

C. Administrative Approach to Management

The advocates of this school perceive management as a process involving certain functions such as planning, organizing, directing and controlling. That's why it is called as 'functional approach' or 'management process' approach. Fayol's contributions were first published in book form titled 'Administration Industrielle at Generale' in French Language, in 1916. He defined management in terms of certain functions and then laid down fourteen principles of management which according to him have universal applicability. Thus, he was a pioneer in the field of management education. In brief, Fayol's views on management command acceptability even today because they are much in tune with the requirements of management in the present day world.

Fayol's **General Principles of Management**

- *Division of Work:* The object of division of work is to produce more and better work with the same effort. It is accomplished through reduction in the number of tasks to which attention and effort must be directed.
- *Authority and Responsibility:* Authority is defined as 'the right to command and the power to make oneself obeyed'. Responsibility coexists with authority and is its other side. Fayol made a distinction between official authority and personal authority, the latter stemming from the manager's own intelligence, integrity, experience, personality, knowledge and skills.
- *Discipline:* It implies respect for agreements designed to secure obedience. It must prevail throughout an organization to ensure its smooth functioning. Discipline requires clear and fair agreements, good supervision and judicious application of penalties.
- *Unity of Command:* Every employee should receive orders and instruction from only one superior and a subordinate should be accountable to only one superior.
- *Unity of Direction:* Each group of activities having one objective should be unified by having one plan and one head.
- *Subordination of Individual to General Interest:* The interest of any one employee or group of employees should not take precedence over the interests of the organization as a whole.
- *Remuneration of Personnel:* The amount of remuneration and the methods of payment should be just and fair and should provide maximum possible satisfaction to both employees and employers.
- *Centralisation:* It refers to the degree to which subordinates are involved in decision making. Whether decision making is centralized (to management) or decentralized (to subordinates) is a question of proper proportion. The task is to find the optimum degree of centralization for each situation.
- *Scalar Chain:* The scalar chain is the chain of superiors ranging from the ultimate authority to the lowest ranks. Communication should follow this chain. However, if following the chain creates delays, cross-communications can be followed if agreed to by all parties and superiors are kept informed.

- *Order*: It is a rational arrangement for things and people. Fayol emphasized both material order and human order. In material order, there should be a place for everything and everything should be in its proper place. In human order, there should be an appointed place for everyone and everyone should be in his and her appointed place.
- *Equity*: Managers should be kind and fair to their subordinates. The application of equity requires good sense, experience and humanistic attitude for soliciting loyalty and devotion from subordinates.
- *Stability of Tenure*: High employee turnover is inefficient. Management should provide orderly personnel planning and ensure that replacements are available to fill vacancies.
- *Initiative*: Subordinates should be provided with an opportunity to show their initiative as a way to increase their skills and to inculcate a sense of participation.
- *Espirit de Corps*: Union is strength, and it comes from the harmony and mutual understanding of the personnel. Management should not follow the policy of 'divide and rule'. Rather it should strive to maintain team spirit and co-operation among employees so that they can work together as a team for the accomplishment of common objectives.

Criticism: Fayol's work has been criticized on the following grounds:

- His theory is said to be too formal. There is no single classification of managerial functions acceptable to all the functional theorists. There is also lack of unanimity about the various terms such as management, administration etc.
- He did not pay adequate attention to workers.
- The fundamentalists considered their principles to be universal in nature. But many of the principles have failed to deliver the desired results in certain situations.
- There is a vagueness and superficiality about some of his terms and definition.

**TABLE-2.5 DISSIMILARITY BETWEEN CONTRIBUTION OF TAYLOR AND
FAYOL**

Basis of Comparison	Taylor	Fayol
1. Perspective	Shop floor level or the job of a supervisor	Top Management
2. Focus	Improving productivity through work simplification and standardization	Improving overall administration through general principles
3. Personality	Scientists	Practitioner
4. Results	Scientific observation and measurement	Universal Truths developed from personal experiences
5. Major Contribution	Science of industrial management	A systematic theory of management

D. Human Relation Approach to Management

The criticism of the Scientific and Administrative Management as advocated by Taylor and Fayol, respectively, gave birth to Human Relation Approach. The behavioural scientists criticized the early management approaches for their insensitiveness to the human side of organization. The behavioural scientists did not view the employees mechanically in work situation, but tried to show that the employees not only have economic needs but also social and psychological needs like need for recognition, achievement, social contact, freedom, and respect. Human relations school regards business organization as a psycho-social system. Elton Mayo of Harvard and his associates conducted a famous study on human behaviour at the Hawthorne plant of the Western Electric Company and this study formed the foundation of this school of management thoughts. The basic hypotheses of this study as well as the basic propositions of the Human Relation Approach are the following:

- The business organization is a social system.
- The employees not only have economic needs but also psychological needs and social needs, which are required to be served properly to motivate them.
- Employees prefer self-control and self-direction.

- Employee oriented democratic participative style of management is more effective than mechanistic task oriented management style.
- The informal group should be recognized and officially supported.

The human relations approach is concerned with recognition of the importance of human element in organizations. It revealed the importance of social and psychological factors in determining worker's productivity and satisfaction. It is instrumental in creating a new image of man and the work place. However, this approach also did not go without criticism. It was criticized that the approach laid heavy emphasis on the human side as against the organizational needs. However, the contribution of this approach lies in the fact that it advises managers to attach importance to the human side of an organization.

