

**COURSE
GUIDE**

**BUS 839
MANAGEMENT THEORY**

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INTRODUCTION

You are welcome to BUS 839 - Management Theory. The course is a two credit unit course. It is an interesting course that exposes you to the understanding of what management theory is, who propounded the theories, where, when and why the theory was propounded and the philosophy behind the theory. This is so because the theorists have a variety of different backgrounds. Some draw upon their expertise as practising managers, some on their knowledge of national and local government administration, some on the findings of their research work. All are modern in that the influence of their work is currently being felt. All have attempted to draw together information and distil theories about how organizations function and how they should be managed. Management theory is at the core of management practice because theory and practice are inseparable. Theory begets practice and vice versa. In order to achieve the course aims and objectives, some general guidelines have been articulated which will assist you on how best to read, study and understand each unit of the course BUS 839. The course has seventeen units spread across fourteen lecture weeks. At the end of each unit, there is a tutor marked assignment (TMA) with suggested answers.

BUS 839 - Management Theory is a major course offered by M.Sc. Business Administration students of National Open University of Nigeria. It enriches them in understanding the core philosophies behind management practices across different strata, organizations and environments. It is hoped that not just the students of NOUN but also management practitioners and administrators alike would find this course beneficial to their practice.

The course is made up of seventeen units with a focus on general overview of management, the various management perspectives - classical, behavioural, quantitative and contemporary. The aim is to provide students and practitioners with up to date state of management theory to serve in their various work situations. The only requirement for this course is a first degree in any discipline or its equivalent from any tertiary institution.

This *Course Guide* provides you briefly' with what the course is about. The guide also suggests to you the amount of time you need to spend on each unit of the course in order to successfully complete your programme. It also gives you some guidance on your tutor-marked assignments. Comprehensive information on tutor-marked assignments is found in the separate *Assignment File*.

COURSE COMPETENCIES

This course provides learners with the ability to analyze the:

- a. Content of the theory: What are the factors— core elements, variables, concepts, constructs, and so on—that make up the theory?
- b. Dynamics of the theory: What are the relationships—systematic ways in which the contents are related?
- c. Rationale of the theory: What are the underlying psychological, economic, social, and structural dynamics that explain the relationships?
- d. Domain of the theory: What are the temporal, contextual, or otherwise defined boundary conditions in which the theory holds?
- e. Context of the theory: What is the connection to similar theories and shared conceptions (general or mid-range) of the phenomena?
- f. Roles management theory have in helping us solve problems we face in our organizational lives today?

Therefore, at the completion of this course, you would have been properly equipped to man any organization irrespective of size, structure, environment or culture effectively. You are once again welcome to BUS 839 - Management theory.

COURSE OBJECTIVES

To achieve the overall objectives of the course, each unit has been assigned specific objectives. The unit objectives are always included at the beginning of a unit. You are advised to read them before you start working through the unit. You may want to refer to them during your study of the unit to check on your progress. You should also always look at the unit objectives after completing a unit. This guarantees that you have done what is expected of you in each unit.

Below are stated the wider objectives of the course as a whole. You would have achieved the aims of the course as a whole if you meet these objectives.

After completing this course, you will be able to:

1. Discuss an over view of management theory.
2. Evaluate the evolution of management thought.
3. Analyze the pre-classical management and the scientific management school.
4. Describe the bureaucracy .
5. Discuss the administrative management school.

6. Explain the behavioural movement.
7. Describe the Hawthorne studies .
8. Discuss the Human Relations movement .
9. Explain the behavioural science approach to management.
10. Discuss Operations Management (OR), or Management Science.
11. Explain Operations Management.
12. Justify the systems theory.
13. Explain the contingency theory.
14. Describe the emerging views of management.

WORKING THROUGH THIS COURSE

To complete this course requires you to read the study units, read the references provided and further materials that may be provided by the NOUN. You will also have to take some tutorials.

Each unit contains self-assessment exercises, and at some points in the course you are required to submit assignments for assessment purposes. The examination comes up at end of this course.

Listed overleaf are the components of the course, what you have to do and how you should allocate your time to each unit in order to complete the course successfully on time.

COURSE MATERIALS

Major components of the course are:

1. Course guide
2. Study units
3. Text books
4. Assignment file (to be made available by the NOUN)
5. Presentation schedule.

You are advised to purchase some of the recommended textbooks that NOUN will not provide. You are free to contact your tutor or the developer of this course if you have problems in obtaining the recommended textbooks. There are sixteen study units in this course, as follows:

STUDY UNITS

Module One: Concepts and Principles of Management

- | | |
|---------|--|
| Unit 1: | Management: An Overview |
| Unit 2: | Management Functions. |
| Unit 3: | Management: A Science or an Art? |
| Unit 4: | Manager Versus Leader: The Controversy |

Unit 5: Managerial Job Types

Module Two: Scientific Management and Classical Management Theory

Unit 1 The Evolution of Management Theories
 Unit 2 Scientific Management Theory
 Unit 3 Administrative Management School
 Unit 4 Bureaucracy

Module Three: Neo-Classical or Human Relations Theory

Unit 1 Neoclassical Theory — the Hawthorn Studies
 Unit 2 Human Relations Movement
 Unit 3 The Behavioural Science Approach

Module Four: Modern Theories of Management

Unit 1: Operations Research (Management Science)
 Unit 2: Management Information Systems
 Unit 3: Contemporary Management Perspective — the Systems Theory
 Unit 4: Contingency Theory

The first unit simply presents a general overview of management. The next discussed the management functions. Unit three discusses the status of management — a science or an art, and so on and so forth.

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PRESENTATION SCHEDULE

The presentation schedule package in your course material provides you the important dates for the completion of tutor-marked assignments and participation in tutorials. Do not forget, that you are expected to submit all your assignments by the scheduled date. Make sure you do not lag behind in your work.

ASSESSMENT

Before you can be considered to have passed this course, note that you have to undergo two forms of assessments: tutor-marked assignments, and the written examination. To handle the assignments, you only need to acquaint yourself with the units of the course. All assignments are to be submitted to your tutor for formal assessment in line with the deadlines stated in the presentation schedule and the Assignment file. These assignments will carry thirty percentage (30%) of your total course mark.

TUTOR-MARKED ASSIGNMENTS (TMAS)

To answer your assignments is very easy. Simply rely on your units, the recommended texts and any other information provided by NOUN. As a Masters' Degree Student, it is naturally expected that you read and research widely than provided for in the course. The references provided at the end of each unit will go a long way to assisting you on this.

FINAL EXAMINATION AND GRADING

The final examination for Management Theory will be of two hours duration and have a value of 70% of the total course grade. Note that the examination will be made up of questions relating to assessment exercises and tutor-marked assignments you have previously encountered. No area of the course will be left out. You can revise the entire course between the time you finish the last unit and shortly before the examination. To fully equip yourself, make sure you review all the assessment exercises and tutor-marked assignments before the final examination.

HOW TO GET THE MOST FROM THIS UNIT

You need to know that in distance learning. The study units stand is for the university lecturer. One great advantage of distance learning is that you can read and work through specifically designed study materials at your own convenience, your own chosen place and time. The basic difference is that distance learning entails reading the lecture rather than listening to a lecturer. The lecturer in the formal university system often set students some reading to do, the study unit in distance learning also tells you when to read your set books or other relevant materials. Do not forget also that as a lecturer gives his student-in class exercises, the study units provide you with exercises to do at appropriate points.

The units follow a common format: (1) an introduction to the subject matter of each unit, (2) learning objectives that let you know what you should be able to do by the time you have completed the unit. You should therefore use these objectives to guide your study.

The main body of the unit directs you through the required reading from other sources. This can be found in the area titled — References and Further Reading.

Self-tests are interspersed throughout the units. Working through the tests will help you to achieve the objectives of the unit and prepare you for the assignments and the examination.

For further clarification, do not hesitate to reach your tutor for solution. Now let us begin with the unit 1: Management: An Overview

ONLINE FACILITATION

For semester the course is taken, you have about eight (8) weeks of online facilitation on this course. During the online presentation, you are probably made available with notes and video materials from the course facilitator. These materials intend to enable you read through the materials.

**MAIN
COURSE**

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MODULE 1 CONCEPTS AND PRINCIPLES OF MANAGEMENT

Unit 1 Management: An Overview

Unit Structure

- 1.1 Introduction
- 1.2 Learning Outcomes (LOs)
- 1.3 An Overview of Management
 - 1.3.1 What is Management?
 - 1.3.2 Why Study Management?
- 1.4 What do Managers do?
 - 1.4.1 Manager's Work Methods
 - 1.4.2 Managerial Work Agendas
 - 1.4.3 Factors Influencing Work Agendas
- 1.5 Managerial Knowledge and Skills
 - 1.5.1 Types of Skills
- 1.6 Summary
- 1.7 References and Further Readings/Web Resources
- 1.8 Possible Answers to Self-Assessment Exercise(s)



1.1 Introduction

You are welcome to the first unit of this course - Management Theory. Know that as a specific discipline, management has its own unique features- problems, approaches, and concerns. It is intended in this unit to introduce you to what management is. If you are already a manager, after successfully understanding this unit, you become more effective since the unit will provide you with managerial skills that will always assist you in all your job activities.

This is being said because the unit will provide you with specific managerial skills that will later assist in your strategic planning.

As a manager or non-manager, or a manager-to-be, think about what Peter E Drucker, the world acclaimed management writer, said about the need to understand skills, techniques and management. Drucker (1974) in his book - Management: Tasks responsibilities and practices, wrote:

"A man who knows only the skills and techniques without understanding the fundamentals of management, is not a manager; he is, at best, a technician" (P.17)

It is therefore an assurance that after going through this unit your management perspective is going to improve sufficiently.

For ease of understanding, this unit has been divided into three sections: an overview of management, what managers do and managerial knowledge and skills.



1.2 Learning Outcomes (LOs)

By the end of this unit, you will be able to:

- explain what management is
- discuss why people study management
- describe what managers do
- evaluate the factors influencing work agendas
- analyze knowledge base and types of skills required by managers.



1.3 An Overview of Management

1.3.1 What is Management

Management has no snap-shot definition; it is usually easier for management scholars to explain than to define. Management scholars and teachers are still searching for a definition that will be all embracing. To Okafor, L.C. et al (2018) perhaps this definition problem could be attributed to the pervasiveness of the discipline. It covers the entire gamut of human life. In effect, any definition given is amorphous and, therefore, could be challenged. However, to have a proper understanding of what management is, it denotes a function as well as the people who discharge the function.

However, an inclusive useful approach is to consider management to be a process whereby a suitable environment is created for effort to be organized to accomplish desired goals. In effect, management is seen as a process of planning, organizing, directing and controlling the available resources of the organization in order to achieve the set goals of the organization in a non static environment. Consequently, Graffin (1996) sees management as a set of activities (including planning and decision making, organizing, leading and controlling) directed at an organization's resources (human, time, financial, physical and information), with the aim of achieving organizational goals in an efficient and effective manner. Also, management is the process of working with and through others to achieve organizational objectives in a changing environment (Kreitner 1992).

The above should not be taken to mean that this is the only way management can be defined. Having read the forgoing paragraphs with

understanding pause for a while, close your book and take out a small sheet of paper. Define management the way you understand it. Whichever way you have defined it, be sure that your definition shows that management is an ongoing activity in pursuit of goals making use of people.

Why don't you consider this other definition - Management is the process of attaining organization's goals by effectively leading, and controlling the organization's human, physical, financial, time and informational resources.

1.3.2 Why Study Management?

You already know what is meant by management. Let us take a look at why people study management. There are two main reasons according to Robbins and Coutler (2009) cited in Wamalwa (2023) for studying management.

The first reason is that we all have a vested interest in improving the way organizations are managed. The point being raised here is that organizations that are well managed develop a loyal constituency, they grow and prosper. On the other hand, organizations that are poorly managed find themselves with a declining customer base and reduced revenues.

The second reason for studying management is the reality that for most people, once they graduate and begin their careers, they will either manage or be managed. For those who plan on management career, an understanding of the management process forms the foundation on which to build their management skills. As an individual why are you interested in studying management? I guess you are interested in studying management, for the two reasons provided above.

1.4 What do Managers do?

Unit two is specifically devoted to the main functions of managers. Our interest in this section can simply be classified into two. One, we are interested in knowing manager's work methods. Two, we want to study the work agendas of managers.

1.4.1 Manager's Work Methods

Let us spend the first two minutes of this section to identify who a manager is. A manager is an individual who gets things done through other people. A manager makes decisions, allocates resources, and directs the activities of others to obtain organizational goals. There is a

general confusion about the work methods of managers. A lot of people assume though wrongly, Kivunja, (2018) that managers generally are systematic planners who spend a considerable part of their time in their offices going through formal reports. One is not saying that managers do not spend time on reports, but what we are saying is that there are some specific methods adopted in carrying out their work.

Mintzberg (1980) through series of studies found out three main methods adopted by managers in carrying out their work.

The first method is that managers usually begin their work as soon as they arrive office in the morning and work late in the night. This method is known as Unrelenting space working. This tallies with the general belief about how managers work.

The second method is dictated by the complex nature of managers' work. Managers handle a variety of issues on daily basis. Note also that in the course of their daily work, managers experience regular telephone calls and complaints from clients and subordinates respectively. These interruptions force managers to perform their major brain work at times outside the normal workday. This method known as brevity, variety, and fragmentation work method is adopted to allow managers take care of certain exigencies which otherwise would have delayed their work performance.

The final work method known as verbal contacts and networks involves the adoption of verbal communication, through telephone rather than written communication, such as writing formal. What really is meant by a network? A network refers to a set of cooperative relationships with individuals whose help is needed in order for a manager to function effectively.

1.4.2 Managerial Work Agenda

The Longman Contemporary Dictionary defines an agenda as a list of the subjects to be discussed at a meeting. This means that if something is on the agenda, you are planning to do something about it. For the purpose of this unit, the two important things you need to know are: managerial work agendas, and the factors influencing work agendas. Let us define for our own purpose a work agenda as a loosely connected set of tentative goals and tasks that a manager is attempting to accomplish. Do you know that even at home as soon as you arise from bed you start having agenda? Without agenda as an ordinary individual or as a manager in an organization, your working plan will not be efficient.

1.4.3 Factors Influencing Work Agendas

The three factors influencing work agendas are: job demands, job constraints, and job choices.

Let us spend a little time on what is meant by these factors. Job demands refer to the activities a manager must do. It is an activity that has no option. Job constraints refer to factors, both inside and outside the organization, that limit what a manager can do. An example is if you as a manager is inhibited by financial limitations, legal restrictions and technological limitations, that affect you and or other managers in your organization.

Job choices refer to the activities that the manager can do but does not have to do. What do you think is the difference between job demand and job choice? In job demand, the manager has no option. He just has to do the work. On the other hand, in job choice, the manager has an option. He may or may not do the work. (Kalyani, and Chathuranga, 2021)

Self-Assessment Exercises 1

- | |
|---|
| <ol style="list-style-type: none">I. Why do people study Management.2. Discuss the factors influencing work agendas. |
|---|

1.5 Managerial Knowledge and Skills

You have now got to the last part of this unit. You already know what is meant by management.

You also know what methods managers adopt to carry out their work, in addition to knowing the work agendas of managers.

Our interest in this section is to know that for a manager to perform his work, and to develop agendas, the manager needs a sound knowledge base and skills.

What therefore is a knowledge base? A knowledge base according to Bartol and Martin (1994) refers to information about an industry and its technology, company policies and practices company goals and plans, company culture, the personalities of key organization members, and important suppliers and customers. Knowledge bases allow significant reduction of operating expenses associated both with core and non-core activities of the company (Yuriy and Andrei, 2020)

Kapur, (2022) sees a skill as the ability to engage in a set of behaviours that are functionally related to one another and that lead to a desired performance level in a given area. Another name for skill is competence as Akkoyun, (2021) observes

Types of Skills

Robert, L. Katz (1974) identifies three essential management skills: technical, human, and conceptual.

Technical skills: Entail the ability to apply specialized knowledge or expertise. You should note that all jobs require some specialized expertise (skills). You should also note that many people develop their technical skills on the job.

Human skills: Human skills are skills associated with a manager's ability to work well with others both as a member of a group and as a leader who gets things done through others.

Conceptual skills: These are skills related to the ability to visualize the organization as a whole, discern interrelationships among organizational parts, and understand how the organization fits into the wider context of the industry, community, and world.

A manager that is sound in knowledge and has sufficient skills can achieve high performance effectively and efficiently. You need to know what is meant by being effective and efficient.

Effectiveness refers to the ability to choose appropriate goals and achieve them. Simply put it is doing the right things. Efficiency (doing things right) refers to the ability to make the best use of available resources in the process of achieving goals.

Self-Assessment Exercise 2

1. What is managerial knowledge base?



1.6 Summary

We have briefly examined a conceptual framework for management. What you have learned in this unit is related to what management entails. The unit has specifically served to introduce you to management as a discipline. In the next unit, we take a specific look into the major functions of managers.



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1.8 Possible Answers to Self-Assessment Exercises

Answers to SAEs 1

1. Why people study management

There are two main reasons for studying management.

(a) The first reason is that we all have a vested interest in improving the way organizations are managed. The point being raised here is that organizations that are well managed develop a loyal constituency, they grow and prosper. On the other hand, organizations that are poorly managed find themselves with a declining customer base and reduced revenues.

(b) The second reason for studying management is the reality that for most people, once they graduate and begin their careers, they will either manage or be managed. For those who plan on management career, an understanding of the management process forms the foundation on which to build their management skills. As an individual why are you interested in studying management? I guess you are interested in studying management, for the two reasons provided above.

2. Factors Influencing Work Agendas

Three factors influence work agendas. They are job demands, job constraints, and job choices.

- (a) Job demands refer to the activities a manager must do. It is an activity that has no option.
- (b) Job constraints refer to factors, both inside and outside the organization, that limit what a manager can do. An example is if you as a manager is inhibited by financial limitations, legal restrictions and technological limitations, that affect you and other managers in your organization.
- (c) Job choices refer to the activities that the manager can do but does not have to do.

Answers to SAEs 2

Managerial knowledge base

A knowledge base refers to information about an industry and its technology, company policies and practices, company goals and plans, company culture, the personalities of key organization members, and important suppliers and customers. Knowledge bases allow significant reduction of operating expenses associated both with core and non-core activities of the company

Unit 2 Management Functions

Unit Structure

- 2.1 Introduction
- 2.2 Learning Outcomes (LOs)
- 2.3 Management Functions
 - 2.3.1 Planning
 - 2.3.1.1 Definition and purpose of planning
 - 2.3.1.2 Types of planning decision
 - 2.3.1.3 Obstacles to planning
 - 2.3.2 Organizing
 - 2.3.2.1 Definition and purpose of organizing
 - 2.3.2.2 Organization structure
 - 2.3.3 Leading
 - 2.3.3.1 Definition and Purpose of Leading
 - 2.3.3.2 Leadership Styles
 - 2.3.4 Controlling
 - 2.3.4.1 Significance of the Control Process
 - 2.3.4.2 Purpose of Control
 - 2.3.4.3 Steps in the Control Process
- 2.4 Summary
- 2.5 References/Further Readings/Web Resources
- 2.6 Possible Answers to Self-Assessment Exercise(s)



2.1 Introduction

In the last unit you learned what management is, and what it entails. In this second unit, we want to discuss the four management functions: planning, organizing, leading, and controlling. Each of the functions will be defined and the purpose of each will be explained. The obstacles to successful planning, and organization structure are also discussed. In the last section of the unit you are introduced to leadership styles and steps in the control process.



2.2 Learning Outcomes (LOs)

By the end of this unit, you will be able to:

- discuss planning and its purpose.
- evaluate the components of planning.
- explain the obstacles to planning.
- describe the purpose of organizing.
- discuss organization structure.

- evaluate the purpose of leading.
- analyze leadership styles.
- explain control and its purpose.
- describe the various steps in the control process.



2.3 Management Functions

Management functions are those activities expected to be performed by managers in the course of seeking for efficient goal achievement. Such functions include planning, organizing, directing and controlling.

