



Review of Classical Management Theories

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Abstract

Management is involved in each sector of daily life. Through the management, we can solve and handle even complex problems in a easy way. There are various theories of management. Among these, three main theories, this article elaborates Scientific, Administrative and Bureaucratic theories with its detailed rules, principles and functions. This article is a good effort towards elaborating these theories in the sequence of history, need of time when evolved and with the examples of the usage of these theories form the past to present times.

Keywords: Management, leadership, Classical Management theories, Scientific Management Theory, Administrative Theory, Bureaucratic Theory

Introduction

In this article, authors have elaborated, explained and summarized the, classical management theories in a synchronous way. All three theories have been defined with references and with the context of the need at the time of its evolution along with its weaknesses and, strengths. This article is good guide for the young researchers and managers, for studying the theories and to serve as managers in any organization or institution. Background of the article highlights the importance of management, rules for running of any organization and essentiality to know about these theories, to perform better in organizations, school or universities, being organizations. In this article, both terms of Management and Leadership are defined with details.

Management

According to Shield, (2010), term management derives from Latin word “Manu agere” which means to lead by hand. Lead by hand means, giving directions. It also implies that the leading person first goes where he/she wants to send the followers.

According to Drucker, (1974) Management is the activity of getting things done with the help of other peoples and resources. It means that management is a process of accomplishing work with the help of other peoples.

Leadership

Term leadership means, a process in which one individual influences others toward the attainment of group/organizational goals is called leadership.

According to Grey (2005) and Shaik (2008), leadership includes, (1) process of social influence (2) Cannot exist without a leader and some followers (3) There is



voluntary action by the followers; and (4) Changes the followers' behaviors.

The Difference between Management and Leadership

Author of article, explains the difference between the two terms. "Management and leadership are two overlapping terms which confuse many people. Leadership and management are complementary for each other. Both go hand in hand. But they are not the same things"

According to, Shied, (2010) and Murray, (2011), first, difference is that, planning, organizing, staffing, directing, controlling and coordinating are the functions of management and managers, who perform these functions has formal authority in the office; while inspiration and motivation is the job of leadership and formal authority is not necessary for leader. A manager may be or may not be a good leader.

According to Weijrich and Koontz (1993), Murray (2011), second difference is that, managers are principally administrators, they write plan, set budget and monitor the progress, on the other hand, leaders change the individual and organization.

Functions of Managers

Functions of managers are, planning, organizing, controlling, directing, leading, monitoring, staffing, communicating and coordinating.

Functions of Leaders

While discuss the functions of leaders, a book, titled, "On Becoming a Leader," written by Warren Bennis in 1989 has been referred. In this book 14 qualities and, functions of leaders are elaborated.

Categorization of Classical Management Theories

In this section categorization of classical management theories has been discussed i.e. Humanistic Management Theories, Situational Management theories and Modern Management Theories etc.

Classical Management Theories and Its Features

These were developed to predict and control behavior in organizations. Its features are defined.

- (1) Chain of Command
 - a. Top Level Management
 - b. Middle level management
 - c. First level management
- (2) Division of Labour
- (3) Unidirectional Downward Influence
- (4) Autocratic Leadership Style
- (5) Predicted Behavior

After highlighting the differences of management and leaderships, functions of managers & leaders and categorization & features of classical management theories, authors have discussed three management theories with its principles.

1. Scientific Management Theory

This well known, theory was developed by Freiderick Winslow Taylor in 1911. It is also known as time and motion study. His research was the greatest event of nineteenth century (Grey, 2005). Its main focus is maximum productivity. This



theory is the solution of the problem of all industrialists' conflicts (Shaik, 2008). According to Taylor, the scientific management is the solution of the labor problem. About the Scientific Management Theory, he says in his book "Principles of Scientific Management" "A determinant effort in some way to change the system of management, so that the interests of the workmen and the management should become the same" (Taylor, 1911, pp. 52). In his experiments, he raised the productivity of shovellers from 16 to 59 tons per day and reduced the number of yard labourers from 500 to 140. He has introduced four principles in his Scientific Management Theory to increase efficiency.

Four Principles of Management to Increase Efficiency

- (1) It is needed to develop the "science of work". It means to study the job in practice now and to find the ways to do it.
- (2) New method should be selected and worker should be selected and trained scientifically according to best way of performing that work. Different worker should be selected for different jobs and training should be given to them according to their positions in the organization.
- (3) Science of work should be matched with scientifically selected and trained worker to get maximum result. It means that those workers should be selected whose jobs match with new rules. Payment and reward should be linked with the productivity of each labor. High incentives should be given to high achiever and vice versa.
- (4) Task and responsibility should be equally divided between the workers and the management to complete task efficiently and economically.

Criticism on this Theory

There was is much criticism on this theory. Labour unions thought that this theory focus more work from labor with less payment and such like other issues with the labours which have been discussed in the article.

2. Administrative Management Theory

Administrative Management Theory is another well known Classical Management Theory, which was developed by Henry Fayol in 1916. It is also called Fayol Administrative Theory. Fayol was a senior manager. He developed this theory on his personal experience. This theory is about business management as well as general management. Its main focus is management. He introduced six functions and fourteen principles of management in his theory.

Principles of Management

He proposed 14 principles of management which are (1) Division of work (2) Authority (3) Discipline (4) Unity of Command (5) Unity of Direction (6) Subordination of Individual Interests to the General Interests (7) Remuneration (8) Centralization (9) Scalar Chain (10) Order (11) Equity (12) Stability of Tenure of Personnel (13) Initiative (14) Espirit de Corps.

3. Bureaucratic Theory of Management

This theory was given by German Sociologist Karl Emil Maximilian known as "Max Weber" so this theory is also called Weber's Theory of Bureaucracy. He formulates this theory in 1947 and named his work as Theory of Social and Economic Organization. Main focus of his theory is organizational structure. He focused on dividing organization into hierarchies and establishing strong lines of



authority and control. He suggests that organization should develop comprehensive and detailed standard operating procedures to perform preplanned tasks. He felt that the western civilization was changing from “Wertrational” to “Zweckational”. It means value oriented thinking to technocratic thinking. He thinks that civilization was changing to seek technical result at the cost of humanistic contents. He believes that worker should respect the right of the managers to direct activities dictated by the organizational rules and regulations.

Principles of Bureaucratic Management Theory are (1) Written Rules (2) System of Task Relationship (3) Specialized Training (4) Hierarchy of Authority (5) Clear Identified Duties (6) Paper Work (7) Fair Evaluation and Reward (8) Maintenance of Ideal Bureaucracy.

This theory is still in practiced. Later theories of management have take advantages from this theory. Written rules, ideal bureaucracy, paper work, punish and reward system, workers and managers’ training are part of almost all the organizations of the world. It shows that this theory has big role in history of management theories.

Conclusion

This article, is a good effort to compile, three most relevant management theories, with authenticated references and was a scholarly approach for the betterment of education, standards and compiling the data to provide easy access to new scholar and for the futuristic approach.