

# TOWARDS THE RELEVANCE OF CLASSICAL MANAGEMENT THEORIES AND ORGANIZATIONAL BEHAVIOR

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## **ABSTRACT**

*The purpose of this research is to study the relevance of classical theories of management in the understanding of organizational behavior today. Undoubtedly, business and management theories mutate in accordance with changes in the business environment. Managers and entrepreneurs together agree on the fact that business practices change almost every decade. Business culture in the US in the 60s through the period of the Vietnam War changed drastically after the Cold War. The 80s through the 90s presented different business environment and organizational climate, and consequently, the millennium and the emergence of globalization presented a new culture and business practices. In answering the question to the fact that management theories can be very subjective sixty graduate students were studied from the beginning of their MBA program to the end. They were asked the specific question on to what extent classic theories helped their understanding of organizational behavior and managerial competence. This study seeks; a) an empirical validation of the relevance of classical management theories in the understanding of organizational behavior and, b) if these theories still contribute in the development of managerial and leadership competence.*

## **INTRODUCTION**

This paper will discuss the three primary management theories as well as discuss several other theories relating to some of the primaries, and some that were slight precursors to the classical movement such as Change Management and Autocratic Management (Sridhar, n.d.).

The term Scientific Management also called Taylorism was coined in 1910 by Frederic W. Taylor (1856-1915) and his followers. During the industrial revolution, from human manual craft work to the application of mechanization to factory, the advancement of technology and its' application to manufacturing industry in late eighteen century and early ninety century made this theory became possible for the purpose of economic efficiency and labor productivity. In Taylor's practice of scientific management, the discovery of "high-speed steel," alone with the application of systematic method improved the performance of metal cutting, though a systematic study of labor flow, including time and motion studies, workers were rewarded or punished upon the conditions of reduction or elimination of waste, task standardization and best practice of labor procedures. Application of scientific management yielded significant improvements in productivity. Scientific management worked well for organizations with assembly line setups and other reutilized jobs. From 1901 to 1915 the scientific management was introduced to at least 181 American factories.

Modern bureaucracies arose as the government of states grew larger during the modern period, and especially following the Industrial Revolution (David Osborne and Ted Gaebler, 1993) The idea of bureaucracy arouse at roughly the same time as Tayloy's had done for industrial operation. During the late nineteenth and early twentieth centuries, Weber suggested a set of principles for an "ideal"

bureaucracy for large-scale organizations of all types. Through firmly ordered hierarchy of supervision-management and subordination, written records of management, expert training, and official activity taking priority over other activities, the bureaucracy management was envisioned as a large machine for attaining organization's goals in the most efficient manner possible. According to Weber, bureaucracy is a particular type of administrative structure developed through rational-legal authority. Unlike the traditional management style, albeit subordinate follow order or superiors, but they have right of appeals.

The written rules are stable and can be learned over time. Officials are selected on the basis of technical qualifications; employment by the organization is deemed a career. Means of production and administration belong to office; personal property is separated from office property. As an economist and social historian, Weber witnessed the environment of his time transition from older emotion and tradition driven values to technological ones and successfully predicted the application of bureaucracy in organization and the difficulties of bureaucracy in the rise of individualism. From 1920s, the rise of consumer-oriented economy and mass entertainment-production in the United States helped to bring about a "revolution in morals and manners. The change of morals and manners, whether it is decaying of moral or " liberation from the country's Victorian past" the cultural shift echoes Weber's concerns on how society would maintain control over expanding state bureaucracy and the consequences thereof. In bureaucratic organizations, if individuals of specialized positions learned their importance to the organization, they may begin to exercise their power in the position. Historically, these actions usually caused the shift in power from the leaders of society to the bureaucrats. Later, the great depression in 1930s and the big government evidenced by FDR's New Deal all proved Weber's correct observations and predictions on bureaucracy and the political environment.

While Weber predicted an ideal organization as a completely impersonal organization with little human level interaction between its members; Fayol (1841-1945) argued personal efforts and team dynamics create ideal organization. Before the publishing of "The Principles of Scientific Management" in the USA in 1911, Fayol was a successful French mining engineer and senior executive. Fayol believed management theories could be developed, then taught for the overall good of organizations and society. He advocated that if a manager wants to be successful, he needs to learn his main management roles-functions: to forecast and plan, to organize, to command, to co-ordinate and to control. Fayol developed fourteen principles of administration to go along with management's five primary roles. These principles are: specialization/division of labor, authority with responsibility, discipline, unity of command, unity of direction, subordination of individual interest to the general interest, remuneration of staff, centralization, scalar chain/line of authority, order, equity, stability of tenure, initiative, and esprit de corps. Fayol thought that his principles would be useful to all types of managers, indeed 90 years passed his five principle roles of management are still actively practiced today