2.3.1 Planning

2.3.1.1 Planning and its purpose

Planning -This is simply the management function involving the setting of goals and deciding how best to achieve the goals. This involves the establishment of a strategy for achieving organizational goals, as well as developing comprehensive plans to integrate and coordinate activities.

However, having said that you may be quick to ask Why do managers plan? William F. Glueck (1980), gave four reasons why managers plan:

1. Planning leads to organizational success. When a manager plans, his ability to predict is better.
2. Planning leads to feelings of success and satisfaction by employees. Adequate planning leads to definition of objectives. Knowing the objectives of the enterprise helps employees relate what they are doing to meaningful outcomes.
3. Planning helps a manager to cope with change.
A manager who is able through planning to anticipate and prepare for some form of changes in the business would have more control than the manager who does not look and plan ahead.
4. Planning is necessary for effective performance of the other management functions.

Without planning, organization, control cannot be effective.

You should know that goals are desired ends, while plans are the means of achieving the desired ends. From this explanation it may interest you to know that another purpose of planning becomes obvious if you consider that there are more than one means of reaching a specific goal.

2.3.1.2 Types of Planning Decision

The questions that may interest you here are: Why can't a manager rely on one single plan? Another question is what are the different levels of

plans available to an organization? The answer to the first question is that plans differ by level in the organization. Plans also differ by extent of recurring use. Since there are levels of goals, plans must also differ according to level in the organization. The answer to the second question is that there are three main levels of plans: strategic, tactical, and operational.

Pause a bit for a little clarification. I was once a member of a panel that interviewed some candidates for senior management level in 1992 for a big indigenous company in Lagos. At this said interview, a candidate who applied for the post of a senior manager found it difficult to distinguish between strategy and a policy. Perhaps you also fall into this category.

You should note that strategies and policies are high-level plans used by organizations to guide their activities and resource allocation. Specifically, strategy means the overall plan for the organization to accomplish its goals in the context of environmental forces beyond the control of the organization (Kapur, 2018). A policy on the other hand refers to a general guide that specifies the broad parameters within which organization members are expected to operate in pursuit of organizational goals. In summary, strategy focuses mainly on an organization's relationship to the external environment and the competitive nature, while policy focuses mainly on internal organizational arrangements.

Let us return to our initial concern — types of plans: strategic, tactical, and operational.

Strategic plans refer to the detailed action plans mapped out to reach strategic goals. Such plans are usually developed by top management in consultation with the board of directors and middle management. Such plans include how to respond to changing conditions, how to allocate resources, and what actions should be used to create a unified action aimed at strategic goals.

Tactical plans refer to means charted to support the implementation of the strategic plan and achievement of tactical goals.

Operational plans refer to the means devised to support the implementation of tactical plans and achievement of operational goals.

2.3.1.3 Obstacles to Planning

We have tried to define and describe planning and its different levels. You should note that as good and as necessary as plans are, they can be problematic at times. Plans can also be frustrating and disappointing if

care is not taken. The three known planning problems are: lack of precision, plan size and lack of information.

- (1) *Lack of precision.* Even though planning is believed to help promote efficiency and profitability, the planning theory up to date's still not precise. According to Kapur, (2022) — "although some forecasting techniques and data analyses have become quite elaborate, it is still difficult to know what kind of planning system is best suited for a given organization". It should however be noted that while precision exists in some specific planning techniques, it is not in specification of all overall strategic plan.
- (2) *The problem of plan size.* The database for a good and detailed organizational plan is usually enormous. It has been discovered that most top managers do not want to study a massive, detailed plan. At times, they do not have the time to read and analyze large quantities of information.
- (3) *Lack of information.* Inadequate information or a breakdown in communication can hinder planning.

Self - Assessment Exercise 1

1. Why is planning necessary for manager(s)?
2. List the problems that may militate against adequate planning.

2.3.2 Organizing

2.3.2.1 Definition and purpose of organizing

For our purpose, let us rely on the definition Of Glueck (1980). Organizing is the management process by which the work is divided up among units and employees (division of labour) and then these units and jobs are linked together to form unified system (coordination).

Why do we have to organize? The purpose of organizing is to enable a manager to determine specific activities that are necessary to accomplish the objectives of the organization, group those activities according to some logical pattern, and assign the group activities to a responsible position or person.

2.3.2.2 Organization Structure

One important task of management in any firm is to organize limited resources - human, financial, physical and material — so as to enable the firm to produce desirable goods and services cost effectively (Oribabor, 2000). The way in which such resources are organized and

the processes utilized in dividing the tasks to be performed, coordinating and controlling their performance can help or hinder the effectiveness with which desired objectives are achieved. This is determined by the Organization Structure.

What then is an organization structure? Oribabor (2000) defines organization structure as the way in which the organization divides its labour into separate positions and units and the means of coordination needed to link technology, tasks and people in order to achieve desired goals and objectives. Stop for a while.

Now that you have known what is meant by organizing, and the role of organization, take a sheet of paper and draw the organization structure of your organization, or of any known organization.

2.3.3 Leading

Leading connotes directing, communicating, influencing, motivating and the like.

2.3.3.1 Definition and Purpose of Leading

This is the third function of management. We all know that every organization contains people, and it is management's job to direct and coordinate those people. This is the leading function. Leading is the process of motivating subordinates, directing others, selecting the most effective communication channels, and resolving conflicts.

What do you think is meant by leadership? Leadership is a set of interpersonal behaviours designed to influence employees to cooperate in the achievement of organizational objectives.

To fully understand the purpose of leadership, consider this statement by Dinibutun, (2020):.... without leadership, an organization is but muddle of men and machines.

Leadership is the ability to persuade others to seek defined objectives enthusiastically. It is the human factor, which binds a group together and motivates it toward goals.

Management activities such as planning, organizing and decision-making are dormant cocoons until the leader triggers the power of motivation in people and guides them toward goals. Leadership transforms potential to reality. It is the ultimate act which brings to success all of the potential that is in an organization and its people.

From this quotation, you can see that leadership is indispensable if an organization is to be successful. Without leadership the link between individuals and organizational goals may become tenuous. Lack of leadership has also been found to be associated with lower employee satisfaction, higher grievances, and lower productivity.

2.3.3.2 Leadership Styles

The method or style of leadership a manager chooses to use greatly influences his effectiveness as a leader. Leadership styles range from autocratic to participative (democratic) to laissez - faire (free -rein).

Autocratic style. In autocratic leadership style all authority and decision making is centered in the leader. The leader usually dictates the particular work task and work companion of each member . The leader also tends to be "personal" in his praise and criticism of the work of each member.

Autocratic leadership has the advantage of allowing fast decision making because only the manager decides the approach to use. It equally has the disadvantage of causing workers to experience either dissatisfaction, dependence on the leader, or passiveness toward organizational goals.

Democratic (participative) style. This style seeks to obtain the cooperation of workers in achieving organizational goals by allowing them to participate in decision making. It allows members freehand to work with whomever they choose, and the division of tasks is left to them. The leader is "objective" in his praise or criticism of others (Zakeer and. Allah 2016).

The advantage in this type of style is that participation in decision making can lead to improved manager - worker relations, high morale, and job satisfaction, and decreased dependence on the leader. Democratic leadership style also has its inherent disadvantages.

It can lead to decreased productivity and diluted decisions in order to please everyone, and it is also time consuming.

Laissez faire (free - rein) style. This style allows for complete freedom for group or individual decision, with a minimum of leader participation. The workers motivate themselves based on their needs, wants, and desire.

This style has the advantages of increasing worker independence and expression and forces him to function as a member of a group. One major disadvantage associated with this style is that without a strong leader, the group may have no direction or control. This can lead to chaos (Dinibutun,2020)

What is your interpretation of the three leadership style? The foregoing analysis shows that autocratic leadership consists of orders issued to subordinates from the leader. Participative allows an interchange of ideas between all involved persons. In Laissez-faire leadership, the leader furnishes leadership when asked.

2.3.4 Controlling

We have come to the final function of management, controlling. Controlling is the process of regulating organizational activities so that actual performance conforms to expected organizational standards and goals. You can also define control as a process whereby management and other groups are able to initiate and regulate the conduct of activities so that their results accord with the goals and expectations held by those groups.

2.3.4.1 Significance of the Control Process

The control process is significant in a number of ways:

1. The controlling function is closely allied to the three other functions of management: planning, organizing, and leading.
2. It builds most directly on the planning function by providing the means for monitoring and making adjustments in performance so that plans can be realized.
3. It supports the organizing and leading functions by helping to ensure that resources are channeled toward organizational objectives.

2.3.4.2 Purpose of Control

In addition to the three significance of control enumerated above, control also serves other purposes:

1. *Coping with uncertainty.* A variety of environmental factors operate to bring about customer demands, technology, and the availability of raw materials. By developing control systems, managers are better able to monitor specific activities and react quickly to significant changes in the environment.
2. *Directing irregularities.* Controls help managers to detect undesirable irregularities, such as product defects, cost overruns, or rising personnel turnover.
3. *Identifying opportunities.* Controls also help highlight situations in which things are going better than expected, thereby altering management to possible future opportunities.

4. *Handling complex situations.* As organizations grow larger or engage in more complex operations and projects, controls enhance coordination. They help managers keep track of various major elements to be sure that they are well synchronized.

2.3.4.3 Steps in the Control Process

In this last section of unit two, let us consider the various steps in the control process:

- (1) **Determine Area of Control** — At the start of the control process, managers must decide which major areas will be Controlled. Choice are necessary because it is expensive and virtually impossible to control every aspect of organizational activities.
- (2) **Establish Standards** — Standards are essential because they spell out specific criteria for evaluating performance and related employee behaviour.

Purposes of Standards

- (i) They enable employees to understand what is expected and how their work will be evaluated.
- (ii) They provide a basis for detecting job difficulties related to personal limitations of organization members.
- (iii) They help reduce the potential negative effects of goal incongruence (i.e a condition in which there are major incompatibilities between the goals of an organization members and those of the organization).
- (3) **Measure Performance** — For a given standard, a manager must decide both how to measure actual performance and how often to do so. One popular technique is management by objectives — MBO. This is a process through which specific goals are set collaboratively for the organization as a whole and every unit and individual within it. The goals are then used as a basis for planning, managing organizational activities, and assessing and rewarding contributors.
- (4) **Compare Performance Against Standards** — This step consists of comparing the performance measured in step 2. Managers often base their comparisons on information provided in reports that summarize planned versus actual results.
 - (a) **Recognize Positive Performance** — Managers must always recognize positive performance.

The recognition given can vary from a spoken "well done" for a routine achievement to more substantial rewards, such as bonuses, training opportunities, or pay raises for major achievements.

- (b) Take Corrective Action as Necessary — When standards are not met, managers must carefully assess the reasons why and take corrective action.
- (c) Adjust Standards and Measurement as Necessary — Managers need to check standards periodically to ensure that the standards and the associated performance measures are still relevant for the future.

Self - Assessment Exercise 2

1. Why is leading relevant in organization?
2. Without control, the other three functions of management will fail. Do you agree?
3. List the various steps involved in the control process.



2.4 Summary

In this unit two, we have dealt with the main management functions. We have provided simple definitions for the four functions of management. We have equally explained the purposes of each function.



2.5 References/Further Readings/Web Resources

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2.6 Possible answers to Self - Assessment Exercises

Answers to SAE 1

1. Why Planning

- I. Planning leads to organizational success. When a manager plans, his ability to predict is better.
2. Planning leads to feelings of success and satisfaction by employees. Adequate planning leads to definition of objectives. Knowing the objectives of the enterprise helps employees relate what they are doing to meaningful outcomes.
3. Planning helps a manager to cope with change.
A manager who is able through planning to anticipate and prepare for some form of changes in the business would have more control than the manager who does not look and plan ahead.
4. Planning is necessary for effective performance of the other management functions.
Without planning, organization control cannot be effective.

2. Problems that may militate against adequate planning.

- (1) *Lack of precision.* Even though planning is believed to help promote efficiency and profitability, the planning theory up to date's still not precise. According to Kapur, (2022) — "although some forecasting techniques and data analyses have become quite elaborate, it is still difficult to know what kind of planning system is best suited for a given organization". It should however be noted that while precision exists in some specific planning techniques, it is not in specification of all overall strategic plan.
- (2) *The problem of plan size.* The database for a good and detailed organizational plan is usually enormous. It has been discovered that most top managers do not want to study a massive, detailed plan. At times, they do not have the time to read and analyze large quantities of information.
- (3) *Lack of information.* Inadequate information or a breakdown in communication can hinder planning.

Possible answers to Self - Assessment Exercises 2

1. Why leading is relevant

Leading is important because

1. it triggers the power of motivation in people and guides them toward goals.
 2. It transforms potential to reality.
 3. It is the ultimate act which brings to success all of the potential that is in an organization and its people.
 4. it is indispensable if an organization is to be successful.
 5. Without it the link between individuals and organizational goals may become tenuous.
 6. Lack of it has also been found to be associated with lower employee satisfaction, higher grievances, and lower productivity.
- 2. Without control, the other three functions of management will fail. Do you agree?**

Actually, without control, the other three functions of management will fail because none of the functions is independent rather they are iterative, the general objective of all the management functions is to reduce cost of operations and increase efficiency. If control is taken away the general objective will not be achieved and therefore I agree.

3. The various steps involved in the control process.

- (1) Determine Area of Control — At the start of the control process, managers must decide which major areas will be Controlled. Choice are necessary because it is expensive and virtually impossible to control every aspect of organizational activities.
- (2) Establish Standards — Standards are essential because they spell out specific criteria for evaluating performance and related employee behaviour.

Unit 3 Management: A Science or an Art?

Unit Structure

- 3.1 Introduction
- 3.2 Learning Outcomes
- 3.3 Is Management a Science?
- 3.4 Is Management an Art?
- 3.5 Is Management a Profession?
- 3.6 Is Management Human Relations?
- 3.7 Is Management Leadership?
- 3.8 What Really is Management?
- 3.9 Summary
- 3.10 References/Further Readings/Web Resources
- 3.11 Possible Answers to Self-Assessment Exercise(s)



3.1 Introduction

We have come to a controversial issue in management study - the status of management.

Different scholars, writers and commentators have different perspectives about what management is, and what management is not. In the long past, the controversy centered around management as a science or an art. Later, other writers introduced other dimensions — Is management a profession, a human relations or leadership? Attempt is made to provide answers to the above questions. After a review of the various perceptions of management, a position will be taken.



3.2 Learning Outcomes (LOs)

By the end of the unit, you will be able to:

- explain the following concepts - science, art, human relations, profession, and leadership.
- discuss management as a Science.
- evaluate management as an art.
- describe management as leadership
- analyse management as human relations.
- explain management as a profession



3.3 Is Management a Science?

It is said that "management is the oldest of arts and the youngest of sciences".

You will better understand this, if you know what is meant by science itself. The McGraw-Hill Encyclopedia of Science and Technology, Vol. 17, submits that science can be applied to a wide variety of disciplines or intellectual activities characterized by the possibility of making precise statements which are susceptible to some sort of check or proof. Our knowledge of what science is can also be broadened if we consider the Websters Third New International Dictionary's definition of Science. According to Westers Dictionary, Science is "an accumulated and accepted knowledge that has been systematized and formulated with reference to the discovery of general truths, or the operation of general laws". It is also a branch of study that is concerned with observation and classification of facts, especially with the establishment or strictly with the quantitative formulation of verifiable, general laws chiefly by induction and hypotheses. "Management" has been viewed as a narrow, technical function consisting principally of adding figures, maintaining buildings, and making laws. It has, of course, a far more comprehensive meaning than this view would allow, but the view nevertheless persists, even among the well educated. To consider management as a science, let us consider the work of Luther Gulick (1965). Gulick, a management educator and author, defined management as a "field of knowledge" that "seeks to systematically understand why and how men work together to accomplish objectives and to make these cooperative systems more useful to mankind. According to Gulick, management meets the requirement for a field of knowledge, because it has been studied for some time and has been analyzed into a series of theories. The field of management would truly become a science, Gulick held, when theory would be able to guide managers by telling them what to do in a particular situation and enabling them to predict the consequences of their actions. The emergence of psychology and the social sciences have preceded by only a few steps the emergence of "management" as a concept and a field of study Those interested in quantifying all human behaviour have treated management as another social science. Management, up-to-date offers the additional advantage of relying heavily on the related discipline of accounting, a field which, by its very nature, involves qualification. The use of computers in management has also shown that management is a science. Computer has offered a great promise for scientific management, and right computer has created a new world in which computers guide us toward purely scientific decision making. Management information system (the use of computers) will be extensively discussed in Unit 15.

3.4 Is Management an Art?

To also understand the issue of whether management is an art or not, there is the need to define what is meant by art. Kaehler and Grundei, (2019), define Art as "an activity of the mind and the technical activity of craft men". It implies both the idea and the execution.

The Websters' Third New International Dictionary defines an art as "the power of performing certain actions as acquired by experience, study or observation". It is the application of skill and taste to production according to aesthetic principles.

Henry M. Boethinger (1975), a corporate officer and management lecturer, argues that management is an art, "an imposition of order on chaos". In his view, painting or poetry (or any other fine or literary art) requires these components: the artist's vision, knowledge of craft, and successful communication. In these respects management is an art, because it requires the same components. Consequently, just as artistic skill can be developed through training, so can managerial skill be developed in ways similar to those" used in training artists.

The school of thought that considers management as an art can be queried somehow. We make this claim because it is not entirely appropriate to dignify this approach as a school of thought", since it has always focused on the immediate and the practical and has never been thoroughly rationalized as theory. In some cases, the opportunity to treat management as an art according to Amanawa, (2022), has been a refuge for those who would ignore the contribution of "management as science" and "management as human relations".

More recently, "the management as an art" school has, emphasized the art of management in the broadest sense, posing the manager as an artist with an acquired skill who uses some basic principles of design and execution to create and orchestrate harmony across a wide spectrum of institutional problems. Although this approach doubtless holds promise, it is still only an elaborate metaphor.

3.5 Is Management a Profession?

Another school of thought views management as a profession. Again, let us acquaint ourselves with what is meant by profession. The contemporary English Dictionary — New Edition, simply defines profession as a job that needs special education and training.

We already have debated the issue of whether management is part of science or part of art:

What we want to do here is — Is management a profession? Kaehler, and Grundei, (2019) compared key qualities of professionals with those of managers, and came up with three characteristics.

1. Professionals base their decisions on general principles. That there are certain reliable management principles shown by the very existence of management courses and training programmes. Although the principles held in common by most managers and management theorists do not apply perfectly in all situations, particular guidelines have high reliability for example, the simple behavioural guideline, "praise in public and criticize in private" usually works out well, although occasionally it backfires.
2. Professionals achieve professional status through performance, not through favouritism or other factors irrelevant to the work at hand. You will come to know in Unit seven, under bureaucracy — about professional qualification, and impersonal relationship. Unfortunately, in practice managers sometimes achieve managerial positions through their relationships with people in power or by other non-work related factors. In addition, no agreed-upon body of objective standards exists by which to judge managerial performance. Because of the complexity of factors that enter into the manager's job, it is more difficult to judge managers than, for example, trial lawyers or surgeons.
3. Professionals must be governed by a strict code of ethics that protects their client. Because of the professional's expert knowledge in a specific area, clients are dependent upon him and, as a result, are in vulnerable position. Kaehler and Grundei, (2019) argued that no management code of ethics has yet been so developed.

Management according to Kaehler and Grundei, (2019) by some criteria is indeed a profession, but by other criteria it is not. Today we can see many signs that management is working toward increased professionalism, both in business and in non-business organizations. For instance, current social pressures seem to be bringing about a heightened awareness of ethical standards. The growth of formal management training in graduate schools and through executive development programmes is spreading a body of accumulated knowledge and teaching the skills that are the hallmark of professionalism.

Amanawa, (2022) suggested a fourth characteristic of professionalism: dedication and commitment. You should know if you have not known yet that, in any field, the true professional combines life and work through personal dedication and commitment. By this criterion, many managers are professional in the best sense of the word.

