expertise.

Now we move on to another major Classical Theorist, Max Weber.

Max Weber, a German Sociologist, described an ideal type of organization that he called Bureaucracy. This was a system characterized by division of labour, a clearly defined hierarchy, detailed rules and regulations, technical competencies, career management and impersonal relationships.

Weber recognized that this ideal bureaucracy did not exist in reality, but rather represented a selective reconstruction of the real world.
Contribution to Modern Organization

- Weber's Theory became the design prototype for large organizations.
- Offices and positions are still being organized into a hierarchy (as put forward by Weber) each lower one being controlled and supervised by a higher one.
- Employers depend heavily on selections and formal rules in organization.
- There is still the importance of accountability in organizations.

Now that we have examined the three main classical management theorists, we can move on to the next important school, The Behavioural or Human Relations School.
THE BEHAVIOURAL OR HUMAN RELATIONS SCHOOL

When you hear the word “human”- what meaning do you associate with it?

Yes, the Human Relations/Behavioural School recognizes employees as individuals with concrete human needs, as parts of work groups, and as members of the large society.

Writers of this school of thought included:

1. Psychologist, Elton Mayo – Mayo’s studies on the effects of piece rates on production lead to the discovery that social pressures exerted by co-workers were a significant influence on performance. He found that rather than release finished pieces, workers kept pieces to help the group meet future quotas.
   The Western Electric engineers asked Harvard professor, Elton Mayo to join the "Hawthorne Studies” as consultants. The Hawthorne Studies had a large and dramatic impact on the direction of organizational behaviour and management practice. Mayo’s conclusions were that behaviour and sentiments were closely related, that group influences significantly affected individual behavior, that group standards established individual worker output, and that money was less a factor in determining output than were group standards, group sentiments, and security.


Maslow identified and analyzed five basic needs, which he believed underlay all human behaviour. These needs related to physiology (food, water, air and sex) security (safety, the absence of illness) society or affiliation (friendship, interaction, love) esteem (respect and recognition) and self-actualization (the ability to reach one’s potentials). His theory further states that individuals satisfied the need that was greatest at any particular time, and that needs are satisfied "bottom-up" in terms of hierarchy.

Contribution to Modern Organization

- The behavioural management school brought the human dimension of work firmly into the mainstream of management thought with such results continuing today.

- Behavioural management theory effectively paved the way for modern-day employee's assistance programmes – such as substance abuse introduction and day care for children.

- It enhances the development of the field of human resource management

One major limitation of this theory is its complexity. That is, inability and inexperience in applying the theory. In addition to the fact that people are motivated by more than one need at any given time and that they must constantly reconcile conflicting demands, no simple formulae can always motivate all individuals in the workplace.
SYSTEM THEORY

This approach holds that an organization comprises various parts (subsystems) that must perform tasks necessary for the survival and proper functioning of the system as a whole.

The functional areas of a business are (1) Marketing (2) Finance and (3) Human Resource Management and these can be referred to as Subsystems.

When managers adopt a systems approach, they determine how planned change will affect others and the operations before they implement them.

Contribution to Modern Organization

- Most organization tries to adopt the principles outlined.
- Concept of synergy: the whole is greater than the sum of the parts. This is a principle put forward under the System Theory and is now adopted by many modern organizations. Therefore the failure of one subsystem might lead to the demise of the whole organization. For example, if the marketing department fails to promote a firm’s product in a competitive environment, it might lead to a reduction in sales and the production department might have to cut back on production. The Human Resource Manager might have to conduct a downsizing exercise to eliminate surplus/idle labour.

CONTINGENCY THEORY

This approach is based on the premise that management preferred actions or approaches depend on the variables of the situations they face. This can be summarised as an "it all depends" device, that is, the right and proper conduct under one set of circumstances may utterly fail under another set.

Managers holding the contingency view feel free to draw on all past theories in attempting to analyze and solve problems. The true contingency approach is integrative. During a typical day, a manager may have to use behavioural approaches to soothe a subordinate's hurt feelings, apply management science to program production for a new assembly, and use classical scientific tools to study an assembly operation to determine where it can be improved.

Contribution to Modern Organization

- The theory can be applied to any organization today under going change.
- This approach tells managers to try them now, to think, "outside the box"
- To experiment until they find the right means.