## **RESEARCH APPROACH**

Most business and management degree awarding institutions offer a number of courses with classical management theories as components' almost every text book in this area has at least a chapter dealing with these theories. This suggests that these theories constitute important learning component in the formation of managers and leaders. However, many decades are passed since the postulation of these theories. The nature of business practice has changed a lot hence the need to reassess the relevance of these theories in managerial development

Two sources of data were used for this research. First primary data collected from a sample of graduate students all of whom were at the time holding a middle- management level or above position in their organizations and has completed a graduate level course in organizational behavior. And two secondary data were collected through rigorous review of scholarly literature published in various prestigious peer review journals

A total of 60 management graduate students were asked a simple opinion-based question... How relevant classical theories was in their understanding of organizational behavior for a period of two years. To validate their responses, they were asked to complete a rubric of learning expectations at the beginning of the course and a rubric of learning outcome at the end of the course that demonstrates the application

**RESULT AND ANALYSIS OF RESEARCH**

88% of participants in this research strongly maintained that classic theories are still essential in the understanding of organizational behavior regardless of changes in organizational environments brought about with time.

In the case of Max Weber’s theory, 50% of the participants agreed on the theory’s relevance to their understanding of organizational behavior.

Only 40% of the participants agreed that Chester Bernard’s theory is still relevant in the understanding of organizational behavior.

**Table 1 Rubric Analysis**

Classic Theory Title/Name	Theory Pursuit (What is the theory, How did it develop)	Applications (How does it apply)	Limitations	Reference to organizational behavior
<b>Principle of One Boss</b>	<p>The Principle of One Boss was evolved from Henri Fayol's Principles of Management Theory. A principle basically establishes cause and effect relationship between two or more variables under a given situation. Therefore, Principle of One Boss dictates the guidelines for how managers and sub-ordinates are expected to behave in their employment relationship.</p>	<p>The principle dictates that a sub-ordinate should receive orders and be accountable to one boss at a time. Sub-ordinates should not receive multiple instructions of duties because it undermines authority, weakens discipline, divides loyalty, creates confusion, delays and chaos, escaping responsibilities, duplication of work, and overlapping of efforts. Dual sub-ordination should be avoided until it is essential because it is believed that the organization is disciplined enough to have the right people at the right positions.</p>	<p>With the advent of all the new technology this principle can suffer limitations. Technology has made it easy to people to communicate and get tasks done quicker regardless of the boss to sub-ordinate relation. In others, waiting for one boss to reply on an issue sub-ordinates are in more control to get the resources is required to get the job done faster. Another limitation that can arouse from this principle is the basic principle of communication in the workplace. Boss and sub-ordinates would eventually form sometime of alliance and build a protective shield around each other. It can cause disruptions among the rest employees.</p>	<p>Since communication is the process by which information is exchanged and understood by two or more people, I think that this principle is in reference with learning objectives of organizational behavior</p> <p><b>70% of participants strongly agree.</b></p>

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Unity Of Direction	<p>Unity of Direction Principle is derived from Henri Fayol's 14 Principles of Management. Unity of Direction is a pre-requisite for Unity of Command; they are dependent on one another.</p>	<p>It is a management principal based on the concept that all team members involved in the same activities must share the same objective. Managers should be in charge for one plan of action. The principle states that all members should concentrate their efforts towards the common goal. It is apply to keep the organization functioning as a whole and not as different companies within the company. For an organization to be sound in their decision making process this principle is necessary because it avoids the duplication of efforts and wastage of resources.</p>	<p>There are not many limitations to this principle but some can be argued. For example, Unity of Direction can sometimes translate to total control where not all the voices are heard with the same command and authority. It can also downplay the roles of the others.</p>	<p>This principle could make reference to our Terminal Course objective. It makes the assumption that companies are run more smoothly when the team dynamics are present.</p> <p><b>87% of the participants strongly agree</b></p>
	Bureaucratic Approach - The Theory of Social and Economic Organization	<p>1. This theory was proposed by Max Weber (1947)</p>	<p>In organizations the managers should not rule through arbitrary personal whim but by a formal system of rules. Below listed beliefs underlie rational legal authority:</p>	<p>1. Bureaucratic organization is a very rigid type of organization.</p>
<p>2. Bureaucratic administration means fundamentally the exercise of control on the basis of knowledge</p>		<p>1. a legal code can be established which can claim obedience from members of the organization;</p>	<p>2. It does not give importance to human relations.</p>	<p>2. There is a well defined Hierarchy of Authority.</p> <p><b>60% of the participants strongly agree</b></p>
<p>3. Max Weber distinguished between authority and power</p>		<p>2. the law is a system of abstract rules which are applied to particular cases; and administration looks after the interests of the organization within the limits of that law;</p>	<p>3. It is suitable for government organizations.</p>	<p>3. It follows the principle of Rationality, Objectively and Consistency.</p> <p><b>70 % of the participants strongly agree</b></p>
<p>4. Power - Defined as any relationship within which one person could impose his will, regardless of</p>		<p>3. the person exercising authority also obeys this impersonal order;</p>	<p>4. It is also suitable for organizations where change is very slow.</p>	<p>4. There are Formal and Impersonal relations among the member of the organization.</p>