Self - Assessment Exercise 1

1. Distinguish between a Science and an art.
2. What do you think is management — a science or an art?

3.6 Is Management Human Relations?

Another school of thought has treated management primarily as human relations. The human relations as a separate management perspective will be fully explained in a later unit.

The human relations approach introduced applied psychology to management, largely through the training laboratories of the organization development movement. Improvement really meant human relations or sensitivity training and organization development programmes at a time. Rensis Likert (1976) made an attempt to bring together the scientific school of management, with the human relations school through his studies of organizational conflict.

Although the excesses of the sensitivity training inspired by the human relations are well known, however, there is something not known. This unknown is the fact that human relations school made valuable contributions to the study of management, such as the emphasis on values and the focus on the personal development of managers. Note that this school invariably lost speed because it became clearer that human relations was only part of management — a part that had previously been neglected. but nonetheless only a part of the larger question.

3.7 Is Management Leadership?

Do you know that some people even consider management to be nothing more than leadership? Hold it a bit. Very soon, and specifically in Unit 4, the leadership concept will be explained. But as a start, what is leadership? Leadership Can be defined as the process of influencing others to achieve organizational goals Dinibutun, (2020). In addition to this definition, you may also want to know that leadership can mean anything from supervision to inspiration—its focus is on the individual rather than the institution, and for this reason, it lacks the critical dimension of organizational effect. Leadership has often been taken to mean something broader in scope and significance than management, but it can be viewed more accurately as only one part of the larger question of management.

3.8 What really is Management?

You will observe that five schools of thought have been represented to show the status of management. We have asked and explained such questions as — is management a science, an art, a profession, a human relations or leadership? From all the points and explanations above, one can say without any iota of contradiction that management is not just a science, not just an art, not just leadership, not just human relations, and not just a profession. It is a combination of the five. We make this submission for this reason — the scientific school offers hypotheses to be tested and eventually, rules to follow. The human relations school contributes sound values. The artistic school suggests good principles design and craftsmanship in execution. The professional combines life and work through personal dedication and commitment. Finally, leadership provides supervision, control to inspiration.

Self - Assessment Exercise 2

1. Distinguish between the following terms:
 - (a) A profession
 - (b) Leadership
 - (c) Human relations



3.9 Summary

One thing you have gained in this unit, is that your knowledge about management has been broadened. For one reason, you have now known that management is the accomplishment of pre-determined objectives of organizations through people.

You have also learned from the unit about the age long controversy surrounding the term management.

Is it a science? Is it an art? Is it Leadership? Is it a profession? Or is it human relations?

From the unit, you have known that management is a complex and multidimensional term.



3.10 References/Further Readings/Web Resources

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3.11 Possible answers to Self - Assessment Exercise

Answer to SAE 1

1. Distinguish between a Science and an art.

While science is an accumulated and accepted knowledge that has been systematized and formulated with reference to the discovery of general truths, or the operation of general laws, art is the power of performing certain actions as acquired by experience, study or observation". It is the application of skill and taste to production. Science is also a branch of study that is concerned with observation and classification of facts, especially with the establishment or strictly with the quantitative formulation of verifiable, general laws chiefly by induction and hypotheses. Art is also an activity of the mind and the technical activity of craft men". It implies both the idea and the execution.

2. Is management — a science or an art?

The debate about whether or not management is science continues. The angle one is inclined to depends largely on the degree to which the scientific method is used to determine management principles and solve management problems. As we know, the development of any science needs a conceptual framework of theory and principle. Principles of management have existed for a long time, but an acceptable framework to encompass it was needed. A large debt is due to existing principles and accepted practices. It is in the formulation of principles that the science of management can be developed. A management principle distills and organizes knowledge that has been built up through experience and analysis. Management is far from being an exact science at present, but by understanding and applying accepted principles, the quality of management practices can be greatly improved. It is most probable that management will never become wholly an exact science as personal judgement will always be needed to supplement available knowledge, therefore, as a practice, management will always be an art.

Answers to SAE 2

1. Distinguish between the following terms:
 - (a) A profession
 - (b) Leadership
 - (c) Human relations
 - (a) A Profession

A profession is a paid occupation especially one that requires advanced education and training e.g. architecture, law or medicine. Based on this definition, we cannot but conclude that management is a profession. In practice, we observe that every profession has:

- a. A body of principles, skills, techniques and specialized knowledge
- b. Formal methods of acquiring training and experience;
- c. Established body which forms ethical codes for the guidance and conduct of members.

(b) Leadership

Leadership can be defined as the process of influencing others to achieve organizational goals. In addition to this definition, leadership can mean anything from supervision to inspiration—its focus is on the individual rather than the institution, and for this reason, it lacks the critical dimension of organizational effect. Leadership has often been taken to mean something broader in scope and significance than management, but it can be viewed more accurately as only one part of the larger question of management.

(c) Human relations

The human relations approach introduced applied psychology to management, largely through the training laboratories of the organization development movement. Improvement really meant human relations or sensitivity training and organization development programmes at a time. Human relations school made valuable contributions to the study of management, such as the emphasis on values and the focus on the personal development of managers.

UNIT 4 **Managers versus Leader: The Controversy**

Unit Structure

- 4.1 Introduction
- 4.2 Learning Outcomes
- 4.3 Manager Versus Leader
 - 4.3.1 Manager defined
 - 4.3.2 The Roles of a Manager
 - 4.3.3 Types of Managers
- 4.4 Who is a Leader?
- 4.5 The Manager-Leader Controversy
 - 4.5.1 Differences Between Managers and Leaders in their World Views
 - 4.5.2 Can a Manager be a Leader at the Same Time?
- 4.6 Summary
- 4.7 References/Further Readings/Web Resources
- 4.8 Possible Answers to Self-Assessment Exercise(s)



4.1 Introduction

We have come to the fourth unit of this course; manager versus leader. In this unit, you will learn about whether managers and leaders are the same or different. It is useful to understand this controversy because most organizations are caught between two conflicting needs: one for managers to maintain the balance of operations, and two for leaders to create new approaches and imagine new areas to explore. The question we want to address is — cannot both managers and leaders exist in the same organization, or even better, cannot one person be both a manager and a leader?



4.2 Learning Outcomes (LOs)

By the end of this unit, you will be able to:

- describe a manager.
- explain the roles of a manager
- discuss who a leader is
- explain the roles of a leader
- evaluate the areas of differences between managers and leaders.



4.3 Manager versus Leader

Manager Defined

Our first point of call in this unit is to define a manager. A Manager can be defined as someone who actively participates in the management process through the four functions of planning, organizing, leading, and controlling the resources of the organization,

Another simple way a manager can be viewed is to describe him as the person responsible for directing the efforts aimed at helping organizations achieve their goals. In Unit two, we discussed extensively the four controlling. In Unit two, we discussed extensively the four management functions: planning, organizing, leading, and controlling as well as the roles of a manager. We do not need to repeat these functions here. What you need here is to learn about the four functions that all managers perform:

1. **Planning.** Planning is the process of setting objectives and determining in advance exactly how the objectives will be met. How does the manager come into this management function? The Manager has to schedule employees and the work to be performed and develop budgets.
2. **Organizing.** Organizing is the process of delegating and coordinating tasks and resources to achieve objectives. It is the duty of the manager to allocate and arrange resources.
3. **Leading.** Leading is the process of influencing employees to work toward achieving objectives. What you need to know here is that it is the manager who must communicate the objectives to employees and motivate them to achieve the objectives.
4. **Controlling.** Controlling is the process of establishing and implementing mechanism to ensure that objectives are achieved. How does the manager come in here? It is the duty of the manager to measure progress toward the achievement of the objective and taking corrective action when necessary.

4.3.1 Types of Managers

It is useful to discuss the types of managers that exists. The three existing types are general manager, functional manager, and project manager (Lawal, 2012).

General managers are those that supervise the activities of several departments that perform several different activities. Examples are top-level and some middle managers.

Functional managers are those that supervise the activities related to the task. Examples are middle and first-line manager.

Project managers are those who coordinate employees and other resources across several functional departments to accomplish specific tasks.

4.4 Who is a Leader?

You will recollect that in the second unit we already defined a leader. The additional point you need to know here is what are the roles of a leader. The roles of a leader are stated below:

1. Arbitrating (leaders resolve problems when members disagree by arbitrating or by deciding on the solution himself).
2. Suggesting (this permits the leader to get his ideas across to his subordinates-without resorting to a direct order).
3. Supplying objectives (the objectives of an organization are not automatic but must be supplied by the leader).
4. Catalyzing (to start or increase movement in an organization, a force is needed. This force can be supplied by the leader acting as a catalyst to arouse his followers to action).
5. Providing security (a leader can provide security for his followers by maintaining a positive, optimistic attitude when facing problems).
6. Representing (the leader usually represents his organization to others and also serves as a symbol of the organization. Outsiders think of the organization in terms of their impression of the leader).
7. Inspiring (by letting his followers know that their work is worthwhile and important,- a leader inspires his followers to accept organizational goals enthusiastically and to work effectively toward their accomplishment).
8. Praising (leaders can assist in satisfying the need for recognition and esteem through sincere praise by letting their employees know that they are important).

Self - Assessment Exercise 1

1. What functions do managers perform?
2. Who is a Leader?

4.5 The Manager — Leader Controversy

Differences Between Managers and Leaders in their World View

To properly understand the differences between the manager and the leader, we shall look at the works of Alfred P. Sloan and Edwin Land. These scholars have argued that managers and leaders have different attitudes toward their goals, careers, relations with others, and themselves.

i. Attitudes Toward Goals

Managers tend to adopt impersonal, if not passive attitudes toward goals. Managerial goals arise out of necessities rather than desires, and therefore, are deeply embedded in the history and culture of the organization. On the other hand, leaders are active instead of reactive, shaping ideas instead of responding to them. They adopt a personal and active attitude toward goal.

ii. Conceptions of Work

The second difference between managers and leaders is in their conceptions of work. Managers view work as an enabling process involving some combination of people and ideas interacting to establish strategies and make decisions. They are flexible in the use of tactics: they negotiate and bargain, on the one hand, and use rewards and punishments, and other forms of coercion, on the other.

What can we say about leaders and conceptions of work. According to Abraham Zaleznik, whereas managers act to limit choices, leaders work in the opposite direction, to develop fresh approaches to longstanding problems and to open issues for new options.

One important thing you should know here is that leaders create excitement in work. In addition, leaders are known to work from high-risk positions. They are disposed to seek out risk and danger, especially where opportunity and reward appear high.

iii. Relations with others

The third difference between managers and leaders lies in the way they both relate with others.

Managers prefer to work with people; they avoid solitary activity because it makes them anxious.

Managers relate to people according to the role they play in a sequence of events or in a decision—making process. On the other hand, leaders

who are concerned with ideas, relate in more intuitive and emphatic ways.

On decision-making-events, managers believe that this exists in two forms: the win-lose situation or the win-win situation in which everybody in the action comes out ahead. To reconcile differences among people and maintain balances of power, managers always try to convert win — lose into win-win situations.

On communication, managers communicate to their subordinate indirectly, Bell and Martin (2019) using "signals" instead of "messages". What is the difference between these two methods — signals and messages? Signals are usually inconclusive and subject to upset and anger. On the other hand, messages involve the direct consequence that some people will not like what they hear. Another difference is that while the nature of message heightens emotional response, with signals, the question of who wins and who loses often becomes obscured.

Another method of converting win-lose to win-win Shannon (2018) is that managers play for time. Why do you think managers play for time? Managers play for time in recognition of the fact that the passage of time and the delay of major decisions, compromises may emerge to take the sting out of win-lose situations.

With respect to leaders, they attract strong relations with others, leaders are known to have feelings of identity and difference, or by love and hate.

iv. Attitude towards self

The last difference between managers and leaders is the attitudes toward themselves. To explain the difference, we shall be relying on William James's classification of personality types — into "once-born" and "twice-born".

The once-born people are those for whom adjustments to life is straight-forward, with peaceful lives right from birth. On the other hand, the twice-boms, do not have an easy time of it. Because their lives are characterized by struggles, twice-boms do not take things for granted.

The once-born and twice-horns also have different world views. While for a once-born personality, the sense of self, as guide to conduct and attitude, derives from a feeling of being at home and in harmony with one's environment, for a twice-born, the sense of self derives from a feeling of great separatedness.

From the above explanations, James concluded that leaders tend to be twice-born. They feel separate from their environment including other people.

Can a Manager be a Leader at the Same Time?

There are times some people use manager and leader interchangeably. The question to ask here is — Is this correct? The two are not necessarily interchangeable because leadership is a subclass of management. Managers perform the function of creating, planning, organizing, motivating, communicating and controlling. Included within these functions is the necessity to lead and to give direction. Consequently, a manager's ability to lead effectively may affect his ability to manage, but a leader needs only to influence the behaviour of others.

Self - Assessment Exercise 2

1. Distinguish between a manager and a leader.
2. Can a manager be a leader at the same time?



4.6 Summary

You have learned in this unit, who a manager is, and who a leader is. You have learned about the three types of managers— general manager, functional manager, and project manager. The unit also explained to you the similarities and differences between a manager and a leader.



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4.8 Possible answers to Self - Assessment Exercises

Answers to SAE 1

1, Functions managers perform

1. Planning. Planning is the process of setting objectives and determining in advance exactly how the objectives will be met. How does the manager come into this management function? The Manager has to schedule employees and the work to be performed and develop budgets.
2. Organizing. Organizing is the process of delegating and coordinating tasks and resources to achieve objectives. It is the duty of the manager to allocate and arrange resources.
3. Leading. Leading is the process of influencing employees to work toward achieving objectives. What you need to know here is that it is the manager who must communicate the objectives to employees and motivate them to achieve the objectives.
4. Controlling. Controlling is the process of establishing and implementing mechanism to ensure that objectives are achieved. How does the manager come in here? It is the duty of the manager to measure progress toward the achievement of the objective and taking corrective action when necessary.

2. Who is a Leader?

A leader is one who

1. resolves problems when members disagree by arbitrating or by deciding on the solution himself.
2. Suggests or gets his ideas across to his subordinates-without resorting to a direct order
3. Supply the objectives of an organization
4. Provides security for his followers by maintaining a positive, optimistic attitude when facing problems.
5. represents his organization to others and also serves as a symbol of the organization. Outsiders think of the organization in terms of their impression of the leader.
6. Inspires his followers to know that their work is worthwhile and important,- a leader inspires his followers to accept organizational goals enthusiastically and to work effectively toward their accomplishment.

Answers to SAE 2

1. Distinguish between a manager and a leader.

1. Attitudes Toward Goals

Managers tend to adopt impersonal, if not passive attitudes toward goals. Managerial goals arise out of necessities rather than desires, and therefore, are deeply embedded in the history and culture of the organization. On the other hand, leaders are active instead of reactive, shaping ideas instead of responding to them. They adopt a personal and active attitude toward goal.

2. Conceptions of Work

Where as managers act to limit choices, leaders work in the opposite direction, to develop fresh approaches to longstanding problems and to open issues for new options. One important thing you should know here is that leaders create excitement in work. In addition, leaders are known to work from high-risk positions. They are disposed to seek out risk and danger, especially where opportunity and reward appear high.

3. Relations with others

Managers prefer to work with people; they avoid solitary activity because it makes them anxious.

Managers relate to people according to the role they play in a sequence of events or in a decision— making process. On the other hand, leaders who are concerned with ideas, relate in more intuitive and emphatic ways.

4. Attitude towards self

The last difference between managers and leaders is the attitudes toward themselves. To explain the difference, we shall be relying on William James's classification of personality types — into "once-born" and "twice-born".

The once-born people are those for whom adjustments to life is straightforward, with peaceful lives right from birth. On the other hand, the twice-borns, do not have an easy time of it. Because their lives are characterized by struggles, twice-boms do not take things for granted.

The once-born and twice-horns also have different world views. While for a once-born personality, the sense of self, as guide to conduct and attitude, derives from a feeling of being at home and in harmony with

one's environment, for a twice-born, the sense of self derives from a feeling of great separatedness.

2. Can a Manager be a Leader at the Same Time?

There are times some people use manager and leader interchangeably. The question to ask here is — Is this correct? The two are not necessarily interchangeable because leadership is a subclass of management. Managers perform the function of creating, planning, organizing, motivating, communicating and controlling. Included within these functions is the necessity to lead and to give direction. Consequently, a manager's ability to lead effectively may affect his ability to manage, but a leader needs only to influence the behaviour of others.

UNIT 5 **Managerial Job Types**

Unit Structure

- 5.1 Introduction
- 5.2 Learning Outcomes (LOs)
- 5.3 Vertical Dimension: Hierarchical Levels
- 5.4 Differences among Hierarchical Levels
 - 5.4.1 Functions of Management
- 5.5 Promoting Innovation: The Entrepreneurial Role
- 5.6 Horizontal Dimension: Responsibility Areas
- 5.7 Learning to be an Effective Manager
- 5.8 Summary
- 5.9 References/Further Readings/Web Resources
- 5.10 Possible Answers to Self-Assessment Exercise(s)



5.1 Introduction

In the preceding units, you will observe that we have discussed in general, the nature of managerial work. In this unit, you will learn about the varieties of managerial jobs. The two variants as you will soon come to learn in this unit are:

1. Vertical dimension —focusing on different hierarchical levels in the organization.
2. Horizontal dimension — focusing on the managers' areas of responsibility.

The unit also briefly presents to you the significance of the entrepreneurial role at the hierarchical levels.



5.2 Learning Outcomes (LOs)

By the end of this unit, you will be able to:

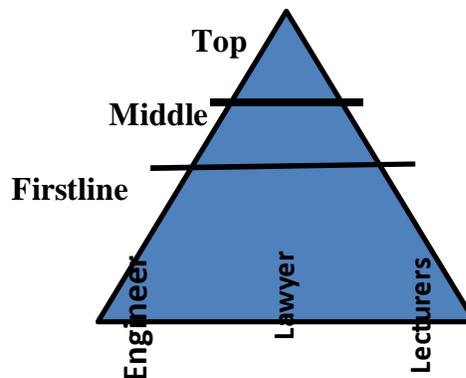
- explain the types of managerial jobs
- discuss the implications of managerial job types
- describe what it takes to become an effective manager.



5.3 Vertical Dimension: Hierarchical Levels

You will see from our discussion presently that the vertical dimension of managerial jobs falls into three levels: first line managers, middle managers and top managers. By the time we finish our discussion on these three levels, you should be able to fix your level in your organization.

- a. **First-line Managers.** *First-line managers*, also known as first line supervisors refer to managers at the lowest level of the hierarchy (see Figure 5.1). They are directly responsible for the work of operating (non-managerial) employees Kaiser, et al (2011). What is the relevance of first-line managers, you may want to ask? They are very important to the success of an organization because they have the responsibility of seeing that day-to-day operatives are carried out smoothly in pursuit of organizational goals. First line managers you should also know are prone to some problems. One, they usually find themselves in the middle of conflicting demands, because according to Bartol and Martin (1994) they operate at the interface between management and the rest of the work-force. Two, their power has been seriously eroded by union influence.
- b. **Middle managers**, As the name implies middle managers are those located beneath the top levels of the hierarchy. They are responsible for the work of managers at lower. levels. They carry such titles as: "manager" "director of", "chief", "department" and "division head". They are responsible for implementing overall organizational plans to achieve organizational goals.
- c. **Top managers.** By top you know means at the height. Top managers are those managers at the very top levels of the hierarchy. They are responsible for the entire organization. They carry such titles as: "chief executive officer" (C.E.O.), "President", "executive director", "senior vice-president" or simply "vice president". Top managers see to the planning of the organization.



Horizontal Responsibility Areas

Fig. 5.1: Types of Managers by Hierarchical Level and Responsibility Area.

Source: Adapted from Bartol M.B. & D.C. Martin (1994). *Management* (2nd ed.) McGraw-Hill, Inc. New York.

5.4 Differences among Hierarchical Levels

You must have observed so far that the same basic managerial process - planning, organizing leading, and controlling (you still recollect what we said about these management functions in Unit two) applies to all three hierarchical levels of management, There are, however, some differences in emphasis. The differences are in these areas: (i) functions of management, management skills, managerial roles, and entrepreneurial role.