E. Social System Approach to Management

It is developed during social science era, is closely related to Human Relation Approach. It includes those researchers who look upon management as a social system. Chester I. Barnard is called as the spiritual father of this approach. According to this approach, an organization is essentially a cultural system composed of people who work in cooperation. The major features of this approach are as follows:

- Organization is a social system, a system of cultural relationships.
- Relationships exist among the external as well as internal environment of the organization.
- Cooperation among group members is necessary for the achievement of organizational objectives.
- For effective management, efforts should be made for establishing harmony between the goals of the organization and the various groups therein.

F. Decision Theory Approach to Management

Decision Theory is the product of management science era. The decision theorists emphasize on rational approach to decisions, i.e. selecting from possible alternatives a course of action or an idea. Major contribution in this approach has come from Simon. Other contributors are March, Cyert, Forrester etc. The major emphasis of this approach is that decision making is the job of every manager. The manager is a decision maker and the organization is a decision making unit. Therefore, the major problem of managing is to make rational decision. The main features of this approach are:

- Management is essentially decision-making. The members of the organization are decision makers and problem solvers.
- Organization can be treated as a combination of various decision centers. The level and importance of organizational members are determined on the basis of importance of decisions which they make.
- All factors affecting decision making are subject matter of the study of management. Thus, it covers the entire range of human activities in organization as well as the macro conditions within which the organization works.

G. Management Science Approach to Management

Management science is an approach to management that applies mathematical analysis to decision making. It involves the use of highly sophisticated techniques, statistical tools and complex models. The primary focus of this approach is the mathematical model. Through this device, managerial and other problems can be expressed in basic relationships and where a given goal is sought, the model can be expressed in terms which optimize that goal. The management science approach found its origins during World War II, when highly technical military/production problems become far too complex for traditional management methodology. The major features of this approach are:

- Management is regarded as the problem-solving mechanism with the help of mathematical tools and techniques.

- Management problems can be described in terms of mathematical symbols and data. Thus every managerial activity can be quantified.
- This approach covers decision making, system analysis and some aspect of human behaviour.
- Operations research, mathematical tools, simulation, model etc, are the basic methodologies to solve managerial problems.

H. Human Behavioural Approach to Management

Human Behavioural approach is a modified version of Human Relation approach. Human Behavioural approach is devoid of any emotional content, which is the core of Human Relation Approach. This approach stresses the individual performing the jobs. Here the attention is directed towards the human aspects of management. The neglect of human factor and the over emphasis on machines and materials led to the development of this approach. The Behavioural approach emphasizes synchronization of group goals within the broader framework of management. It does not consider the goals of the different groups as conflicting with others.

Many sociologists, psychologists and social psychologists have shown considerable interest in studying the problems of management. The sociologists who have contributed to management are Blak, Selznick, Homans, Dubin, Dalton, and Katz and Kahn. The social psychologist who have contributed to management are McGregor, Argyris, Leavitt, Blake and Mouton, Sayles, Tannenbaum and his associates, Bennis, Fielder, Stogdill and Herzberg. The behavioural theories have drawn heavily on the work of Maslow. Douglas McGregor built on Maslow's work in explaining his 'Theory X' and 'Theory Y'. Frederick Herzberg develops a two factor theory of motivation. To sum up, many conclusions of the contributions made by behaviouralists can presented as follows:

- People do not dislike work. If they have helped to establish objectives, they want to achieve them. In fact, job itself is a source of motivation and satisfaction to employees.

- Most people can exercise a great deal of self-direction and self-control than are required in their current job. Therefore, there remains untapped potential among them.
- The manager's basic job is to use the untapped human potential in the service organization.
- The managers should create a healthy environment wherein all the subordinates contribute to the best of their capacity. The environment should provide healthy, safe, comfortable and convenient place to work.
- The manager should provide for self direction by subordinates and they must be encouraged to participate fully in all important matters.
- Operating efficiency can be improved by expanding subordinate influence, direction and self control.
- Work satisfaction may improve as a by product of subordinates making use of their potential.

Merits of Behavioural Approach

It generated an awareness of the overwhelming role of the human element in organizations. It recognizes the quality of leadership as a critical factor in management success. It recognizes the role of individual psychology and group behaviour in organizational effectiveness.

Shortcomings of Behavioural Approach

Conclusions of behavioural approach discounts theory and stress radical empiricism. This approach neglects the economic dimension of work satisfaction. It is group oriented and anti-individualistic.

**TABLE-2.6 DISTINCTION BETWEEN HUMAN RELATIONS AND
BEHAVIOURAL APPROACH**

Human Relations Approach	Behavioural Sciences Approach
1. It laid emphasis on individual, his needs and behaviour.	It stressed upon groups and group behaviour.
2. It focused on inter-personal relationships	It focused on group relationships.
3. It was based on the Hawthorne Experiments and so its scope is limited.	It refined the Human Relations approach and has a wide scope. It is much more systematic study of human behaviour in organization.
4. It was pioneered by Elton Mayo and its associates.	It was pioneered by Feith Davis, Rensis Likert and others.
5. It laid emphasis on informal groups' motivation, job satisfaction and morale.	The behaviourists studied group dynamics, informal organization leadership. Motivation and participative management.