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	any resistance from the other.			<b>87% of the participants strongly agree</b>
	5. Authority - existed when there was a belief in the legitimacy of that power.	4. only through being a member does the member obey the law;	5. It is appropriate for static organizations.	5. Interpersonal relations are based on positions and not on personalities. <b>87% of the participants strongly agree</b>
	Weber classified organizations according to the nature of that legitimacy:	5. Obedience is due not to the person who holds the authority but to the impersonal order which has granted him this position.	6. Bureaucracy involves a lot of paper work. This results in lot of wastage of time, effort and money.	6. There are well defined Rules and Regulations. There rules cover all the duties and rights of th employees. These rules must be strictly followed. <b>70% of the participants strongly agree</b>
	a. Charismatic authority, based on the sacred or outstanding characteristic of the individual;	For example we can see bureaucratic principles effectively operating in organizations such as a state department of motor vehicles. The DMV task is t process hundreds of vehicle registration every day. This type of work is very daunting. But by using certain predefined rules and following a bureaucratic approach things are getting done effectively and efficiently.	7. There will be unnecessary delay in decision-making due to formalities and rules.	7. There are well defined Methods for all types of work. <b>50% of the participants strongly agree</b>
	b. Traditional authority: essentially a respect for custom;		8. There is difficulty in coordination and communication.	8. Selection and Promotion is based on Technical qualifications. <b>40% of the participants strongly agree</b>
	c. Rational legal authority, which was based on a code or set of rules.		9. There is limited scope for Human Resource (HR).	9.Only Bureaucratic or legal power is given importance
<b>Communications Systems (Administrative)</b>	This theory was promoted by Chester Barnard (1886-1961).	There should be four fundamental levels of communication in any	The limitations of the theory would be:	<b>40% of the participants strongly agree</b>

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	<p>organization:</p> <p>Barnard feels organizations are communication systems. He feels it is particularly important for managers to develop a sense of common purpose where a willingness to cooperate is strongly encouraged. He is credited with developing the acceptance theory of management emphasizing the willingness of people to accept those having authority to act. He feels the manager's ability to exercise authority is strongly determined by the employee's "zone of indifference" where orders are accepted without undue question.</p> <p>How effectively are the executives, managers and supervisors communicating with their employees is one of the core factor that determines the success of any organization. The results of poor communication would result in :</p> <p>1. increased employee turnover</p> <p>2. increased absenteeism</p>	<p>1. Organization wide communication – involving all employees</p> <p>2. Departmental communication – specific to one department or unit</p> <p>3. Team communication – within one cohesive team or group</p> <p>4. Individual communication – specific to one employee at any one time</p>	<p>1. The bigger the organization grows the higher management had to really fight to find good time for communicating with its employees.</p> <p>2. Employees attitude also matter in how much they are willing to come forward and communicate their thoughts and work towards organization behavior</p>	<p><b>87% of the participants strongly agree</b></p> <p><b>87% of the participants strongly agree</b></p>

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	<p>3. dissatisfied customers from poor customer service</p> <p>4. higher product defect rates</p> <p>5. lack of focus on business objectives</p> <p>6. stifled innovation</p>	<p>Barnard feels informal organizations within formal organizations perform necessary and vital communication functions for the overall organization. This is consistent with his belief that the executive's main organizational function is acting as a channel of communication and maintaining the organization in operation.</p>		<p><b>87% of the participants strongly agree</b></p>
<p>Autocratic Management (Dictatorship)</p>	<p>Autocratic leadership - or a dictatorship - is a leadership style that has been around for centuries (basically since tasks needed to be completed).</p> <p>It's style was popularized in Niccolò Machavelli's "The Prince", where fear and punishment were described as primary motivational factors.</p> <p>The reason it still is employed by many leaders is that it comes natural to many leaders who thrive on the instant benefits it produces.</p> <p>Several other characteristics of Autocratic Management are:</p>	<p>Autocratic management is best applied in the following situations:</p> <ol style="list-style-type: none"> <li>1. Short term projects that are highly technical, complex, or very risky.</li> <li>2. When the manager/leader is in charge of many people and has little time to devote to the individual worker.</li> <li>3. Situations where skilled labor isn't paramount and when motivation isn't a necessity due to the repetitiveness of the</li> </ol>	<p>Several limitations or problems exist with respect to Autocratic Management:</p> <ol style="list-style-type: none"> <li>1. Short-termistic approach to management.</li> <li>2. Manager perceived as having poor leadership skills.</li> <li>3. Increased workload for the manager.</li> </ol>	<p><b>87% of the participants strongly agree</b></p> <p>- Learning by Reinforcement (Punishment)</p> <p><b>70% of the participants strongly agree</b></p> <p>Acquired Needs Theory</p> <p><b>87% of the participants strongly agree</b></p> <p>- Leadership Essentials</p> <p><b>87% of the participants strongly agree</b></p>