Let us take time to briefly explain these variables

5.4.1 Functions of Management

In practice, it is observed that planning is more important for top managers than for middle or first-line managers. Why is this so? It is because top managers are responsible for determining the overall direction of the organization. Organizing is more important for both top and middle managers than for first-line managers. Why is this so? It is because it is the top and middle levels of management that are responsible for allocation and arranging resources.

It is further observed that leading is more important for first-line supervisors than managers at higher levels. Why is this so? It is because first-line supervisors are charged with the ongoing production of goods and services. However, controlling is the management function that is most similar at all three hierarchical levels.

5.5 Management skills

The three levels of management also differ in the importance attached to the key skills discussed in unit one earlier: technical, human, and conceptual. Conceptual skills are important at the top management level. Why is this so? It is because they have the greatest need to see that the organization as a whole, understands how the various parts relate to one another.

First-line managers have the greatest need for technical skills, because they directly supervise most of the technical and professional employees who are not managers. The three levels of management require strong human skills because they all must get things done through people.

Managerial Roles Henry Mintzeberg argued that managers do not work daily to perform the managerial functions ascribed to them but rather he identified ten managerial roles which managers play as depicted in Table 5.1.

Table 5.1 Mintzeberg's Ten Managerial Roles

Role	
interpersonal	Performs symbolic duties of a legal or social nature. Builds relationships with subordinates and communicates with, motivates and coaches them.
Figurehead (Leader)	
Liaison	Maintains networks of contacts outside work unit who provide help and information.
Informational Monitor	Seeks internal and external information about issues that can affect organization.
Disseminator Spokesperson	Transmits information internally that is obtained from either internal or external sources Transmits information about the organization to outsiders.
Decisional Entrepreneur	Acts as initiator, designer, and encourages change and innovation. Takes corrective action when organization faces important, unexpected difficulties.
Disturbance handler	Distributes resources of all types, including time, funding, equipment, and human resources.
Resource allocator	
Negotiator	

Source: Adapted from Bartol, K.M and D.C. Martin (1994) Management (2nd ed) McGraw-Hill, Inc. New York.

Mintzeberg argued that the ten managerial roles apply to all levels of management. He, however, noted some differences in emphasis at various levels. Figurehead role, liaison and spokesperson are more important as a manager moves up the hierarchy. Leader's role is more critical at the lower levels: Managers at all levels are the same in the entrepreneurial role. Many other scholars such as Dler, and Tawfeq, (2021) and Gutterman, (2023) have contributed to the debate on what roles do managers actually play.

Self - Assessment Exercise 1

- (a) Who are first-line-managers?
- (b) Mintzeberg argued that managers do not work daily to perform the managerial functions ascribed to them but rather they play managerial roles. Do you agree?

5.6 Promoting Innovation: The Entrepreneurial Role

Let us explain the differences because of the particular importance of innovation to the success of organizations. Your first concern is to understand the basic concepts here: innovation,

Innovation: A new idea applied to initiating or improving a process, product, or service.

intrapreneurs: Individuals who engage in entrepreneurial roles as employees of organizations.

Entrepreneurship. The process of innovating within an existing context. Your next concern is to know the involvement of innovation at the three entrepreneurial roles. According to Galbraith (1982), the innovation process involves individuals at various levels who fulfil three types of entrepreneurial roles: idea generator, sponsor, and orchestrator.

Idea generator: An individual who generates new ideas and supports it in the face of numerous potential obstacles.

Sponsor. A middle manager who recognizes the organizational significance of an idea, helps obtain the necessary funding for development of the innovation, and facilitates its actual implementation.

Orchestrator. A high-level manager who articulates the need for innovation, provides funding for innovating activities, creates incentives for middle managers to sponsor new ideas, and protects the ideas of people.

5.7 Horizontal Dimension: Responsibility Areas

Our interest here is to discuss the horizontal differences in managerial jobs. The three major types of managerial jobs are: functional, general, and project.

- a. **Functional Managers.** These are managers who have responsibility for a specific, specialized area (often called a functional area) of the organization and supervise mainly individuals with expertise and training in that area. The common functional areas are: finance, manufacturing or operations,

marketing, human resource management, accounting, quality assurance, and engineering.

- b. **General Managers.** These are managers who have responsibility for a whole organization or a substantial sub-unit that includes most of the common specialized areas. They carry such titles as: "division manager", and "president", depending on the circumstance. They are called managers because they preside over a number of functional areas.
- c. **Project Managers.** These are managers who have responsibility for coordinating efforts involving individuals in several different organizational units who are all working on a particular project.

5.8 Learning to be an Effective Manager

As an individual, what do you think you need to have Or know to become an effective manager? If you already know, this section will broaden your knowledge. If you do not know, this section will explain to you what you need to become an effective manager.

A review of literature shows that three factors are required to become an effective manager: education, experience, and an understanding of trends

Managerial Education: Education is an essential factor in preparing for and becoming an effective manager. You must, however, know that for most managers, education does not end with college and graduate school degrees. Instead, managers must take additional management-related courses, attend conferences, workshops etc. Today, emphasis is being placed on developing individuals' skills in international management both through classroom training and special job assignments.

Management Experience: Another major factor required to become an effective manager is experience. Age as you must have personally experienced affect the time of promotion to the level of a chief executive officer. Stieglitz (1985) in his study found that 75 percent of chief executive officers were at least 45 before they were promoted to the position with more than half being 50 or over at the time of promotion.

Understanding Trends

The third factor needed to become an effective manager is a solid understanding of business trends.

There are four particular trends that may impact on managerial work in the future:

1. The growing internationalization of business. One basic fact in the world of business today is that organizations must increasingly assume an international perspective in conducting their business for the following reasons:
 - (i) Businesses are facing more and more global competition.
 - (ii) More and more companies are likely to be doing businesses in other countries.
2. *The increasing importance of quality.* Managers today must be concerned with quality. You must have even observed that many organizations have been adopting total quality management. This involves a commitment to improve quality in every aspect of the organizations' operations.
3. *The expanding public concern with managerial ethics.* Hof (1992) argues that organizations and Chief Executive Officers are responding by placing greater emphasis on social responsibility. Managerial ethics are standards of conduct or moral judgement used by managers in carrying out their business. The three main types are explained below:

Immoral management. "Immoral" and "unethical" are synonymous in business. Immoral is an approach that not only lacks ethical principles but is actively opposed to ethical behaviour.

Amoral management. This is an approach that is neither immoral nor moral but, rather, ignores or is oblivious to ethical considerations.

Moral management. This is an approach that strives to follow ethical principles and precepts.

4. **The growing diversity of the work-force.** The impact of demographic diversity on organizations and their managers is emerging.

<p>Self - Assessment Exercise 2</p> <p>(a) Discuss the horizontal differences in managerial jobs.</p> <p>(b) Explain the three main managerial ethics</p>
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5.9 Summary

You have learned in this unit about managerial jobs. Specifically, you have learned that the two dimensions of managerial jobs are the ones

based on vertical differentiation, and the ones based on horizontal differentiation. You have equally learned in this unit that managers can provide some managerial functions to promote innovation. Finally, the unit has explained to you what it takes to become an effective manager.

5.10 References/Further Readings/Web Resources

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5.11 Possible answers to Self - Assessment Exercise

Answers to SAE 1

(a) Who are first-line-managers?

First-line managers, also known as first line supervisors refer to managers at the lowest level of the hierarchy. They are directly responsible for the work of operating (non-managerial) employees. They are very important to the success of an organization because they have the responsibility of seeing that day-to-day operations are carried out smoothly in pursuit of organizational goals. First line managers you should also know are prone to some problems. One, they usually find themselves in the middle of conflicting demands, because they operate at the interface between management and the rest of the work-force. Two, their power has been seriously eroded by union influence.

(b) Mintzeberg argued that managers do not work daily to perform the managerial functions ascribed to them but rather they play managerial roles. Do you agree?

Mintzeberg's managerial roles cannot be utterly neglected. The roles are valuable for, at least, they have emphasized that the practice of management is not as rational and systematic as the classical school thought. He actually analyzed what may be termed catalytic activities of management. His preferred roles are what managers do as a secondary function. Every manager exercises the roles while still playing his classical functions

Answer to SAE 2

(a) Discuss the horizontal differences in managerial jobs.

1. **Functional Managers.** These are managers who have responsibility for a specific, specialized area (often called a functional area) of the organization and supervise mainly individuals with expertise and training in that area. The common functional areas are: finance, manufacturing or operations, marketing, human resource management, accounting, quality assurance, and engineering.
2. **General Managers.** These are managers who have responsibility for a whole organization or a substantial sub-unit that includes most of the common specialized areas. They carry such titles as: "division manager", and "president", depending on the

circumstance. They are called managers because they preside over a number of functional areas.

3. **Project Managers.** These are managers who have responsibility for coordinating efforts involving individuals in several different organizational units who are all working on a particular project.

(b) Explain the three main managerial ethics

1. **Immoral management.** "Immoral" and "unethical" are synonymous in business. Immoral is an approach that not only lacks ethical principles but is actively opposed to ethical behaviour.
2. **Amoral management.** This is an approach that is neither immoral nor moral but, rather, ignores or is oblivious to ethical considerations.
3. **Moral management.** This is an approach that strives to follow ethical principles and precepts.

Unit 1 The Evolution of Management Theories

Unit structure

- 1.1 Introduction
- 1.2 Learning Outcomes (LOs)
- 1.3 Definition of a Theory
 - 1.3.1 Why Study Management Theory
 - 1.3.2 Development of Classical Theory
 - 1.3.3 The Emergence of Bureaucratic School
- 1.4 Evolution of Schools of Management Thought
 - 1.4.1 The Emergence of Administrative Theory
 - 1.4.2 The Emergence of Scientific Management School
- 1.5 Evolution of the Behavioural School of Thought
- 1.6 The Quantitative Management Theory
 - 1.6.1 Management Science (or Operations Research)
 - 1.6.2 Operations Management
 - 1.6.3 Management Information Systems
- 1.7 Evolution of Contemporary Management School
 - 1.7.1 The Systems Theory
 - 1.7.1 Contingency Theory
 - 1.7.1 Emerging Views
- 1.8 Summary
- 1.9 References/Further Readings/Web Resources
- 1.10 Possible Answers to Self-Assessment Exercise(s)



1.1 Introduction

Now that you have an idea of what management is, what managers do, the differences between a manager and a leader, it is time for you to learn the history of management thought. So, you are welcome to Module 2, Unit 6 of this course, The Evolution of Management Theories.

One of the ways to best understand this unit is to ask yourself why you should be concerned with the history of management. Kivunja, (2018) provides the answer. According to Kivunja, there are two primary reasons why you should be concerned about the history of management: to better understand current developments and to avoid repeating mistakes. What do you think is the difference between early writers and recent writers on management? Early writers were practitioners, so they based their write-ups on empirical findings. While you will still learn about the various approaches to management, this unit is specifically devoted to the history of management. Another thing you will learn in this unit is the definition of a theory.



1.2 Learning Outcomes (LOs)

By the end of this unit, you will be able to:

- discuss why you need to study the history of management
- explain management theory
- analyze the usefulness of a theory
- describe the development of each management theory.



1.3 Definition of a Theory?

In everyday use, the word "theory" often means an untested hunch, or a guess without supporting evidence. But for scientists, a theory has nearly the opposite meaning. A theory is a well-substantiated explanation of an aspect of the natural world that can incorporate laws, hypotheses and facts. Stam (2007) cited in Thomas, (2017) defined a theory as the systematic organization of knowledge, which can be applied for the purpose of problem solving. Malmi and Granlund (2009) offered another definition: "By theory we mean a general statement subsuming a series of phenomena" Clancy (1989) defines a theory as a coherent group of assumptions put forth to explain the relationship between two or more observable facts. A theory embraces a set of interrelated definitions, and relationships that organizes our concepts of and understanding of the empirical world in a systematic way.

1.3.1 Why study Management Theory?

Now that you know what a theory is, you need to also know why you have to study management theory. Thomas, (2017) provides three reasons for studying management theory:

1. Theories provide a stable focus for understanding what we experience. That is, a theory provides criteria for determining what is relevant.
2. Theories enable us to communicate efficiently and thus move into more and more complex relationships with other people.
3. Theories make it possible, or even challenge us, to keep learning about other world.



1.4 Evolution of Schools of Management Thought

Even though management practice dates back to several years ago, the development of management as a field of knowledge is a relatively

recent development. The industrial revolution served as the impetus for this development. This industrial revolution led to the emergence of factories, and with the development of many factories came the widespread need to coordinate the efforts of large numbers of people in the regular production of goods. This situation led to the birth of different schools of thought on management. The first of this school of thought is the classical theory which forms the basis of this section.



1.5 Development of Classical Theory

Around the eighteenth century, a set of concepts about organizations, now known as classical theory, began to be developed. Today the impact of this school is felt in modern complex organizations.

The classical theory according to Urwick (1967) developed in three streams: bureaucracy, administrative theory, and scientific management. The three streams were founded, on similar assumptions. The three streams were developed between 1900 — 1950. But note that era of the three streams were developed by separate groups of writers working almost completely independently of each other.

1.5.1 The Emergence of Bureaucratic School

This is the first component of classical theories of management. The bureaucratic school was developed mainly by sociologists who, took a scholarly, detached, and descriptive point of view.

Bureaucracy is the organization designed to accomplish large scale administrative tasks by systematically coordinating the work of many individuals. In a nutshell, bureaucracy is a type of administrative structure which is organized in a hierarchy and which implies impersonal uniform norms. According to Max Webber, in a bureaucracy:

1. An individual holds office but the office is separated from him;
2. Offices are limited in scope and are arranged in a hierarchy. This scope of authority is clearly defined. Each office is limited in scope and arranged in a hierarchy. Each official is responsible to the one above him;
3. There is division of labour on rational lines so that each official knows his specific responsibility and duty. Thus promoting specialization and expertness among workers and staff;
4. Selection for office and promotion to next office are according to rationally defined criteria of sustainability e.g. through an examination;

5. Relationships among organizational members are determined by formally established rules and policies. There is impersonality of personal contact.
6. Career paths are specified. Employment is based on technical qualifications. Officials are appointed to positions, not elected.

Max Webber's bureaucratic principle looks impracticable in the Nigerian context partly due to the nature of the organization and partly due to the societal expectations of what the bureaucracy should be or do.

The impetus for forming and studying bureaucracy in the words of Herbert A Simon (1994) springs from the complexity of modern civilization. Hear him:

In ancient warfare. An- entire army was often commanded by a single man, and his authority extended in a very complete and direct form to the lowest man in the ranks. This was possible because the entire battle field was within the range of a man's voice and vision, and because tactics were for the most part executed by the entire army in unison.

But you know this is no longer possible in the modern complex warfare operations involving many highly technical specialists from the air, naval, land, and recently space forces that must work under complex command.

1.5.2 The Emergence of Administrative Theory

This is the second component of classical theories. The administrative school was developed by writers whose primary interest was in directly improving practice.

Administrative theory and bureaucracy are related, even almost identical. Both are largely deductive and view the organization as a mere mental construct. However, while bureaucracy was developed by sociologists who took a detached scholarly view, administrative was developed by practical men of action, mainly they were practicing managers. The major focus of administrative theorists was to prescribe principles and other concepts for achieving efficient organizations. Make sure you follow the similarities and differences in these schools of thought.

1.5.3 The Emergence of Scientific Management School

This is the third major component classical theories known as scientific management theory. It was developed also around 1900. The focus of this school was on the individual worker and the foreman, particularly in

manufacturing activities. Scientific management arose in part from the need to increase productivity.



1.6 Evolution of the Behavioural School of Thought

Now that you have known how and why the classical theory emerged, you need also to know how and why the behavioural school emerged. You already have known that the classical theorists viewed individuals as mechanism of production, hence they were mainly interested in finding ways for organizations to use them more efficiently. Know on the other hand that the behavioural school emphasizes the importance of attempting to understand the various factors that affect human behaviour in organizations.

From the preceding descriptions, you can correctly say that the behavioural schools emerged partly because the classical-theory did not achieve sufficient production efficiency and workplace harmony.

The four main schools under the behavioural theory are: early behavioural school, Hawthorne studies, Human relations school, and behavioural science approach. The early behavioural theorists took interest in offering alternatives to the emphasis on engineering that characterized the scientific management school.

The Hawthorne studies were a group of studies conducted at the Hawthorne plant of Western Electric company in the late 1920s and early 1930s. The findings of the study led to the human relations view, a behavioural view that emphasized concern for the worker.

Human relations is commonly used as a general term to describe the ways in which managers interact with their employees. The school arose from early attempts to systematically discover the social and psychological factors that would create effective human relations.

The behavioural science school developed out of the need for a more complex view of the work situation. The behavioural scientists brought two new dimensions to the study of management.

One, they advanced a more sophisticated view of human beings and their drives than did earlier theorists. Two, they applied the methods of scientific investigation to the study of how people behaved in organisations as whole entities.

Self - Assessment Exercise 1

- 1 Explain the various reasons why you need to study management theory.
- 2 List the three major streams of classical theory and discuss one of them.

1.7 The Quantitative Management Theory

You already have known about the classical viewpoint, and behavioural viewpoint of management. It is now time to study the quantitative viewpoint. The quantitative viewpoint according to Bartol and Martin (1994) emerged. as a major force during World War II. The magnitude of the war effort caused the British and-then the United States military services to turn to a quantitative method, for help in determining the most effective use of resources.

The quantitative viewpoint according to Howard Aldrich and Diane Herker (1977) focuses on the use of mathematics, statistics, and information aids to support managerial decision making and organisational effectiveness. What are the various schools under the quantitative viewpoint? The three known schools are: management science, operations management, and management information systems.

1.7.1 Management Science (or Operations Research)

According to Austin and Burns (1985), Britain at the beginning of the World War II needed to solve a number of new complex problems in warfare. Struggling to survive, the British formed the first operations research (OR) teams. By pooling the expertise of mathematicians, physicists, and other scientists in OR, Britain was able to achieve major technological and tactical breakthrough. When Americans entered the war they also formed OR to solve the same problems.

At the end of the war, the need to apply OR to problems in industry became obvious. New industrial technologies were being put to use after the war, for instance, transportation and communication became more complicated. These developments brought with them some problems that could not be solved by conventional means. Consequently, OR specialists were called to help managers come up with answers to these problems. Note that operations research and management science are synonymous.

1.7.2 Operations Management

This is a management approach that uses quantitative methods to improve the productivity and increase the efficiency of goods/services production. The technique is being used as inventory management and network modelling to improve decision making about distribution and operational methods. The viewpoint arose in order to help organizations maintain quality control and scheduling techniques that help managers to plan and track production.

1.7.3 Management Information Systems

You will easily recollect that this is the third stand of the quantitative management school. The viewpoint arose because many organizations now find it difficult to handle large amounts of information in the new and better ways, hence the computer — based information system, for use by managers.

1.8 Evolution of Contemporary Management School

The last of the management theory is referred to as the contemporary school of thought.

This school of thought was developed largely in the 1950s. The viewpoint can be understood from three perspectives: systems theory, contingency theory, and emerging views.

Do not have the impression that the classical, behavioural, and quantitative schools are irrelevant today. They all still apply in one form or another up till date. However, theorists and practitioners recently found that the environment can also influence organizational management. Consequently, new management approaches have emerged that integrate aspects of each of the three major schools of thought within the context of the organizational environment.

1.8.1 The Systems Theory

The theory rather than dealing separately with the various segments of an organization, views the organization as a unified, purposeful system composed of interrelated parts. The systems theory arose to develop the influence of both internal and external environments on organizations.

1.8.2 Contingency Theory

The theory is also known as situational approach. The need toward a more open systems approach to thinking about organizations led to the

emergence of the contingency theory. The theory holds-that different forms of organizational designs and management styles are appropriate under differing circumstances.

1.8.3 Emerging Views

Emerging views represent the promising approaches that may develop into major view points if research supports their relevance. One major emerging view is the Japanese management, represented by Theory Z. Theory Z involves a manager of the positive aspects of American and Japanese management into a modified approach. The focus of Theory Z is to involve workers in decision making, instituting more informal controls, and encouraging group members to accept responsibility for work in their unit.

Self - Assessment Exercise 2

Why did the quantitative viewpoint emerge and what was the focus?



1.9 Summary

You have learned in this unit the historical development of the management schools of thought. You will recollect that in this unit management theory was discussed under four major perspectives:

1. The classical theory, consisting of three streams — Bureaucracy, Administrative theory, and Scientific management.
2. Behavioural theory — consisting of three viewpoints: the early behaviourists, the Hawthorne studies, the Human relations schools, and the behavioural science approach.
3. The quantitative perspective made up of three schools: Management Science, Operations Management and Management Information Systems.
4. The contemporary theory, consisting of three viewpoints: Systems theory, Contingency theory and Emerging views.



1.10 References/Further Readings/Web Resources

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1.11 Possible answers to Self - Assessment Exercise

Answers to SAE 1

(a) **Three reasons for studying management theory:**

1. Theories provide a stable focus for understanding what we experience. That is, a theory provides criteria for determining what is relevant.
2. Theories enable us to communicate efficiently and thus move into more and more complex relationships with other people.
3. Theories make it possible, or even challenge us, to keep learning about other world.

(b) **List the three major streams of classical theory and discuss one of them.**

1. bureaucracy,
2. administrative theory, and
3. scientific management.

The three streams were founded, on similar assumptions. The three streams were developed between 1900 — 1950. But note that era of the three streams were developed by separate groups of writers working almost completely independently of each other.

The administrative school was developed by writers whose primary interest was in directly improving practice. Administrative theory and bureaucracy are related, even almost identical. Both are largely deductive and view the organization as a mere mental construct. However, while bureaucracy was developed by sociologists who took a detached scholarly view, administrative was developed by practical men of action, mainly they were practicing managers. The major focus of administrative theorists was to prescribe principles and other concepts for achieving efficient organizations.

Answers to SAE 2

Why did the quantitative viewpoint emerge and what was the focus?

The quantitative viewpoint emerged as a major force during World War II. The magnitude of the war effort caused the British and-then the United States military services to turn to a quantitative method, for help in determining the most effective use of resources.

The quantitative viewpoint focuses on the use of mathematics, statistics, and information aids to support managerial decision making and organizational effectiveness. What are the various schools under the quantitative viewpoint? The three known schools are: management science, operations management, and management information systems.

Unit 2 Scientific Management Theory

Unit Structure

- 2.1 Introduction
- 2.2 Learning Outcomes (LOs)
- 2.3 The Pre-classical Contributors
- 2.4 Scientific Management Theory
 - 2.4.1 Contribution from Fredrick W. Taylor
 - 2.4.2 Contribution from the Gilbreths
 - 2.4.3 Contribution from Henry L. Gantt
 - 2.4.4 Contribution from Harrington Emerson
 - 2.4.5 Contribution from Morris L. Cooke
- 2.5 Scientific Management Theory: A Critique
- 2.6 Contributions of Scientific Management Theory
- 2.7 Summary
- 2.8 References/Further Readings/Web Resources
- 2.9 Possible Answers to Self-Assessment Exercise(s)



2.1 Introduction

You are welcome to the seventh unit of this course - Scientific Management Theory. You will recall that we discussed the evolution of management theory in unit six where the history of the classical management thought was discussed. The scientific management theory you will also recall is one of the three streams of the classical movement.

Your main concern in this unit, covers a range of issues - the definition and focus of scientific management theory, the contributions of Taylor, the Gilbreths and Gantt to the scientific management theory. A general assessment and critique of the theory is also undertaken in the unit.

Pause for a while. You must have heard about this old adage - "A river that forgets its source will get dry". This adage aptly applies to the classical theories in general. What is being said here is that some groups of scholars wrote even though not extensively on management before the classical theorists. This group of scholars are known as the contributors. We will therefore spend some time on these theorists before we take a look at the classical theorists.



2.2 Learning Outcomes (LOs)

By the end of this unit, you will be able to:

- explain the contributions of pre-classical theorists.
- discuss the contributions of Taylor, the Gilbreths and Gantt to the scientific management school.
- do a critical assessment of the scientific management school.



2.3 The Pre-classical Contributors

Some scholars in the mid and late 1800s provided some ideas that invariably laid the groundwork for later investigations into management. Some of these pre-classical theorists as enunciated by Ferdous, (2017) are Robert Owen, Charles Babbage, and Henry R. Town. Let us take a brief look into their contributions.

i. Robert Owen

Owen was a cotton mill owner in Scotland, who pioneered ideas about better treatment of workers. He was -one of the earliest writers to recognize the importance of human resources in organizations (Gitman, et al ;2018).

He took interest in the working conditions of his employees, so he improved their living conditions by upgrading streets, homes, sanitation, and their educational system. Initially, Owen's ideas were considered radical, but today his views are accepted. What is Owen's contribution to later theories?

Owen's work laid the groundwork for the human relations movement. The human relations movement will be discussed in Unit eleven

ii. Charles Babbage

Another pre-classical theorist was Babbage, a mathematician, who pioneered in the areas of computing and management. He produced the world's practical mechanical calculator. He took interest in the idea of work specialization. He also recognized the possibility of specialization in both physical and mental work.

In addition to his discussion on specialization, Babbage also devised a profit-sharing plan that had two parts: a bonus awarded for useful suggestions and a portion of wages that was dependent on factory profits

(McMahon and Patton, 2017).. What then can you consider to be Babbage's contribution to management theory? His basic contribution is the idea of incentives to workers. Most big organizations today embark on increased worker productivity and commitment by involving them in profit sharing.

iii. Henry R. Towne

The last of the pre-classical contributors, Towne, advocated the need to consider management as a separate field of systematic inquiry at par with engineering. He argued that both engineering skills and business skills are needed to run an organization effectively. Sridhar, (2017) observes that Towne advocated for studying management as a science and developing principle that could be used in all types of management situations.

One major observation about the pre-classical contributors is that their efforts were largely oriented toward developing specific techniques, usually to solve visible problems.

2.4 Scientific Management Theory

Organizations with different structures, functioning in different environments, have to be managed. As long as there is management there will be the problem of how to manage better. In one sense, attempts at answers to the problem will be as numerous as there are managers, for each will bring an individual approach to the task. Nonetheless, at any one time there is enough in common for there to be broad similarities in what is thought and what is taught on this issue. The writers in the field of management have each sought to improve the understanding of management and its practice. They have looked for the ingredients of a better management. It was under these circumstances that scientific management arose as Taylor wrote: Scientific management will mean, for the employers and the workmen who adopt it, the elimination of almost all causes for dispute and disagreement between them

2.4.1 Contribution from Frederick W. Taylor

Taylor's Scientific management was the first significant movement to attempt to produce the guidance for management. Primarily, the goal of Scientific Management was efficient cooperation. The theory called for a careful and minute analysis of each task through time and motion study. The purpose of this analysis was to discover "the one best way" of completing each component of the work. The scientific management

McMahon and Patton, (2017) stressed job efficiency through the development of technical skills. However, Taylor believed that:

Taylor believed that workers engaged in soldiering (a situation whereby workers deliberately work at less than full capacity) for three reasons:

1. Workers feared that increasing their productivity would cause them or other workers to lose their jobs.
2. The faulty wage systems set up by management encouraged workers to operate at low space.
3. The general methods of working and rules of thumb handed down from generation to generation were very inefficient.

Taylor believed that manager could resolve the soldiering problem by developing a science of management based on four principles:

- a. Scientifically study each part of a task and develop the best method for performing the task.
- b. Carefully select workers and train them to perform the task by using the scientifically developed method
- c. Cooperate fully with workers to ensure that they use the proper method.
- d. Divide work and responsibility so that management is responsible for planning work methods using scientific principles and workers are responsible for executing the work accordingly. In the remaining part of this section, you will learn about the followers of Taylor.

2.4.2 Contribution from the Gilbreths

Frank Gilbreth a contemporary of Taylor and his wife Lillian Gilbreth, developed time and motion studies to develop more effective work procedures. Gilbreth stressed that management systems should always be written. The Gilbreths emphasized the human factors in management and advocated the study of the "human sciences". They collaborated on fatigue and motion studies and focused on ways of promoting the individual worker's welfare. The ultimate aim of scientific management according to them was to help workers reach their full potential as human beings.

Self - Assessment Exercise 1

1. Briefly discuss the pre-classical theorists
2. Explain Taylor's work briefly.

2.4.3 Contribution from Henry L. Gantt

Gantt, another scientific management theorist worked with Taylor for many years, so his work was greatly influenced by Taylor. He, however, made some original contributions, after he became an independent consultant. The best of his work was his task and - bonus system of incentive pay (where the worker was given a bonus when he reached standard). He put much emphasis on setting specific task with proper rewards for every member of the organisation to work toward.

Gantt emphasized "habits of industry", Önday, (2016) that is, organizations develop habitual ways of doing things. In modern day management and organisation studies, this is known as "corporate culture". He also developed what later became as the Gantt chart, a graphic aid to planning, scheduling, and control that is still in use today.

2.4.4 Contribution from Harrington Emerson

Emerson was another contemporary of Taylor, whose work took a somewhat different direction. He worked mainly without contact with other pioneers of scientific management and emphasized the "great productivity of correct organizations". Emerson listed twelve principles of efficiency:

1. Clearly defined objectives
2. Commonsense
3. Consultation
4. Discipline
5. Fair deal
6. Reliable, immediate, and adequate records
7. Dispatching
8. Standard and schedules
9. Standardized conditions
10. Standard operations II.
11. Written standard practice instructions
12. Efficiency reward.

These principles are spelt out below:

- | |
|---|
| <ol style="list-style-type: none"> 1. Clearly defined objectives. Managers must know what they want to accomplish and they must eliminate: vagueness and uncertainty. 2. Common sense. Managers must develop the ability to differentiate the woods from the trees
They should seek knowledge and advice wherever possible. 3. Consultation. Managers should actively seek advice from |
|---|

- knowledgeable others.
4. Discipline. Managers should set up the organization so that employees can obey the rules.
 5. Fair deal. Managers must seek out justice and fairness.
 6. Reliable, immediate, accurate, and permanent records. Managers should have the facts available to make decisions.
 7. Dispatching. Manager should use scientific planning of each function so that the organization functions smoothly and achieve its goals.
 8. Standard and schedules. Managers must develop methods for performing their tasks and establish a time to perform each one.
 9. Standardized conditions. Managers should maintain a uniformity of environment.
 10. Standardized operations. Managers must maintain a uniformity of method.
 11. Written standard-practice instructions. Managers must systematically and accurately reduce each practice to writing.
 12. Efficiency reward. Managers should reward employees for tasks successfully completed.

Source: Adapted from: Bovee, CL; Thill J.V; Wood M.B. and G.P. Dovel (1993), Management McGraw Hill. Inc. New York.

2.4.5 Contribution from Morris L. Cooke

The last of Taylor's followers was Cooke, who applied the principles and techniques of scientific management to the fields of government and education. Not only did he demonstrate that scientific management has application in all types of organizations, he also advocated for the participation of every employee in finding the "one best way".

2.5 Scientific Management Theory: A Critique

Criticisms of scientific management include:

- (a) Through its concentration on the mercenary and economic aspects of human nature, the scientific school tends to ignore the social and psychological needs of employees.

These psycho sociological factors in fact exert powerful influences on behaviour.

- (b) Attention is focused on efficiency on the factory floor rather than at higher levels within organizations. The existing environment in which firms function is assumed constant and accepted without question. In reality, however, business enterprises are

microcosms of society as a whole, and if conflicts between owners and organized labour exist within society they may equally exist within firms.

- (c) Division of labour creates boredom for those who must perform routine tasks.

Constant repetition of simple movements dehumanizes workers.. People become appendages of the machines they operate. In the longer term, excessive application of the division of labour could alienate workers to the extent that less is produced than otherwise would be the case.

On a wider level, opponents argue that the treatment of human beings as little more than adjuncts to mechanized production and the factory system is inappropriate in a modern democratic society which values personal development as well as the creation of physical wealth.

- (d) Unemployment can result from increased industrial efficiency. Fewer people are needed to produce a given amount of goods. This together with the loss of individual control over working practices and procedures implies by the scientific approach, naturally arouses distrust, fear and antagonism among organized labour. Moreover, the bulk of the additional wealth generated by the adoption of scientific management seemed always to accrue more to shareholders rather than to workers.
- (e) Scientific management was devised and implemented when mass production was widely used in manufacturing industry, and it fitted well with the technological requirements of the period. However, contemporary technical, economic and social circumstances are so completely different from those prevailing during the early years of the century that the application of the approach may no longer be appropriate.
- (f) The fastest way of performing a job is not necessarily the best.
- (g) Although it is possible to measure how long, on average, a task takes to complete, there is no truly scientific method of estimating the time in which the task ought to be finished.

The scientific management theory, and Taylor have been, specifically criticized.

First, Taylor did not integrate variables of human behaviour with his emphasis on rationality and economic efficiency. The techniques (time

and motion studies, economic incentives) stemmed from the assumption that man was an economic creature limited in his pursuit of gain only by his physiological capacities. This static view of motivation implicit in this approach did not recommend itself to later psychologists. First, they argued, men have other than purely economic motives, or put in a stronger way, 'There are many incentives, of which, under normal conditions, money is the least important.

Secondly, the 'carrot-and stick' hypothesis about the relationship between behaviour and reward is of doubtful validity. Finally, these hypotheses depend very much on a view of the worker as an isolated individual rather than a social being engaged in, and deriving satisfaction from, his interactions with his fellows.

2.6 Contributions of Scientific Management Theory

You have learned about the scientific management theory and its weaknesses. You should note that the theory is not completely bad for it has its positive contributions:

One, Taylor showed that there was great value in conceptualizing a general management theory.

Two, Scientific Management left a large group of new ideas for promoting organization efficiency.

For instance, Taylor's prescriptions for scientific personnel selection and rational work methods; his emphasis on training and indoctrination is being used to date by management practitioners. Three, Taylor's concern for cooperation underlined the importance of this issue still challenge organizational theorists till date.

Self - Assessment Exercise 2

Identify the followers of Taylor and discuss their contributions.

2.7 Summary

In this unit, you have learned about the Scientific Management theory, one of the three perspectives that make up the classical management movement. You also learned about some pre-classical contributors: Owen, Babbage and Towne whose efforts though fragmentary are still useful in modern management practice.

The unit also provided you with a critique of the Scientific Management school as well as an evaluation.



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2.9 Possible answers to Self - Assessment Exercise

Answer to SAE 1

(a) Briefly discuss the pre-classical theorists

1. Robert Owen

Owen was a cotton mill owner in Scotland, who pioneered ideas about better treatment of workers. He was -one of the earliest writers to recognize the importance of human resources in organizations. He took interest in the working conditions of his employees, so he improved their living conditions by upgrading streets, homes, sanitation, and their educational system. Initially, Owen's ideas were considered radical, but today his views are accepted. Owen's work laid the groundwork for the human relations movement.

2. Charles Babbage

Another pre-classical theorist was Babbage, a mathematician, who pioneered in the areas of computing and management. He produced the world's practical mechanical calculator. He took interest in the idea of work specialization. He also recognized the possibility of specialization in both physical and mental work.

In addition to his discussion on specialization, Babbage also devised a profit-sharing plan that had two parts: a bonus awarded for useful suggestions and a portion of wages that was dependent on factory profits. His basic contribution is the idea of incentives to workers. Most big organizations today embark on increased worker productivity and commitment by involving them in profit sharing.

3. Henry R. Towne

The last of the pre-classical contributors, Towne, advocated the need to consider management as a separate field of systematic inquiry at par with engineering. He argued that both engineering skills and business skills are needed to run an organization effectively. One major observation about the pre-classical contributors is that their efforts were largely oriented toward developing specific techniques, usually to solve visible problems.

(b) Explain Taylor's work briefly

Taylor's Scientific management was the first significant movement to attempt to produce the guidance for management. Primarily, the goal of Scientific Management was efficient cooperation. The theory called for a careful and minute analysis of each tasks through time and motion study. The purpose of this analysis was to discover "the one best way" of completing each component of the work. The scientific management stressed on job efficiency through the development of technical skills. However, Taylor believed that workers engaged in soldiering (a situation whereby workers deliberately work at less than full capacity) for three reasons:

1. Workers feared that increasing their productivity would cause them or other workers to lose their jobs.
2. The faulty wage systems set up by management encouraged workers to operate at low space.
3. The general methods of working and rules of thumb handed down from generation to generation were very inefficient.

Answers to SAE 2**(a) Identify the followers of Taylor and discuss their contributions.**

1. Frank Gilbreth a contemporary of Taylor and his wife Lillian Gilbreth, developed time and motion studies to develop more effective work procedures. Gilbreth stressed that management systems should always be written. The Gilbreths emphasized the human factors in management and advocated the study of the "human sciences". They collaborated on fatigue and motion studies and focused on ways of promoting the individual worker's welfare. The ultimate aim of scientific management according to them was to help workers reach their full potential as human beings.
2. Gantt, another scientific management theorist worked with Taylor for many years, so his work was greatly influenced by Taylor. He, however, made some original contributions, after he became an independent consultant. The best of his work was his task on bonus system of incentive pay (where the worker was given a bonus when he reached standard). He put much emphasis on setting specific task with proper rewards for every member of the organisation to work toward. Gantt emphasized "habits of industry", that is, organizations develop habitual ways of doing things. In modern day management and organisation studies, this is known as "corporate

culture". He also developed what later became as the Gantt chart, a graphic aid to planning, scheduling, and control that is still in use today.

3. Emerson was another contemporary of Taylor, whose work took a somewhat different direction. He worked mainly without contact with other pioneers of scientific management and emphasized the "great productivity of correct organizations". Emerson listed twelve principles of efficiency
4. The last of Taylor's followers was Cooke, who applied the principles and techniques of scientific management to the fields of government and education. Not only did he demonstrate that scientific management has application in all types of organizations, he also advocated for the participation of every employee in finding the "one best way".

Unit 3 Administrative Management School

Unit Structure

- 3.1 Introduction
- 3.2 Learning Outcomes (LOs)
- 3.3 The Elements of Administrative Theory
 - 3.3.1 Contribution from Henri Fayol
 - 3.3.2 Contribution from Chester Barnard
 - 3.3.3 Contribution from Lyndall Urwick and Luther Gulick
- 3.4 Administrative Management School: A Critique
- 3.5 Contributions of Administrative Theory
- 3.6 Summary
- 3.7 References/Further Readings/Web Resources
- 3.8 Possible Answers to Self-Assessment Exercise(s)



3.1 Introduction

Our main focus in this Unit eight of this course, is on the *Administrative Management Theory*. The scientific management school called attention to a more efficient organization, its emphasis however left many unanswered questions for higher level managers. These problems were tackled in the early 20th century by the administrative theorists.

The administrative school has many predominant contributors (Gordon, 2022). the contributors include Fayol, Barnard, Urwick, Follet, Mooney and Reiley, Gulick and others. The administrative theorists have some common elements.

1. One, they were interested like Taylor in the process of efficient cooperation.
2. Two, they developed principles and functions of management as the backbone of their theory of organization.
3. Three, they considered these principles and functions to be universal.
4. Finally, they made a distinction between the theory or science of organizations and the art or techniques of its application.

The administrative school is an approach that focuses on principles that can be used by managers to coordinate the internal activities of organizations. You will learn in this unit about the contributions of the different theorists. You will also learn about the elements, strengths and weaknesses of the school. Most elements of administrative theory were designed to organize things. For instance, there is the desire to receive the advantages of specialization, certainty and other benefits of

bureaucracy. The elements of the school include principles of management, concepts of line and staff, committees, and functions of management.



3.2 Learning Outcomes (LOs)

By the end of this unit, you will be able to:

- explain the elements and principles of administrative theory.
- discuss the weaknesses and benefits of administrative theory.
- analyze the contributions of the administrative theorists.