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	<p>1. The manager seeks to make as many decisions as possible</p> <p>2. The manager seeks to have the most authority and control over all decision making</p> <p>3. The manager seeks to retain responsibility rather than to delegate authority to subordinates.</p> <p>4. Decision making is a solitary process and there is little to no consultation in this area.</p> <p>5. The manager isn't concerned with developing their own managerial skills, rather focuses on completion of the task.</p>	<p>task.</p> <p>4. Situations where deadlines are critical and the job needs to be completed to exact specifications.</p> <p>5. When leadership development isn't encouraged and situations where there is a high rate of employee turnover.</p>	<p>4. People dislike being ordered around.</p> <p>5. Teams become dependent upon their leader.</p>	<p><b>70% of the participants strongly agree</b></p> <p><b>67% of the participants strongly agree</b></p>
<b>Therbligs</b>	<p>Therbligs (developed by Frank and Lillian Gilbreth) is a method of analyzing movements in repetitive motion tasks.</p> <p>Upon completion of the analysis, the Therblig method then eliminates wasteful movements</p> <p>The new work method that developed was known as "Speed Work".</p>	<p>Applications of this style can be found in any work environment that utilizes repetitive motion.</p> <p>The study performed by the Gilbreth's involved brick layers.</p> <p>Through detailed analysis they were able to reduce the number of movements made by bricklayers from 18 down to 4.</p>	<p>Limitations are similar to those in Scientific Management:</p> <p>Workers motivation is not dictated solely by financial gain, but by social, security, and esteem needs.</p> <p>There is no one best way to do a job.</p>	<p>- Emotions, Attitudes, and Job Satisfaction</p> <p><b>87% of the participants strongly agree</b></p> <p><b>67% of the participants strongly agree</b></p> <p>Motivation Theories</p> <p><b>67% of the participants strongly agree</b></p> <p>- Motivation and Performance</p>



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	<p>This is an offshoot of Scientific Management Theory which Lillian studied extensively.</p>	<p>This method encourages managers to find the best way to do a job.</p>	<p>Greater monotony of work is a side effect of limiting the motions of a job resulting in less skilled labor, boredom, and lower job satisfaction.</p> <p>With the development of tools and machinery to replace the worker when movements are reduced to the fewest possible can lead to resentment by the workers.</p>	<p><b>87% of the participants strongly agree</b></p> <p>- Leadership Essentials</p>
<p>Unity of Command</p>	<p>This theory is part of Henri Fayol's Fourteen Management Principles. It portrays that an employee should receive orders from only one superior. Employees cannot adapt to dual command. This form of chain of command is sometimes called the scalar chain. (Scalar chain: a formal line of authority, communication, and responsibility within an organization). The chain of command is usually depicted on an organizational chart, which identifies the superior and subordinate relationships in the organizational structure.</p>	<p>According to classical organization theory the organizational chart allows one to visualize the lines of authority and communication within an organizational structure and ensures clear assignment of duties and responsibilities. By utilizing the chain of command, and its visible authority relationships, the principle of unity of command is maintained. Unity of command means that each subordinate reports to one and only one superior.</p>	<p>The limitations of this chain of command are the effectiveness of the leader. "A chain is only as strong as its weakest link; and the longer the chain, the more weak links. "[1986 L. J. Peter Peter Pyramid ii.] In my opinion, this quote can be used to portray what the limitations of Unity of Command. If the leader is ineffective or inexperienced in trouble shooting companies problems, it can slow down or hinder communication between individuals in its organization. This can have a negative effect on any conflict that may arise and will almost always effect the outcome.</p>	<p>In reference to organization &amp; behavior this theory focuses on the concept of how leadership is strategize and implored in the work place. Specific content referenced in our course readings are parallel to this theory are: "Teams in Organizations"; "Leadership Challenges &amp; Organizational Change" "Leadership Essentials"</p> <p><b>87% of the participants strongly agree</b></p>

Classic Theory Title/Name	Theory Pursuit (What is the theory, How did it develop)	Applications (How does it apply)	Limitations	Reference to organizational behavior
<b>Centralization</b>	<p>The process of transferring and assigning decision-making authority to higher levels of an organizational hierarchy. The optimum degree of centralization varies according to the dynamics of each organization. The objective of centralization is the best utilization of personnel.</p>	<p>In a centralized organization, the decision-making has been moved to higher levels or tiers of the organization, such as a head office, or a corporate center. Knowledge, information and ideas are concentrated at the top, and decisions are cascaded down the organization. The span of control of top managers is relatively broad, and there are relatively many tiers in the organization.</p>	<p>In centralized organizations, decision making is hierarchical and can be rigid. A decentralized organization allows its separate units to make their own decisions. A smaller decision-making group can make decisions faster and that can lead to improvements in project lead times. Smaller decentralized units responsible for specific markets or products are able to respond quickly to changing marketplace requirements. In that sense, they acquire the same level of agility as an organization's smaller competitors.</p>	<p>In reference to organization &amp; behavior this theory focuses on the concept of how strategizes of management can be used to help motivation positive outcomes. Specific content referenced in our course readings that are parallel to this theory are: "Leadership Challenges &amp; Organizational Change-Teamwork &amp; Teams in Organizations"; "Organizational Communication";</p> <p><b>87% of the participants strongly agree</b></p>
<b>Scientific management</b>	<p>In the late 19th century organizations were looking to increase customer satisfaction. Machinery was changing the means of production, and managers needed to find more efficient ways of production. Traditional methods of production, where a worker did all the steps to manufacture a good, were being challenged.</p> <p><b>Adam Smith</b> found that factory method was more productive, where each worker became very skilled at one specific task. "Breaking down the job allowed for the division of labor."</p> <p><b>Fredrich Taylor</b> further defined the scientific</p>	<p>Taylor's 4 principles to increase efficiency:</p> <ol style="list-style-type: none"> <li>1. Study the way the job is performed now and come up with better ways to do it. Gather data; utilize trial and error method to identify the best method for the job.</li> <li>2. Codify the new method into rules and teach it to all employees.</li> <li>3. Select workers whose skills match the rules.</li> <li>4. Establish a fair level of performance and pay for higher performance."</li> </ol> <p>Gilbreth's improvements on time and motion studies focused on:</p> <ul style="list-style-type: none"> <li>*Breaking down each action into components</li> <li>* Find better ways to perform it</li> <li>* Reorganize each</li> </ul>	<p>Some of the problems of Scientific Management: Managers many times only implemented the increased output side of the Taylor method and thereby; they did not share the benefits of the increased output with the workers, specialized jobs became very boring and monotonous and at times debilitating, workers began to distrust the scientific management approach. Additionally, workers could and would underperform and management would respond with increased machinery.</p>	<p><b>87% of the participants strongly agree</b></p>

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Change management or Change Iceberg	<p>management, by seeking to reduce the time a worker spent on each task by optimizing the way the task was done.</p> <p><b>Frank and Lilian Gilbreth</b> refined Taylor's methods, by improving to time and motion studies, they also studied fatigue, lighting, heating and other ergonomic issues.</p>	<p>action to be more efficient</p> <p>* Study of ergonomics and worker environment</p>		
	<p>"<b>Wilfried Kruger</b> argues that the essence of change management in organizations is dealing with barriers." Many managers deal with Cost, Time and Quality (Issue Management). True change management are below the surface of the water:</p> <ul style="list-style-type: none"> <li>- Perception and Beliefs</li> <li>- Power and Politics</li> </ul>	<p>Like an Iceberg true change management addresses the issues below the surface, i.e. perceptions and beliefs and power and politics. There are actors below the surface such as: Opponents, Promoters, Hidden Opponents (ie Opportunist), and Potential Promoters.</p>	<p>According to Kruger dealing with Change Management is a permanent task of management, addressing only the surface issues of time, cost and quality are only superficial.</p>	<p><b>87% of the participants strongly agree</b></p>

**Discussion**

In the 19<sup>th</sup> century, machinery (technology) was changing the means of production, and managers needed to find more efficient ways of increasing production. Traditional methods of production became under and vigorously challenged in the interest of competitiveness. Adam Smith found that the factory method was more productive, where each worker became very skilled at one specific task. "Breaking down the job allowed for the division of labor" (Unknown, n.d.). Fredrick Taylor further defined Scientific Management by seeking to reduce the time a worker spent on each task by optimizing the way the task was done (Unknown, n.d.).

Frank and Lillian Gilbreth, who were supporters of the Scientific Management Theory, developed a Time and Motion study they called Therblig (Gilbreth spelled backwards) (Hartman, n.d.). Rather than focusing on a particular management style, their study focused on repetitive motion tasks and by analyzing the movements, they eliminated unnecessary motions that wasted time and effort, and thus increasing productivity (Sridhar, n.d.).