3.3 The Elements of Administrative Theory

As stated earlier, the elements of administrative theory were designed to organize things. To avoid chaos, unpredictable behaviour, and other features of disorganization. The theorists enumerated the advantages of specialization. The elements of the theory include: principles of management, concepts of line and staff, committees, and functions of management. All these are now discussed.

The principles will be discussed under the different contributors. But meanwhile, you first, need to learn about the concepts of line and staff, committee, and functions of management.

(a) The Concepts of Line and Staff

In the early management writings, line and staff alternately referred to types of activities, types of authority, and types of departments. What is your understanding of line and staff? If you are conversant with the two concepts, what you are going to read in this section will broaden your view and add more to your knowledge. If you are not conversant with the two concepts, this section will provide you with enough information. Line activities are those that directly contribute to the accomplishment of organizational goals. On the other hand, staff activities, are those that make a more indirect contribution to goals by supporting and facilitating line efforts.

You can learn about the differences between the two concepts by examining their line of authority. Line authority is a right to command action while staff authority entails the right to advise and recommend. The final way you can make a distinction is through departmental responsibilities. Line departments are those responsible for attaining the central goals of organizations, while staff (service) departments are

responsible for providing technical expertise and specialized assistance that facilitate line departments.

"Personal", "general", and "special" are popular designations of staff. Titles of personal staff, who tend to be personal assistants to line officers, include "assistant to" ..."executive assistant," and "special assistant".

There is constant conflict between line and staff members. For instance, line officials complain that staff members meddle in their business. Staff, on the other hand complain that line managers will not accept expert advice. In spite of these misunderstandings, however, staff members are practically indispensable members of large organizations.

There are two sources of conflict between line and staff members:

1. Line and staff workers have different personal backgrounds and, therefore, different ways of looking at an organization's activities.
2. The difference in authority between line and staff encourages the two groups to play disruptive political game when they interact.

However, it must be noted that a staff worker in one department may be a line worker in another department or organization. For instance a Professor of Marketing is a line worker in the department of Marketing but if the department of Production consults him for expert advice on marketing issues he functions in the Production department as a staff worker.

(b) Committees

A Committee is a formal organization team, Thomas, (2017), usually relatively long-lived, created to carry out specific organizational tasks. Committees provide an organizational structure in addition to line and staff. They can contribute to creativity, communication, motivation, coordination and broad representation of point of view. They can be used as a method of avoiding action and for taking responsibility when it is not deemed appropriate for an individual to do so. Committees are good for formulating policy, but they are poor at providing leadership and in executing decisions according to Dole and Urwick (1960). The disadvantages of committees include, cost, "watered-down" decisions, indecision, tyranny of minorities, and self-perpetuation of the committee.

Criticisms of the Committee System

In spite of their widespread and use, committees have come under severe criticisms. Some of the arguments against the use of committees in management are as follows:

- i. **Committees are costly:** Sometimes the use of committees result in high extra costs to the organization. Money is usually expended for the procurement of materials, vehicles, and for logistics. Meetings are scheduled and rescheduled, certain discussions take longer time than is necessary, so that time is also wasted. What should be done is left undone as committee report is awaited. The Senate and House committees of the National Assembly provide sufficient examples.
- ii. **Weak Decisions:** Another argument against the use of committee is that decisions are usually products of compromise, which may affect the quality of the decisions. Some committee members may not like long arguments, may not be gifted in the art of public speaking, for the sake of being polite, or respect for more experienced and elderly members or for a combination of these, may settle for compromise decisions. It is the view of Akpala (1998), that committees tend to make for compromise decisions, which may water down the quality of decisions. The bid to arrive at compromise decisions he argues may discourage an aggressive and up and doing individual by what is called leveling process.
- iii. **Breeding Ground For Yes-Men:** On the surface, it is believed that committees are made up of people of equal status and experience. The reverse however, is the case when a careful examination of most committees is made. More often, “juicy and more lucrative” committees are the exclusive preserve of those loyal to management. Some committee members are appointed to be the “eyes and ears” of management. When committee membership become a design for rewarding loyalists, the quality of the decision will not only be affected but some members may desist from offering their best of opinion and suggestion.
- iv. **Lack of commitment:** The use of committees is also criticized on grounds that members do not show enough commitment and responsibility since no single individual is held accountable for a committee performance. When a committee decision or performance comes under scrutiny, members usually become amorphous individuals whose identity will not be easily disclosed. People will now resort to saying “it was the chairman’s position or the recommendations of the committee---.”

- v. Additionally, committees have been criticized on grounds that most of their decisions are “coalitions of thought”. Undue regard is sometimes given to minority positions and groups, there could be excessive deference to positions of supposedly more mature and experienced members, and that committees have fallen into disrepute through misuse, misapplication, and the composition of members etc.

The functions of management will be discussed under the work of Fayol.

Self - Assessment Exercise 1

- a. Distinguish between line and staff activities.
- b. Evaluate the criticisms of committees

3.3.1 Contribution from Henri Fayol

Fayol, a French engineer, pioneered the systematic method of management. Fayol is best known for his administrative management approach, which stresses the functional aspects of the organization structure Stam, (2010). Fayol stated that there were five fundamental functions for all managerial activity:

1. **Planning:** Examining the future and developing a plan of action.
2. **Organizing:** Creating a structure of both people and materials to achieve the plans.
3. **Commanding:** Maintaining appropriate activities among the personnel and setting a good example.
4. **Coordinating:** Unifying and harmonizing organisational varieties.
5. **Controlling:** Seeing that the required activities are accomplished in line with the established plans. According to Fayol, these functions were to be performed in line with his general principles for management.

Fayol's Principles of Management as stated by Ferdous, (2017)

1. **Division of work.** Work should be divided horizontally for more efficiency.
2. **Authority and responsibility.** Authority is the right to give orders. An organizational member has responsibility to accomplish the organizational objectives of his position.
3. **Discipline.** There must be respect for and obedience to the rules and objectives of the organization.

4. **Unity of command.** An employee should receive direction from one superior only.
5. **Unity of direction.** An organization is effective when members work together toward the same objectives.
6. **Subordination of individual interest to general interest.** The interest of one employee or group of employees should not prevail over that of the organization. Rather, the general interest must be maintained as paramount.
7. **Remuneration of personnel.** Pay should be fair not exploitative.
8. **Centralization.** Authority resides at the top.
9. **Scalar chain.** There should be a hierarchy dictated by the principle of unity of command linking all members of the organization from top to the bottom.
10. **Order.** A place for everything, and everything in its place ..., people as well as materials.
11. **Centralization.** Authority resides at the top of the organizational hierarchy and is disseminated throughout the organization by the process of delegation.
12. **Equity.** Kindliness and justice, based on predetermined conventions, should prevail in the organization.
13. **Initiative.** Think out and execute plans at all levels.
14. **Esprit de corps.** "Union is strength". Superior performance comes from pride, loyalty, and a sense of belonging.

3.3.2 Contribution from Chester Barnard

Barnard also contributed extensively to administrative theory. A major contribution of his is the acceptance theory of authority. The theory argues that Malik, (2019) authority does not depend on "persons of authority" who give orders as on willingness to comply of those who receive the orders. He believes that it is the employees who decide whether or not to accept orders and directions from above. Based on his view that authority flows from the bottom to the top, he argued that employees are more willing to accept directions from a manager if certain conditions are met.

- a. One, understands the communication.
- b. Two, see the communications as consistent with the purposes of the organization.
- c. Three, feel that the actions indicated are in line with their needs and those of the employees.
- d. Four, see themselves as mentally and physically able to comply.

3.3.3 Contribution from Lynda Urwick and Luther Gulick

Urwick, a British army officer turned theorist and consultant, integrated the ideas of scientific management with the ideas of administrative theory.

Gulick isolated the responsibilities of the chief executive and enumerated them using the

Acronym POSDCORB, which stands for planning, organizing, staffing, directing, coordinating, reporting, and budgeting.

3.4 Administrative Management School: A Critique

The administrative school like the scientific management school has also been criticized. One general criticism of the administrative school is that it has not been verified under controlled, repeatable conditions. Herbert A. Simon (1961) a critic, argued that administrative theory is full of inconsistencies, tautologies, and lack of sophistication.

Another criticism is that since a vigorous scientific basis is lacking, management principles are nothing but proverbs, comparable to folklore and folk-wisdom. Simon for instance, wrote that the current principles of administration, like proverbs, occur in pairs. For almost every principle one can find an equally plausible and acceptable contradiction principle.

A good example of such contradiction argue Akampwera and Jonah (2020), are the "principles" of "centralization" and "decentralization". Centralization argues that organizational effectiveness is increased by consolidating decision making in coordinating head. In contrast, decentralization suggests that the organization will benefit from delegating of decision making to subordinate units.

3.5 Contributions of Administrative Theory

Though the administrative theory has been severally criticized, it is still very important. Why do you think this is so? Or how is this possible? Stephenson provides the answer:

It is because it works. In all, Fayol's pioneering work and the related extensions by other writers gave a basis for management thought which lives on today.

Self - Assessment Exercise 2

1. What is the central focus of Administrative theory?
2. Discuss the strengths and limitations of the Administrative theory.



3.6 Summary

In this unit you have learned a lot. You have for instance, known that administrative theory is a normative oriented set of ideas which generate concern about the re-structuring of an organization. You have also learned that Fayol pioneered the work on administrative school, while others like Barnard also contributed immensely to the theory.

In this unit also you have come to know that the principles of management fail to be universal truths. They also fail to -satisfy many scientists who complain that they are like proverbs and that they lack scientific verification. The unit also explained the basic concepts of administrative theory, line and staff, and committees. Finally, you have known in this unit that despite the many criticisms leveled against the administrative theory, it still holds till date, simply because it works.



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Gordon, J. (2022) Administrative Theory of Management – Explained.



3.8 Possible answers to Self-Assessment Exercise

Answers to SAE 1

(a) **Distinguish between line and staff activities.**

Line activities are those that directly contribute to the accomplishment of organizational goals. On the other hand, staff activities, are those that make a more indirect contribution to goals by supporting and facilitating line efforts.

Line authority is a right to command action while staff authority entails the right to advise and recommend. The final way you can make a distinction is through departmental responsibilities. Line departments are those responsible for attaining the central goals of organizations, while staff (service) departments are responsible for providing technical expertise and specialized assistance that facilitate line departments.

(b) **Evaluate the criticisms of committees**

In spite of their widespread and use, committees have come under severe criticisms. Some of the arguments against the use of committees in management are as follows:

- i. **Committees are costly:** Sometimes the use of committees result in high extra costs to the organization. Money is usually expended for the procurement of materials, vehicles, and for logistics. Meetings are scheduled and rescheduled, certain discussions take longer time than is necessary, so that time is also wasted. What should be done is left undone as committee report is awaited. The Senate and House committees of the National Assembly provide sufficient examples.
- ii. **Weak Decisions:** Another argument against the use of committee is that decisions are usually products of compromise, which may affect the quality of the decisions. Some committee members may not like long arguments, may not be gifted in the art of public speaking, for the sake of being polite, or respect for more experienced and elderly members or for a combination of these, may settle for compromise decisions. It is the view of Akpala (1998), that committees tend to make for compromise decisions, which may water down the quality of decisions. The bid to arrive at compromise decisions he argues may discourage an aggressive and up and doing individual by what is called leveling process.

- iii. **Breeding Ground For Yes-Men:** On the surface, it is believed that committees are made up of people of equal status and experience. The reverse however, is the case when a careful examination of most committees is made. More often, “juicy and more lucrative” committees are the exclusive preserve of those loyal to management. Some committee members are appointed to be the “eyes and ears” of management. When committee membership become a design for rewarding loyalists, the quality of the decision will not only be affected but some members may desist from offering their best of opinion and suggestion.
- iv. **Lack of commitment:** The use of committees is also criticized on grounds that members do not show enough commitment and responsibility since no single individual is held accountable for a committee performance. When a committee decision or performance comes under scrutiny, members usually become amorphous individuals whose identity will not be easily disclosed. People will now resort to saying “it was the chairman’s position or the recommendations of the committee---.”
- v. **Additionally,** committees have been criticized on grounds that most of their decisions are “coalitions of thought”. Undue regard is sometimes given to minority positions and groups, there could be excessive deference to positions of supposedly more mature and experienced members, and that committees have fallen into disrepute through misuse, misapplication, and the composition of members etc.

Answers to SAE 2

Discuss the contributions from Chester Barnard

Barnard also contributed extensively to administrative theory. A major contribution of his is the acceptance theory of authority. The theory argues that authority does not depend on "persons of authority" who give orders as on willingness to comply of those who receive the orders. He believes that it is the employees who decide whether or not to accept orders and directions from above. Based on his view that authority flows from the bottom to the top, he argued that employees are more willing to accept directions from a manager if certain conditions are met.

- e. One, understands the communication.
- f. Two, see the communications as consistent with the purposes of the organization.
- g. Three, feel that the actions indicated are in line with their needs and those of the employees.
- h. Four, see themselves as mentally and physically able to comply.

Unit 4 Bureaucracy

Unit Structure

- 4.1 Introduction
- 4.2 Learning Outcomes (LOs)
- 4.3 Contribution from Max Weber
 - 4.3.1 Elements of Ideal Bureaucracy
- 4.4 Functions of Bureaucracy
- 4.5 Dysfunctions of Bureaucracy
- 4.6 Bureaucracy: A Critique
- 4.7 Assessment of Bureaucracy
- 4.8 Summary
- 4.9 References/Further Readings/Web Resources
- 4.10 Possible Answers to Self-Assessment Exercise(s)



4.1 Introduction

This is the ninth unit of this course - *Management Theory*. It is one of the streams of the classical theory of management. In this unit you will learn about the definition of bureaucracy. Although it is a concept mentioned almost everyday by almost everybody, yet not everybody knows the definition. This unit will provide a solution to this problem. The contribution of Weber to the theory will also be discussed in this unit. Specifically, the unit will provide you with the elements or characteristics of ideal bureaucracy. You will also learn in this unit about the functions and dysfunctions of bureaucracy. An overall assessments of the theory is undertaken in the unit.



4.2 Learning Outcomes (LOs)

By the end of this unit, you will be able to:

- explain the concept of bureaucracy
- discuss the element of bureaucracy
- describe the contribution of Weber to the theory of bureaucracy
- analyze the functions and dysfunctions of bureaucracy
- discuss the weaknesses and usefulness of the theory of bureaucracy.



4.3 Contribution from Max Weber

You will recollect that we promised that after studying this unit, you should be able to define bureaucracy. This should be your first main focus before you study Weber and his contribution to the theory. What then is bureaucracy?

Bureaucracy is the organization designed to accomplish large scale administrative tasks by systematically coordinating the work of many individuals. In a nutshell, bureaucracy is a type of administrative structure which is organized in a hierarchy and which implies impersonal uniform norms. To Gordon, (2022) bureaucracy is a management approach that emphasizes a structured organization in which positions and authority are defined according to formal rules. Weber's concept of bureaucracy did not include a lot of red tape (as bureaucracy is usually viewed) as inefficiency: rather his aim was to develop a set of rules and procedures to-ensure that all employees were treated fairly. Weber approached bureaucracy from ideal perspective.

4.3.1 Elements of Ideal Bureaucracy

Weber's work as cited in Rasul and Daniel (2018), basically comprised the following elements:

1. **Hierarchy.** The organization is highly structured by a hierarchy of authority. Each position covers an area for which it has complete jurisdiction. Each position is responsible for the activities that it can best perform or supervise.
2. **Professional qualification.** Employees of an organization are hired for their competence to perform the requirements of a position. The fitness for office is determined only by the candidate's technical expertise. Nepotism, and favouritism are not allowed.
3. **Career aspects.** Bureaucracy has a number of career with tenure and pension. Promotion is based on seniority and achievement. Dismissal is only for objective cause.
4. **Systems of rules.** In a bureaucracy, decisions are governed by a consistent system of abstract rules, regulations, and procedures. Behaviour is subject to systematic discipline and control. These rule systems apply universally to everyone in the organization in an impersonal fashion.
5. **Impersonality of organizational processes.** Interpersonal relationships are carried out through structure. Extra organizational influence is minimal.

6. **Rational - legal authority.** The right to exercise authority and influence is based upon position; "obedience is owed to the legally established impersonal order".
7. **Record keeping.** Complete records are kept of all rules, standards, and results to ensure continuity and uniformity.

Self - Assessment Exercise 1

1. What is bureaucracy?
2. Discuss Weber's ideal bureaucracy

4.4 Functions of Bureaucracy

Bureaucracy provides some functions often referred to as advantages in organizations: specialization, structure, predictability, and stability, rationality and partial democracy.

1. **Specialization.** Bureaucracy makes it possible to achieve increase in productivity through specialization. Bureaucracy allows one expert that specializes in those areas where-he is expert.
2. **Structure.** Bureaucracy provides form to an organization by structuring it, in which the duties of each position are described. The structure provides a logical relationship of activities. You will recollect that you have leaned about organization structure earlier?
You will remember that structure is a central feature of classical theory, and bureaucracy is a measure of attaining and describing it and its numerous potential advantages.
3. **Predictability and stability.** The rules, regulations, structure, professional aspects, and other elements of bureaucracy enables it to provide predictability and stability to an organization. Bureaucracy also produces certainty and order.
4. **Rationality.** In a bureaucracy, judgement are made according to objective and generally agreed upon criteria - not by whim, caprice, or patronage. According to Weber, a rational organization rests "on a belief in the 'legality' of patterns of normative rules and the right of those elevated to authority under such rules to-issue commands. Rationality is a relative term; what is rational to one person is not necessarily so to another, and vice-versa. In this unit, a rational organization is one free from personal caprice and favouritism. What do you think is unique in a rational organization? The uniqueness of a rational organization is that in it the consideration is simply who can do the work best, judged on impersonal (rational) grounds.

5. **Democracy.** Bureaucracy contributes to democracy by its emphasis on technical competence as the sole basis for going and holding a job. Patronage, favouritism tradition, and other arbitrary bases have no effect; one's ability counts for everything.

4.5 Dysfunctions of Bureaucracy

You will recollect that we mentioned earlier in this unit that bureaucracy has some unintended consequences, also known as dysfunctions. Some of the dysfunctions as enunciated by Spenkuch, Edoardo and Guo (2021) are: rigidity, impersonality, displacement of objectives, limitations of categorization, self-perpetuation and empire building, cost of controls, and anxiety.

Thompson (1961) characterized these dysfunctions as bureau-pathology, a disease of bureaucracy. According to Thompson, a dysfunction presents a paradox in that it is ordinarily perceived by someone or a group as advantageous. For instance, it is seen as relatively advantageous to the actors - otherwise he would change it - but negatively to another. The seven dysfunctions are:

- (1) **Rigidity.** Bureaucracy is criticized for being rigid, static, and inflexible. It is non-adaptive and thus in conflict with the basic adaptability laws of nature since it is designed for a steady -state, and closed system in isolation. It has also been found that strict adherence to regulations produces timidity,- conservatism and technicism. A rigid organization often fails to see innovation as a necessary life-giving element to an evolving, adaptive organization.
- (2) **Impersonality.** You will recall that one of the elements of bureaucracy earlier mentioned in this unit is impersonality of organizational processes. Due to its emphasis on order predictability, and rationality, bureaucracy is being referred to as a "sterile machine model" of organizations. The consequence is that bureaucracy ignores persons - the basic element in an organization. Some critics even refer to it as "organization without persons".
Relationship in a bureaucracy are secondary, contrastive ones rather than being primary and personal. This often leads to loss of enthusiasm on the part of workers.
- (3) **Displacement of Objectives.** In pursuing his individual objectives or the objectives of his sub-unit of the organization, the bureaucrat often fails to properly contribute to broader objectives. That is, he displaces the broader objectives in favour of personal or lower-level objectives. This is also known as bifurcation of interests.

- (4) **Limitations of categorization.** In order to secure the advantages of coordination and specialization, bureaucracy requires strict categorization or compartmentalization of activities and persons. The implication is that a person works only within his department.
- (5) **Self-perpetuation and Empire Building.** The same power that a bureaucrat requires to do his work in a professional environment can be used by him to perpetuate his job or department beyond its useful life. You may probably be conversant with Lord Acton's statement on power: "power corrupts and absolute power corrupts absolutely". When you apply this to the study of bureaucracy, one can say that: Power is self-sustaining and self-reinforcing"; one who holds it has much ability to keep or increase it. Usually, a bureaucrat thinks that holding an office gives him personal ownership of it and its privileges.

Bureaucrats can use their expertise to maintain or increase their power in two ways:

- (a) By keeping their knowledge and intentions secret, thereby confounding potential critics.
- (b) Their intimate understanding of the operations of a complex organization makes it very difficult to replace them.
- (6) **Cost of Controls.** Although the rules, regulations, and the numerous procedures employed to gain conformity in a bureaucracy do not on their own create value, but the cost of maintaining them is dysfunctional.
- (7) **Anxiety.** The pressure to conform and to improve status in a bureaucracy often produces anxiety. Managers are continually confronted with a source of anxiety in the conflicting objectives among members and between members and the organization. Another source of anxiety is poor performance. This is well demonstrated by Sherp (1931) when he wrote:

Although a particular person may have great maturity and general psychological security, an insecure superior at any point in the hierarchy above him can, and probably will generate pressures which must inevitably be passed down the line, creating insecurity and tensions all the way to the bottom. Dependence, insecurity, of frustration are prevalent in bureaucracy and they produce anxiety. There are times when these become severe enough to disrupt the entire organization.

4.6 Bureaucracy: A Critique

Other criticisms of Weber are:

1. Weber did not foresee the ways in which his 'bureaucracy' might be inappropriate to the problems of the administrator faced with a rapidly - changing technology.
2. Weber's ideal - type has been criticized by psychologists for its alleged failure to take account of 'human needs'. These needs are expressed in the informal patterns of behaviour which were first systematically studied by the Hawthorne researchers. By ignoring 'informal' organization, Weber seems to have considered only one half of the problem.

4.7 Assessment of Bureaucracy

What contribution has bureaucracy made to management theory? Weber's work had a dramatic effect on organization theory. Weber's work on management and organization stimulated a theoretical discourse which is still alive today. On the negative side, Weber's model was attacked for not accounting for the informal social phenomena that so dominated the concerns of human relations theories. Other criticisms include:

- (a) It ignores the roles and influences of informal groups within organizations.
- (b) It does not explain the reasons for the existence of organizations.
- (c) It implies that centralized organization is superior to decentralized organizational forms, which is not necessarily the case.
- (d) It has little to say about the influence of unofficial leaders.
- (e) Weber offered no theory of how a bureaucracy would respond to external pressures for change.

Self - Assessment Exercise 2

List the main dysfunctions of bureaucracy.



4.8 Summary

In this unit you have learned that bureaucracy is a normative model of organization which emphasizes the structure of an organization. You have also learned from this unit that Max Weber, a German sociologist, pioneered the work on bureaucracy. The seven characteristics of ideal bureaucracy is also covered in this unit. This unit also highlighted the

functions (advantages) and dysfunctions (disadvantages) of bureaucracy. Among the functions are: Specialization, structure, predictability and stability, rationality and democracy. The dysfunctions discussed in the unit are: rigidity, impersonality, displacement of objectives, limitations of categorization, self-perpetuation and empire building, cost of controls and anxiety.



4.9 References/Further Readings/Web Resources

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4.10 Possible answers to Self - Assessment Exercise

Answers to SAE 1

(a) **What is bureaucracy?**

Bureaucracy is the organization designed to accomplish large scale administrative tasks by systematically coordinating the work of many individuals. In a nutshell, bureaucracy is a type of administrative structure which is organized in a hierarchy and which implies impersonal uniform norms. It is a management approach that emphasizes a structured organization in which positions and authority are defined according to formal rules.

(b) **Discuss Weber's ideal bureaucracy**

Ideal Bureaucracy includes:

1. **Hierarchy.** The organization is highly structured by a hierarchy of authority. Each position covers an area for which it has complete jurisdiction. Each position is responsible for the activities that it can best perform or supervise.
2. **Professional qualification.** Employees of an organization are hired for their competence to perform the requirements of a position. The fitness for office is determined only by the candidate's technical expertise. Nepotism, and favouritism are not allowed.
3. **Career aspects.** Bureaucracy has a number of career with tenure and pension. Promotion is based on seniority and achievement. Dismissal is only for objective cause.
4. **Systems of rules.** In a bureaucracy, decisions are governed by a consistent system of abstract rules, regulations, and procedures. Behaviour is subject to systematic discipline and control. These rule systems apply universally to everyone in the organization in an impersonal fashion.
5. **Impersonality of organizational processes.** Interpersonal relationships are carried out through structure. Extra organizational influence is minimal.
6. **Rational - legal authority.** The right to exercise authority and influence is based upon position; "obedience is owed to the legally established impersonal order".
7. **Record keeping.** Complete records are kept of all rules, standards, and results to ensure continuity and uniformity.

Answers to SAE 2

1. Dysfunctions of Bureaucracy

- (1) **Rigidity.** Bureaucracy is criticized for being rigid, static, and inflexible. It is non-adaptive and thus in conflict with the basic adaptability laws of nature since it is designed for a steady -state, and closed system in isolation. It has also been found that strict adherence to regulations produces timidity,- conservatism and technicism. A rigid organization often fails to see innovation as a necessary life-giving element to an evolving, adaptive organization.
- (2) **Impersonality.** You will recall that one of the elements of bureaucracy earlier mentioned in this unit is impersonality of organizational processes. Due to its emphasis on order predictability, and rationality, bureaucracy is being referred to as a "sterile machine model" of organizations. The consequence is that bureaucracy ignores persons - the basic element in an organization. Some critics even refer to it as "organization without persons".

Relationship in a bureaucracy are secondary, contrastive ones rather than being primary and personal. This often leads to loss of enthusiasm on the part of workers.

- (3) **Displacement of Objectives.** In pursuing his individual objectives or the objectives of his sub-unit of the organization, the bureaucrat often fails to properly contribute to broader objectives. That is, he displaces the broader objectives in favour of personal or lower-level objectives. This is also known as bifurcation of interests.
- (4) **Limitations of categorization.** In order to secure the advantages of coordination and specialization, bureaucracy requires strict categorization or compartmentalization of activities and persons. The implication is that a person works only within his department.
- (5) **Self-perpetuation and Empire Building.** The same power that a bureaucrat requires to do his work in a professional environment can be used by him to perpetuate his job or department beyond its useful life. You may probably be conversant with Lord Acton's statement on power: "power corrupts and absolute power corrupts absolutely". When you apply this to the study of bureaucracy, one can say that: Power is self-sustaining and self-reinforcing"; one

who holds it has much ability to keep or increase it. Usually, a bureaucrat thinks that holding an office gives him personal ownership of it and its privileges.

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- (a) By keeping their knowledge and intentions secret, thereby confounding potential critics.
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- (7) **Anxiety.** The pressure to conform and to improve status in a bureaucracy often produces anxiety. Managers are continually confronted with a source of anxiety in the conflicting objectives among members and between members and the organization. Another source of anxiety is poor performance.

MODULE 3 NEO-CLASSICAL OR HUMAN RELATIONS THEORY

Unit 1 Neoclassical Theory – the Hawthorn Studies

Unit Structure

- 1.1 Introduction
- 1.2 Learning Outcomes (LOs)
- 1.3 Development of the Neoclassical Theory
 - 1.3.1 Causes of the Movement
 - 1.3.2 Elements of Neoclassical Theory
- 1.4 Early Behaviourists
 - 1.4.1 Contribution from Hago Munsterberg
 - 1.4.2 Contribution from Mary Parker Follet
- 1.5 Hawthorne Studies
 - 1.5.1 Prevailing Intellectual and Social Contexts
 - 1.5.2 Neoclassical Theory: A Critique
- 1.6 Impact of the Hawthorne Studies
- 1.7 Assessment of the Hawthorne Studies
- 1.8 Summary
- 1.9 References/Further Readings/Web Resources
- 1.10 Possible Answers to Self-Assessment Exercise(s)



1.1 Introduction

In module 2 unit 1, you were introduced to the historical development of management theory. The areas broadly covered in the unit are: pre-classical contributors, classical theory, behavioural theory, quantitative and contemporary theories. Module 2 Units 2,3 and 4, were devoted to discussions on scientific management theory, administrative theory, and bureaucracy.

In this module 3 Unit 1, you will learn about the neoclassical theory. Like the classical theory, the neoclassical theory is made up of different streams: Early behaviourists, Hawthorne studies, Human Relations, and Behavioural science approach. While subsequent units will be devoted to the last two streams, the Unit 5 will introduce you to the early behaviourists such as Hago Munsterberg and Mary Parker Follet. You will also learn in this unit about the elements of neoclassical theory. In the final section of the unit you are introduced to the Hawthorne studies, and the findings. A critique of the studies as well as the assessment will be covered in this unit.



1.2 Learning Outcomes (LOs)

By the end of this unit, you will be able to:

- describe the causes and elements of the neoclassical theory
- explain the contributions of early behaviourists to the neoclassical theory
- analyze the Hawthorne studies
- discuss the findings and implications of the Hawthorne studies.



1.3 Development of the Neoclassical Theory

You will recall that the three preceding units have explained the classical theory of management: Bureaucracy, administrative theory and scientific management. The neoclassical or "new-classical" theory will be described in the next three units.

As the name suggests, neoclassical theory was built on the base of classical theory.

According to Hicks and Gullet (1981), neoclassical theory modified, added to; and in some ways extended classical theory. The basic assumption of neoclassical theory is that the psychological and social aspects of the worker as an individual and his work group output be emphasized.

Oana, (2015) summarized the focus of the classical theory to be structure, order, the formal organization, economic factors, and objective reality. Neoclassical theory, in contrast, focused on social factors at work (or the informal organization) and emotions.

Although neoclassical theory has evolved over several centuries there was no intensive development of the main stream until the late 1920s and early 1930s.

1.3.1 Causes of the Movement

According to Gellerman (1966) the neoclassical theory was caused by several political, economic, and social factors. Specifically, the flow of workers from farming to factories, excesses of early factory owners, the rise of the labour movement, technological changes, and professionalization of management led to the emergence of neoclassical movement.

1.3.2 Elements of Neoclassical Theory

In the preceding three chapters, you learned that the classical theories emphasized order, rationality, structure and specialization. The classical theory adopted the "economic man" view of employees i.e. a worker is motivated almost mainly by economic incentive. Neoclassical theory challenged the "economic man" concept. Instead, the neoclassical theory submits that every person is different.

The two major elements of neoclassical theory are: the individual and the work groups or informal organization.

a. The Individual

The differences among individuals that was ignored by the classical theory formed the main thrust of neoclassical theory. This point will be further-explained in unit Eleven, under the Human relations theory.

b. Work Group

The other major element of neoclassical theory is the emphasis upon the informal groups. The work group or informal "shadow" organization within the structure of the formal organization is discussed here. Rather than focus on the economic size, the neoclassical theory focuses on the social aspects of men, Haliidu, Ibrahim and Labaran, (2017) whose overriding need is seen as a desire to belong, to be accepted by, and start well in his work group. A person's perception of himself and the world around him depends on groups, thus it is germane in determining his values, opinions, needs and aspirations.

1.4 Early Behaviourists

The behavioural theorists focus on people to determine the best way to manage in all organizations. In the 1920s, management writers started to question the classical approach to management and changed their focus from the job itself to the people who perform the job. Like the classical theorists, behavioural theorists were looking for the best way to manage in all organizations. You can observe that the behavioural approach to management stressed the need for human skills.

1.4.1 Contribution from Hago Munsterberg

Munsterberg, a German psychologist, pioneered the field of industrial psychology. In his book — *Psychology and Industrial Efficiency*, published in 1913, Munsterberg discussed how psychologists could help

industry in three major ways. One, psychologists could study jobs and find ways of identifying the individuals who best suited to the job.

Two, psychologists could help in identifying the psychological conditions under which individuals are likely to do their best work.

Three, psychologists could develop strategies that would influence employees to behave in ways that are compatible with management interests.

Munsterberg is referred to as "the father of industrial psychology" because he did not start work in this area, his ideas, the examples he provided ignited the imagination of others and led to the establishment of the field of industrial psychology (Sadrul and Mohammad,2013).

1.4.2 Contribution from Mary Parker Follet

Follet is another early behaviourist who focused on group dynamics. She focused more on the functioning of groups in organizations than did the classical writers. The argument is that members of organizations are continually influenced by the groups within which they operate: She argued that groups have the capacity to exercise control over themselves and their own activities.

Follet also believed that (Sujatha Mayurnath, and Pooja 2019) organizations should operate on the principle of "power with" rather than "power over". She further argued that power should be jointly developed, cooperative concept based on hierarchical pressure.

What is Follet's method of operating the "power with" concept.,This according to her can be done by resolving conflict through integration. Integration according to her is the process of finding solution that would satisfy both parties. She placed much importance on achieving what they called *integration unity*; whereby the organization would operate as functional whole, with the various interrelated parts working together effectively to achieve organizational goals. She saw the process of working together as a dynamic process because environmental factors would necessitate change. Lucy Kraus (1988) once argued that Follet's ideas anticipated the systems viewpoint of management.

Self - Assessment Exercise 1

1. Explain the major elements of neoclassical theory
2. Identify and discuss the works of the early behaviourists.

1.5 Hawthorne Studies

You learned about Munsterberg's contribution to the neoclassical theory, where he emphasized individual differences in organizations, as well as the effect of outside social and cultural factors on the organization.

In the discussion to follow, you will learn about the various studies sponsored by the National Research Council, which began in 1924 in the Hawthorne works of the Western Electric Company in Cicero, Illinois, near Chicago.

The purpose of each study, the study itself and findings are discussed in this unit.

Why were the Hawthorne studies carried out? The primary aim of the studies was to examine working conditions as they are related to output and generally to classify the numerous problems arising in the working situation.

To adequately understand the Hawthorne studies, there are two things you need to know:

1. The prevailing intellectual and social contexts in which Mayo and his colleagues worked.
2. The pre-Hawthorne studies.

1.5.1 Prevailing Intellectual and Social Contexts

The prevailing social context included the culture of individualism and utilitarianism. The idea of individualism was derived from classical economics represented by Adam Smith. The individualistic ideology generally stresses the preeminence of the individual over the social conditions of systems which take into account collective and solderistic aspects of society as in the feudal and the guild systems. Individualism implies both reliance on individual effort and a free contract.

The thrust of individualism is that man is naturally carried away by his own self interest and utility, while society is just the sum of its individual members.

These ideas were later described by Mayo as the "Rabble Hypothesis" — in which he condensed the tendencies of individualism and utilitarianism. The hypothesis runs as follows:

1. Natural society consists of a horde of unorganized individuals.
2. Every individual acts in a manner calculated to secure his self-preservation of self-interest.
3. Every individual thinks logically, to the best of his ability.

These ideas according to Ademolu (2021.) can be associated with the "carrot and stick" policy whereby man only works in order to get money, while the fear of starvation keeps him from being idle.

A second prevailing ideology which was also gaining ground during Mayo's time was the "scientific management" of Taylor and his associates. Taylor and his scientific management advocated for purposive planning as well as good incentive methods should be adopted. The "scientific management" was influenced by individualism and utilitarianism to the neglect of the social exigencies of men and the existence of the higher springs of social behaviour.

You know we already said you need to know something about the pre-Hawthorne studies. So let us go through it.

The Pre-Hawthorne Studies

Two studies preceded the Hawthorne studies:

1. The Philadelphia Spinning Mill and
2. The illumination Experiments

The Philadelphia Spinning Mill

The objective of this study was to inquire into the causes of absenteeism and low morale among a section of the Spinning Mill workers. Forty men were involved in the study. Because of the high labour turnover, incentives were introduced, yet productivity remained low while absenteeism and similar symptoms of poor organizational health were high.

Mayo was called in to inquire and make recommendations on ways to improve productivity and reduce labour turnover. The first step Mayo took was to introduce rest pauses that were initially absent.

Production increased from 70% to between 80% - 82%. The rest pauses were dropped on the advice of the supervisor. Production fell under 70%. Mayo reintroduced the rest-pauses with a condition that only when a task was set and completed with a given time could a worker go on break. Production still fell after this.

At the instance of the president of the Company, rest pauses without any condition were reintroduced. Production rose up to 77%, workers' morale and health improved, and absenteeism decreased drastically. When each group was later left with the decision to take rest pauses productivity rose up to 80%.

Findings of the Study

You will remember that Mayo and his colleagues set out to find an explanation for high turnover, absenteeism and low productivity. You will also notice that the incentives introduced did not change matter.

You also have noted that when the president of the Company intervened and when groups were given free hand to decide on their rest pauses productivity rose considerably. The implications of these are:

- I. By the president's concern and timely intervention, he succeeded in transforming a horde of individual workers into a social group.
2. By placing the control of the rest pauses in their hands the president had enhanced their feeling of accountability and responsibility.

The Illumination Experiments

This is the second pre-Hawthorne study. You will discover that the experiments were to find out the correlation between light and output. The studies were conducted by G. A. Pennock an engineer with the company. Two groups of workers- the experimental group and the control group were involved in the study. In the experimental group, illumination was increased, while in the control the light was left constant.

Findings

At first, production increased on the experimental group, but with the passage of time, productivity also increased in the control group. Illuminating was then reduced in the experimental group, but output rose instead of going down. At the end of the day, the experiments failed to establish any correlation between light and productivity.

The Hawthorne Experiments

The researchers refused to accept defeat for the confusing results obtained from the Philadelphia Spinning Mill and Illumination experiments. Three other experiments known as the Hawthorne studies

were carried out. These were: the Relay Assembly Test Room (R.A.T.R). The interview programme, and the Bank Wiring Test Room (B.W.O.R).The Hawthorne studies were carried out by three management experts: Elton Mayo, F. J. Roethlisberge and W. J. Dickson.

(a) *The Relay Assembly Test Room*

This experiment was organized to study the correlation between physiological environmental factors (effect of fatigue, rest pauses, shorter working day) and productivity. Five women were involved in the study. Their consent was obtained. The conditions of work were altered—rest pauses, shorter working day, shorter working week and food and coffee breaks were introduced.

You will be surprised that the researchers found once again that productivity rose without any clear connection to the physical factors being varied in the experiment. The explanation for this is the possibility that employees treated in a special way will improve their performance because of the attention, a theory known as the Hawthorne effect.

(b) *The Hawthorne effect* is the possibility that individuals singled out for a study may improve their performance simply because of the added attention they receive from the researchers, rather than because of any specific factors being tested. Ademolu, (2021.).

(c) *The Bank Wiring Observation Room*

The study was to develop the new method (of observation) and to obtain more exact information about special social people within the Company. The researchers studied the group behaviour that developed among male employees who wired, soldered and inspected switch-board equipment. The group was isolated in a workroom, and a researcher sat passively observing their activities during the day.

The study showed that the group developed its own informal notion of acceptable productivity and used the good pressure to ensure compliance. You will observe that over producers were called "rate busters", "rate chisellers" and those who violated the norms were disciplined by ridicule or ostracism.

(d) *The Interview Programme*

The experiments here were carried out in order to gather more information and check the results already obtained. Respondents were asked to state the factors that were satisfying and those that were

dissatisfying on their jobs. The researchers found that behaviour is not a matter of stimulus and response, but between the two, there are the complexities of human personality which modify behaviour (Onyeonoru, 2021).

1.5.2 Neoclassical Theory: A critique

The Hawthorne studies have been severally criticized. For one reason, the initial phase of the studies was a failure. The assumption that there would be a relationship between worker performance and workplace illumination did not come to pass.

You can observe also that the study failed. For instance, workers did not respond in the expected, rational way. Instead, their behaviour appeared irrational, at least by the engineers' standards of rationality.

Some critics even say that the finding were not obvious, but were not entirely new, as they were already known before in the works of earlier scholars like Cooley Mead among others, concerning the structure and influence of the informal groups.