Similar to the Scientific Management Theory, Niccolò Machiavelli described the Autocratic Management approach in his work "The Prince." Like the Scientific Management approach of reward and punishment, Machiavelli's primary tenets were a love and fear approach that used fear and punishment as the prime motivators (Sridhar, n.d.). The Autocratic approach has four listed benefits which are: 1) reduced stress due to increased control, 2) a more productive group while the leader is watching, 3) improved logistics of operations, and 4) faster decision making (Oats, n.d.).

Henri Fayol attempted to explain what managers do and how they do it. He argued that there were universal processes and principle that could be applied in managing any type of firm. Under this approach, management was seen as a rational and orderly process and as a continuous process. Fayol established 14 universal principles for managing organizations. These fourteen principles are Division of Work, Discipline, Unity of Command, Unity of Direction, Subordination of Individuals to Generate Interest, Remuneration, Centralization, Scalar Chain, Order, Equity, Stability of Tenure, Initiative, and Esprit de corps.

Many managers deal with Cost, Time and Quality (Issue Management), Wilfred Kruger argued that like an Iceberg, true change management addresses the issues below the surface, i.e. perceptions and beliefs and power and politics. There are actors below the surface such as: Opponents, Promoters, Hidden Opponents (i.e. Opportunist), and Potential Promoters. Wilfred concludes that the essence of change management in organizations is dealing with barriers or issues below the surface (n.d.).

While Taylor strived to conceive a theory dealing with management, some historians believe that Taylor's views were more a form of capitalist ideology rather than theory dealing with management. In Peter F. Meiksins, "Scientific Management and Class Relations," Meiksins investigates some of the reasoning behind the contention of Scientific Management as capitalist ideology.

Meiksins article begins with a brief history of Taylorism. In essence, Taylor wanted to find the best way to manufacture products. In his study of manufacturing facilities, Taylor felt that management was equally at fault for production issues as the workers were. The workers were performing their tasks in an inefficient manner, while management was ignorant to developing more efficient ways for the workers to perform their tasks more efficiently and effectively. Taylor felt that in order for a factory to work efficiently, the factory should be run by production engineers, thus allowing upper management to "deal with those matters that their subordinates could not handle..."(Meiksins, 1994, 181).

Taylor's theory of management was not an overnight success and surely experienced some degree of growing pains in the process and to some extent later. When word of Taylor's system had spread, Taylor was hired on by two different companies; Manufacturing Investment Company and Bethlehem Steel. In both situations, Taylor was brought in to improve the overall performance of these companies, but instead found himself at odds with the same people that hired him. Ultimately he was released from his position before fully implementing his system. Later, he encountered

resistance from the A.F. of L. and according to Meiksins, "Taylorism did provoke at least some strikes" (1994, 184).

Meiksins relates studies made by Karl Marx to those made by Taylor when discussing mentions of Capitalism. According to Meiksins, "The capitalist mode of production is based on the exploitation of wage-labor by capital" (1994, 185). In a capitalist approach to labor, there was a definitive division between management and labor. However as production processes became more complex, this distinction was not always obvious thus blurred. Rather than being a capitalist movement, Taylorism was more of a response to it because of the ever changing processes inherent to manufacturing. As manufacturing became more "scientific" in nature, Scientific Management seemed like a better fit. The similarity between capitalism and Taylorism was that there was a distinct class system set in place. The difference however was that a new third class had been introduced - "a middle class of educated employees who occupied the 'middle layers' of corporate and other bureaucratic organizations" (1994, 189). In Taylor's approach, managers held a different perspective than those of the capitalist. "Scientific managers opposed capital because of their employee status, but opposed labor because of their function in the labor process" (1994, 191).

It is later mentioned that capitalists who chose to adopt some of Taylor's principles did so sparingly and "only those portions of it that were clearly compatible with their interests" (1994, 198). As a result of this, Taylor's approach became more of a process and time study. Scientific Management came to have lasting effects, interestingly, those that survived were seen and defined as 'safe' from the point of view of employers" (1994, 199).

Adding to Meiksin's views in the previous article, Vicente Berdayes discusses panopticism in his article titled, "Traditional Management Theory as Panoptic Discourse: Language and the Constitution of Somatic Flows". According to Michel Foucault, panopticism has been a principle method of exercising social control during the modern era, (Berdayes, 2002, 35). This panoptic view has become the touchstone of organizational theory. Berdayes discusses panopticism as it applies to the management theories of Henri Fayol and Frederick Taylor.

Berdayes begins his discussion of organizational theory by mentioning the works of Karl Marx and Max Weber. As Meiksins mentioned in the previous article, Marx believed in a distinct division of labor - which was a founding principle to capitalism. The article points out Marx's dark view relating to human alienation by thoroughly dehumanizing work" (Berdayes, 2002, 36). This dehumanization had essentially reduced the worker down to no more than a piece of equipment. By creating this classification of the worker, it helps perpetuate the distinct division of labor. As the capitalist would have people believe, the only worker capable of thought is the manager.

A contrast is made between Marx and Weber, as Weber's approach to a bureaucratic management style was introduced. Weber's approach called for the need for "rule based procedures" (Berdayes, 2002, 37). Berdayes points out however that Weber has a dark view similar to that of Marx when Weber states, "individuals in a bureaucracy find themselves 'harnessed' to an 'ever moving mechanism' that inflicts its own pace and logic on their actions" (Berdayes, 2002, 38).

Similarities between Taylor's work and that of Henri Fayol are discussed when referencing panopticism. Three principles that are pointed out are, "1) the rationalization of work processes and organizational structures, with an emphasis on elaborating a clear, hierarchical division of labor, 2) forging the organization, whether by thoroughly formalizing the work process in its totality (Taylor) or by delineating clear 'lines of command' (Fayol), into a conceptual and functional

unity, 3) an emphasis on formal rationality, expressed by explicitly championing “scientific” techniques or by reformulating human relations based on abstract principles believed to insure order and efficiency” (Berdayes, 2002, 40).

Unlike Marx's view that basically reduced a worker down to a piece of equipment, Fayol felt that it was the responsibility of employers to make sure workers received constant training, as well as rewards for a job well done. "Fayol emphasized several criteria for evaluating the suitability of workers and managers, including 1) health and physical fitness, 2) intelligence and mental vigor, 3) moral qualities, 4) and various types of specialized knowledge associated with specific jobs" (Berdayes, 2002, 42).

Taylor also felt that training was a key element in his Scientific Management approach; however his primary focus became more concerned with minute details of a worker's motions. This led into various studies of time and motion. Stopwatches were routinely used during some of Taylor's studies. One of the more popular studies done was the Gilbreth study. The Gilbreths went to great lengths to identify 17 key movements during a typical work process. This study utilized a motion recorder Gilbreth called a "cyclograph" which basically took pictures at different times during the process. The pictures were then analyzed and thus the key movements were identified (Berdayes, 2002, 44)

Berdayes concludes his article by identifying a sort of paradox. "A key theme of these theories is a pronounced, even naive enthusiasm for improving work conditions and the overall well-being of workers" yet "practitioners [of these theories] reduced all issues to the question of how to increase efficiency in production without concern for workers" (2002, 47).

Furthering the discussion of these theories, Mathew Stewart begins his article by attempting to discourage readers from pursuing an MBA and instead getting an education in Philosophy. The question presented for research is, "Why does management education exist" (Stewart, 2006, 80)? A brief history of Scientific Management is given early on. In this history, Stewart gives the impression that Taylor's results were somewhat skewed or misinterpreted because of the way in which he conducted his experiments. According to Stewart, Taylor (while employed with Bethlehem Steel) was trying to figure out the maximum number of iron bars a man could load in one day. He offered men three times the wages normally offered for this task. As a result of the increased wages, the men attempted to impress Taylor and wound up loading much more than they would have during the course of a normal day. Few articles relating to Scientific Management discuss the shortcomings of Taylor's system as much as Stewart does. He's critical of Taylor's method for collecting data, indicating that Taylor used fourteen minutes of an eight hour day to base his results, as well as using a 40% adjustment to account for breaks throughout the day. This adjustment of data is a blatant contradiction because "the whole point of scientific management was to eliminate the reliance on such inscrutable variables"(Stewart, 2006, 82). Furthermore, when other managers tried to replicate Taylor's findings, they were unable to, and concluded that Taylor had falsified his data which ultimately lead up to his firing from his position at Bethlehem Steel.

A brief contrast is later made between Taylor and Elton Mayo. Mayo was brought in to analyze the results of a study dealing with the effects of lighting in the workplace. During this study production increased no matter what variables were introduced and/or controlled. What Mayo found was that the simple process of being studied, initiated teamwork among the workers which resulted in increased production. Stewart is however critical of Mayo as well, calling his methods "creepy" (2006, 85).

Stewart concludes by presenting an unflattering view of the value of an MBA, instead calling for more people to study philosophy. While this article isn't the typical view of Scientific Management, it does point out some interesting limitations to the theory - particularly the way that Taylor collected and analyzed his data. These limitations alone could be grounds for discrediting the entire theory altogether. However there were important studies conducted by students of the scientific management school; one particular study conducted by Frank and Lillian Gilbreth was discussed earlier in this paper.

As with many theories, all the management theories described above had various limitations. Some of the limitations of Scientific Management were that managers many times only implemented the increased output side of the Taylor method and thereby did not share the benefits of the increased output with the workers. Specialized jobs became very boring, monotonous and at times debilitating. Workers began to distrust the scientific management approach. Additionally, workers could and would underperform and management would respond with increased machinery. This brought about newer classical management approaches as discovered by the Gilbreth's (Unknown, n.d.).

One of the most glaring limitations associated with Autocratic Management is simply that people don't like to be given orders and bossed around. People need some degree of independence on their jobs. The autocratic approach eliminates this in its entirety. Since team members are essentially unable to make key decisions on their own, the team becomes dependant on the manager. Unfortunately, this hasty approach backfires on the manager, resulting in more work for the leader. As a result, managers seem unorganized and are perceived as having poor leadership skills (Oats, n.d.). In both the Autocratic and Bureaucratic approach, the employees do only what is required of them and hence productive output from the team is limited. Furthermore, research indicates that turn-over rate is high in both these approaches (Oats, n.d.).

Each of the theories has different application in an organization which seems to be beneficial based on the nature of the work. Autocratic approach will be an effective style when new untrained employees join the organization they can be given directions by the manager as what needs to be done and what process need to be followed. Also in situations where there are high volume production needs on a daily basis and in areas where a lot of coordination is required with the interacting teams. Bureaucratic style however, would be needed when the employees have to do the same job repeatedly and in high volumes. This style would also be appropriate in situations where very delicate or complicated equipment needs to be handled and for that standard set of steps need to be performed in the same order.

The understanding of individual and organizational behavior is critical to a company's success and overall performance. Management Science can be characterized as an organization's effectiveness to utilize their resources to achieve its goals with efficiency. Organizational Behavior and Leadership can well be related to the classical theories discussed in this paper because as the theories are assumed, they tend to examine the dynamics of behavioral concepts as they relate to the applications and their outcomes. In our class, we learned that the study of Management Science can be strongly associated with Henri Fayol's Administrative Management Theory in which he recognized that managers would benefit in their decision making by applying five core elements: Planning, Organizing, Commanding (Leading), Coordination, and Controlling. The overall strategy is to be effective and efficient.

## CONCLUSION

The classical thinkers of the late nineteenth and early twentieth century have made many valuable contributions to the theories and practices of management. However, their theories did not always achieve desirable results in the situations that were developing in the early twentieth century.

'Changes were occurring in these fields that gave rise to new perspectives on management. '(Eastern, n.d.). The classical management theory was not only important in the past, but also continues to be important in present, both in the erection of modern-day edifices.

Successful management requires an understanding of the fundamental concepts of effective management techniques and principles. In order to gain such insight, and manage effectively and efficiently, managers must develop an awareness of past management principles, models and theories. From the turn of the 19th Century, the need for a formal management theory was growing evidence that organizations required a system to guide managers in an attempt to improve productivity and efficiency of workers.

The classical theories are based on a pyramid, hierarchical structure and autocratic management, clear chain of command and short spans of control. Classical management theory is a group of similar ideas on the management of organization that evolved in the late 19th and early 20th centuries. As stated above in the paper Scientific, Bureaucratic / Autocratic, Administrative are presented as the 3 main categories under classical theory. The predominant and common characteristics of all the 3 branches is they emphasis the economic rationality of management and the organization. The economic rationality is based on the assumption that people are motivated to by the economic incentives and that they make choices that yield the greatest monetary benefits. Classical theorists recognized human emotions but also felt that a logical and rational structuring of jobs could control human emotions. The primary contribution of the classical school of management includes applying science in practical management, developing basic management function and processes, and determining the application of specific principles of management

In the modern world, the classical theory is greatly criticized as being out-dated. The notion of rational economic person is often strongly criticized. Reward based management might be 100% applicable in the 19th century and for few people/organizations today. This might not hold good in the current work where the aspirations and education levels of people has greatly changed. Also organizations have grown more complex and hence require more creativity, ownership and judgment from each of the employees. Classical theory also assumes that all types of organizations can be managed according to one set of principles, but this need not be true in all cases. With changes in objectives, structures and environment, Organizations have made changes in principle and how organizations need to be managed efficiently and effectively for better productivity.

The principles detailed by the classical theory are not vigorously scientific and also did not stand the test of time. They reflected the individual's empirical observations and their own logical deductions and not a true scientific-based research and evidence. Even though the classical theory is criticized as outdated and has become history, still this is the leading school of thought and the most prevalent kind of management found in practice in today's business structures even though they do not in practical terms reflect universal application and appeal.

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