Mayo can be accused of concentrating his investigations on the factory itself while neglecting to inquire into the background of the workers. Other criticisms include:

- (a) Observations of small group of individuals should not be used to justify a general theory of human behaviour.
- (b) The results obtained might have been nothing more than the consequence of operating condition of the workers concerned (i.e. the subject of the experiment learned to respond in ways they believed would meet with the approval of the investigators).
- (c) Similar experiments have yielded different results.
- (d) The later experiments were conducted against the economic background of the stock market crash and the onset of the depression of the .1930s. These conditions were unusual and bound to affect employee's attitudes.
- (e) Western Electric was a non-union firm and at the time of the experiments was actively involved in preventing unionization of the company. Attitudes of unionized workers might have been quite different from those recorded.

1.6 Impact of the Hawthorne Studies

You can observe that with the finding of the Hawthorne studies, the focus of management altered significantly. For instance, as against the impersonality that characterized the classical approach, the studies

pointed to the impact that social aspects of the job had on productivity, particularly the effects of personal attention from supervisors and relationships among group members.

Self - Assessment Exercise 2

1. Describe in details the pre-Hawthorne studies.

1.7 Assessment of the Hawthorne Studies

The Hawthorne researchers found that each person is unique. You will have noticed that the findings of the study show that each individual brings to the job situation certain attitudes, beliefs and ways of life as well as certain skills, technical, social and logical. In terms of his previous experience, according to Roethlisberger (1956) each person has certain hopes and expectations of his job situation.

You will notice that one major impact of the Hawthorne studies on prevailing management theory is that they highlighted the power of work groups over an individual's behaviour via social norms.

They, according to Bendix (1956) directly challenged economic individualism. They also weakened the impact of work ethic by discounting the satisfactions of work itself relative to uneconomic rewards. You can see that the Hawthorne studies were this significant because they signaled the importance of interpersonal and group relationships within an organization.

The Hawthorne studies as it can be observed is significant also because it showed that informal work groups, the social environment of employees have positive influence on productivity. You will observe that the concept of "social man" — motivated by social needs, wanting rewarding on-the-job relationships and responding more to work-group pressures than to management control- was necessary to complement the old concept of "rational man" motivated by personal economic needs.

**1.8 Summary**

In this unit, you will notice that though traces of neoclassical theory can be found in ancient history, its main development came into being in the late 19'h and early 20'h centuries. The movement developed at that time to improve the condition of the working man. You have also learned from this unit that the neoclassical theory was crystallized in the Hawthorne experiments, conducted from 1924 — 1932. The unit has also taught you about three lasting elements pursued by the movement.

They were the feelings and adjustment of the individual, his social acceptance in his work group, and his participation in decision making.

Another thing you also must have gained from this unit is that the emphases of the neoclassical movement were different from classical theory in that classical theory emphasizes "economic man" motivation. In contrast, the neoclassical movement introduced two new units of theoretical analysis—the individual and the work group. One useful thing about the neoclassical movement is that the emphasis on the human factors of organizations continues as a major contributor to modern management and organizational theory.



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**1.10 Possible answers to Self - Assessment Exercise****Answers to SAE 1****1. Explain the major elements of neoclassical theory****(a) *The Individual***

The differences among individuals that was ignored by the classical theory formed the main thrust of neoclassical theory. Individuals were discovered to have different needs. This aspect of individuals was captured by the human relations movement which is a management perspective that views employees as responding to the interpersonal processes.

(b) *Work Group*

The other major element of neoclassical theory is the emphasis upon the informal groups. The work group or informal "shadow" organization within the structure of the formal organization is discussed here. Rather than focus on the economic size, the neoclassical theory focuses on the social aspects of men whose overriding need is seen as a desire to belong, to be accepted by, and start well in his work group. A person's perception of himself and the world around him depends on groups, thus it is germane in determining his values, opinions, needs and aspirations.

2. Identify and discuss the works of the early behaviourists.**(a) *Contribution from Hago Munsterberg***

Munsterberg, a German psychologist, pioneered the field of industrial psychology. In his book — *Psychology and Industrial Efficiency*, published in 1913, Munsterberg discussed how psychologists could help industry in three major ways. One, psychologists could study jobs and find ways of identifying the individuals who best suited to the job.

Two, psychologists could help in identifying the psychological conditions under which individuals are likely to do their best work.

Three, psychologists could develop strategies that would influence employees to behave in ways that are compatible with management interests.

Munsterberg is referred to as "the father of industrial psychology" because he did not start work in this area, his ideas, the examples he provided ignited the imagination of others and led to the establishment of the field of industrial psychology

(b) Contribution from Mary Parker Follet

Follet is another early behaviourist who focused on group dynamics. She focused more on the functioning of groups in organizations than did the classical writers. The argument is that members of organizations are continually influenced by the groups within which they operate: She argued that groups have the capacity to exercise control over themselves and their own activities.

Answers to SAE 2

Describe in details the pre-Hawthorne studies.

(a) The Philadelphia Spinning Mill

The objective of this study was to inquire into the causes of absenteeism and low morale among a section of the Spinning Mill workers. Forty men were involved in the study. Because of the high labour turnover, incentives were introduced, yet productivity remained low while absenteeism and similar symptoms of poor organizational health were high.

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At the instance of the president of the Company, rest pauses without any condition were reintroduced. Production rose up to 77%, workers' morale and health improved, and absenteeism decreased drastically. When each group was later left with the decision to take rest pauses productivity rose up to 80%.

Findings of the Study

- I. By the president's concern and timely intervention, he succeeded in transforming a horde of individual workers into a social group.
2. By placing the control of the rest pauses in their hands the president had enhanced their feeling of accountability and responsibility.

(b) The Illumination Experiments

This is the second pre-Hawthorne study. The experiments were to find out the correlation between light and output. The studies were conducted by G. A. Pennock an engineer with the company. Two groups of workers- the experimental group and the control group were involved in the study. In the experimental group, illumination was increased, while in the control the light was left constant.

Findings

At first, production increased on the experimental group, but with the passage of time, productivity also increased in the control group. Illuminating was then reduced in the experimental group, but output rose instead of going down. At the end of the day, the experiments failed to establish any correlation between light and productivity.

Unit 2 Human Relations Movement

Unit Structure

- 2.1 Introduction
- 2.2 Learning Outcomes (LOs)
- 2.3 Contribution from Abraham Maslow
 - 2.3.1 Hierarchy of Needs Theories
 - 2.3.2 Assessment of Maslow's work
- 2.4 Contribution from Douglas McGregor
 - 2.4.1 The Assumptions of Theory X
 - 2.4.2 The Assumptions of Theory Y
 - 2.4.3 Assessment of McGregor's Work
- 2.5 Relationships of the Theories of Maslow and McGregor
- 2.6 Contributions of the Human Relations School
 - 2.6.1 Criticisms of the Human Relations Approach
- 2.7 Summary
- 2.8 References/Further Readings/Web Resources
- 2.9 Possible Answers to Self-Assessment Exercise(s)



2.1 Introduction

In the last three units, you were introduced to the neoclassical theory of management. In those units you learned about the four strands of neoclassical movement: the early behaviourists, the Hawthorne studies, the Human Relations and the behavioural science approach. In this unit, you will learn about the human relations movement, while the next unit will introduce you to the behavioural science approach.

Specifically what you learn from the present unit centers around the contributions of Maslow and McGregor to the human relations movement within the work unit. By definition, relations movement is a management perspective that views employees as responding to ,the interpersonal processes.



2.2 Learning Outcomes (LOs)

By the end of this unit, you will be able to:

- explain the Human Relations Movement
- discuss the contributions of Maslow to the movement
- evaluate Maslow 's work
- describe McGregor's contribution to the movement
- analyze the relationships between Maslow and McGregor.

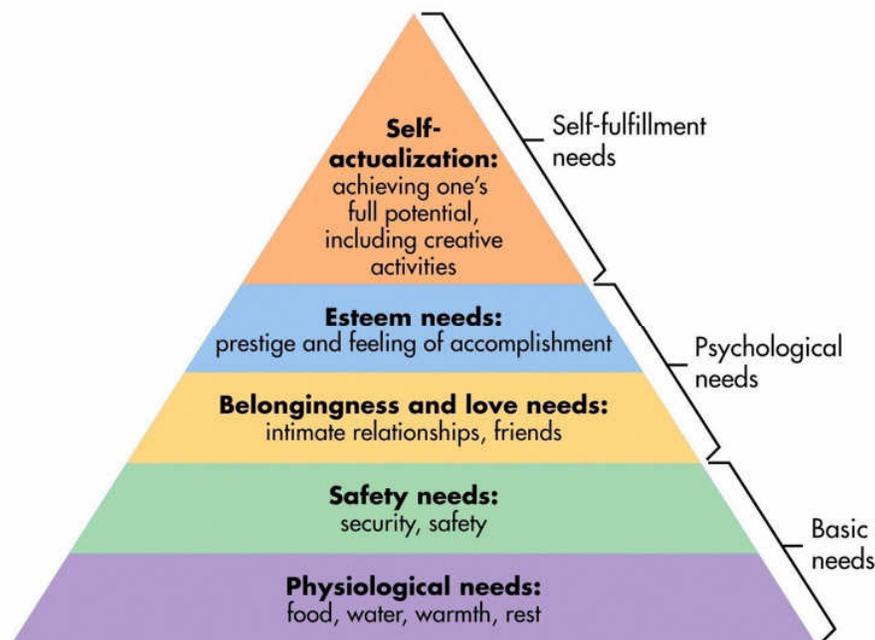


2.3

Contribution from Abraham Maslow human

You can still remember in-Unit ten that the Hawthorne studies were severely criticized almost as a failure. You also have learned from the same unit that no matter the flaws in the studies, the Hawthorne studies set the stage for profound interest in the social dimension of human behaviour in organization. Whereas the Hawthorne studies furnished some clues, managers needed more definitive guidance. The two theorists that provided the impetus for what managers needed were Maslow and McGregor. The two wrote extensively on motivation. Motivation refers to the force that energizes behaviour, gives direction to behaviour, and underlies the tendency to persist.

You will observe from this unit that one of the most popular theories of human motivation was developed by Abraham H. Maslow in 1943. His work up to date is known as the Hierarchy of Needs Theory (see Figure 1.1)



Hierarchy of Needs Theory

Fig. 2.1 Maslow's Hierarchy of Needs

Source: McLeod, S. A. (2018, May 21). Maslow's hierarchy of needs. Retrieved from <https://www.simplypsychology.org/maslow.html>

2.3.1 Maslow's Theory

By hierarchy of needs is the content theory of motivation (developed by Maslow) which argues that individual needs form a five-level hierarchy. Maslow's theory is based on four main propositions.

1. Man's needs are arranged in a hierarchy of importance, ranging from the lowest need (physiological) to safety, love (social), esteem (ego), and self-actualization.
2. Man is continually wanting: consequently, all needs are never fully satisfied. Once a particular need is satisfied, its potency or urgency of satisfaction diminishes, and another need emerges to replace it. This means that man is an insatiable being.
3. Once a need is fairly well satisfied, it no longer motivates behaviour. Man is consequently motivated by the next higher level of unsatisfied need. However, he can be motivated in a reverse direction if a lower-level need is threatened.
4. The various needs are interdependent and overlapping.

It has been empirically observed that when the peak of a need is passed, that need ceases to be the primary motivator of behaviour. The next need level then begins to dominate. Even when a need is satisfied, it still influences behaviour because the needs are interdependent and overlapping.

It has equally been observed that Maslow viewed an individual's motivation as a predetermined order of needs. Physiological needs are the most imperative area, but the physiological need for self-actualization is highly important to each individual.

Now let us discuss each of the five needs in the hierarchy of needs.

1. **Physiological Needs.** These are the needs that are required for survival, such as food, water, shelter, and sex. This means that these needs must be satisfied in order to sustain life. These needs take precedence over other needs.

Characteristics of Physiological Needs. According to Hick and Gullett, physiological needs have five characteristics:

- a. they are relatively independent of each other.
- b. they can usually be identified with a specific location in the body — you can identify thirst with the throat.
- c. in an affluent society, these needs are unusual rather than typical motivators.

- d. in order to remain satisfied, they must be met repeatedly within relatively short periods of time.
 - e. they require some conscious provision for their future satisfaction
2. **Safety Needs.** The needs pertain to the desire to feel safe, secure and free from threats of existence.
 3. **Love and belonging needs** - after physiological and safety needs have been fulfilled, the third level of human needs is social and involves feelings of belonging. The need for interpersonal relationships motivates behaviour. Examples include friendship, intimacy, trust, and acceptance, receiving and giving affection and love. Affiliating, being part of a group (family, friends, work).
 4. **Esteem Needs.** These are needs desired to have a positive self-image and to have ones contributions valued and appreciated by others. These needs do not become motivators until the lower-level needs have been reasonably satisfied. Esteem needs consist of both self-esteem and the esteem of others. Self-esteem needs include self- confidence, self respect, competence, achievement, independence, and freedom. If these needs are satisfied, one has a feeling of worth, capability, strength and being useful and necessary in the society. But if frustrated, there will be a feeling of inferiority, weakness, and helplessness.
 5. **Self-actualization Needs.** These are the needs that pertain to the requirement of developing our capabilities and reaching our full potential. You should note that even if all lower-level needs are satisfied, a person may experience discontent and restlessness if he is not doing what he is best suited for. What do you think are the sources of self-actualization? Self-actualization can be satisfied through one or any combination of the following: athletics, academic, politics, the family, religion, hobbies, or business.

2.3.2 Assessment of Maslow's Work

Maslow's work has some strengths and weaknesses. In this section, let us learn about the weaknesses first. The theory can only apply to healthy people. In the advanced developed nations, physiological and safety needs may not necessarily serve as motivators. But in the poor nations where famine and starvation are prevalent, people's needs hardly go beyond the physiological level.

It can also be said of Maslow theory that in the advance nations, the theory has only general, not specific, application. The needs theorist's

argument that the worker is motivated primarily by intrinsic rewards may be faulted by classical theorists who consider money as the primary motivator of the worker. What is your own conception of motivation theory? In the theory, one may say that money is not everything, but in reality and practice money is still the baseline of any human action. This statement is reinforced by the fact that to many workers, their salary is an indication of worth. Therefore, money is important not only for what it buys, but also for what it means in judging one's self and others.

Based on Maslow's theory, once lower-level needs have been satisfied (say at the physiological and safety levels) giving more of the same does not provide motivation. Individuals advance up the hierarchy as each lower-level need becomes satisfied. Therefore, to provide motivation for a change in behaviour, the manager must direct attention to the next higher level of needs (in this case, love or social needs) that seek satisfaction.

However, there are a number of problems in relating Maslow's theory to the work situation (McLeod, 2018).

These include the followings:

1. People do not necessarily satisfy their needs, especially higher-level needs, just through the work situation. They satisfy them through other areas of their life as well. Therefore, the manager would need to have a complete understanding of people's private and social life, not just their behaviour at work.
2. There is doubt about the time which elapses between the satisfaction of a lower-level need and the emergence of a higher-level need.
3. Individual differences means that people place different values on the same need. For example, some people prefer what they might see as the comparative safety of working in a bureaucratic organization to a more highly paid and higher status position, but with less job security, in a different organization.
4. Some rewards or outcomes at work satisfy more than one need. Higher salary or promotion, for example, can be applied to all levels of the hierarchy.
5. Even for people within the same level of the hierarchy, the motivating factors will not be the same. There are many different ways in which people may seek satisfaction of, for example, their esteem needs.
6. Maslow viewed satisfaction as the main motivational outcome of behaviour. But job satisfaction does not necessarily lead to improved work performance.

2.3.3 A Useful Basis for Evaluation

Although Maslow did not originally intend that the need hierarchy should necessarily be applied to the work situation, it still remains popular as a theory of motivation at work. Despite criticisms and doubt about its limitations, the theory has had a significant impact on management approaches to motivation and the design of organizations to meet individual needs.

1. It is a convenient framework for viewing the different needs and expectations that people have, where they are in the hierarchy, and the different motivators that might be applied to people at different levels.
2. The work of Maslow has drawn attention to a number of different motivators and stimulated study and research.
3. The need hierarchy model provides a useful base for the evaluation of motivation at work. Some critics have isolated the self-actualization need for criticism. Based on empirical studies, Robert Dubin (1956) concluded that "work is no longer a central life interest of workers".

From this finding, you can conclude that it is erroneous to assume that all workers seek to satisfy their esteem and self-actualization needs on the job. Today many workers view the job as a means to an end and seek fulfillment out of the job.

Self - Assessment Exercise 1

1. Discuss the characteristics of Physiological Needs.
2. Elaborate on the four main propositions upon which Maslow based his theory.

2.4 Douglas McGregor's Theory X and Y

In this unit, you need to know that motivation in organization encompasses forces both within (internal) and external to the individual worker.

Internal motivation refers to the needs, wants and desires which exist within an individual and make up his internal motivation. These forces influence him by determining his thoughts, which in turn lead to his behaviour in a particular situation. *External motivation* considers the forces which exist outside an individual. External motivation include the factors controlled by the manager such as: job context-salaries, and job content-recognition, advancement and responsibility.

One theory of motivation which incorporates both internal and external motivation is that of Douglas McGregor. In McGregor's view, external motivation is manifested in the assumptions the manager makes regarding the attitudes of his subordinates. McGregor set forth two alternative views of the nature of man. These are: theory X and theory Y. The two theories have conflicting assumptions.

2.4.1 The Assumptions of Theory X

You will learn from this unit that theory X has three main assumptions:

1. The average human being has an inherent dislike of work and will avoid it if he can.
2. Because of the human characteristics of dislike of work, most people must be coerced, controlled, directed, threatened with punishment to get them to put forth adequate effort toward the achievement of organizational objectives.
3. The average human being prefers to be directed, wishes to avoid responsibility, has relatively little ambition, wants, security above all.

The other view of McGregor — theory Y has its own assumptions also.

2.4.2 The Assumptions of Theory Y

Theory Y assumptions are believed could lead to greater motivation and increased fulfillment of both individual needs and organizational goals.

The six assumptions are:

1. The expenditure of physical and mental effort in work is as natural as play or rest.
2. External control and the threat of punishment are not the only means for bringing about effort toward organizational objectives.
3. Commitment to objectives is a function of the rewards associated with their achievement.
4. The average human being learns under proper conditions, not only to accept but to seek responsibility.
5. The capacity to exercise a relatively high degree of imagination, ingenuity and creativity in the solution of organizational problems is widely, not narrowly distributed in the population.
6. Under the conditions of modern industrial life, the intellectual potentialities of average human being are only partially utilized.

You can observe from these assumptions that the foundation of theory Y is integration. Integration Galani and Galanakis, (2022) is the

establishment of an environment in which employees can best achieve their own goals by committing themselves to the organization's objectives.

Theory Y's emphasis on internal motivation that all employees will be motivated by self-esteem and self actualization needs on the job can be challenged. This may not always be true because some people are uncomfortable with too much freedom.

2.4.3 Assessment of McGregor's Work

Although theory X and theory Y are based on polar extremes and are an over-simplification, they do represent identified philosophies, which influence managerial behaviour and strategies.

Like Maslow's hierarchy, McGregor's theory X and theory Y approach can help managers develop a broader perspective on the nature of workers with them.

McGregor's theory looks too simplistic. But the theory is not a 'soft' option. In reality, it is often difficult to achieve successfully. It can also be frustrating and time-consuming and mistakes will occur.

It should be noted that theory X should not be completely neglected. Even when a manager has a strong belief in theory Y assumptions, there are occasions when it may be necessary or more suitable to use theory X approach. For instance, when the nature of the job itself offers little intrinsic reward or limited opportunities to satisfy higher-level needs, a more dictatorial style of management might work best (Aykut, 2019).

In addition, you should know that theory X approach is most useful in emergency situations, or shortage of time demands the use of authority in directing actions to tasks in hand.

2.5 Relationships of the Theories of Maslow and McGregor

This unit shows that although the theories of Maslow and McGregor all seem to approach motivation from a different perspective, the two theories emphasize similar sets of relationships. Take note of the followings:

1. Maslow views the rarely satisfied higher-level needs as the motivating force behind the worker. On the other hand, McGregor approaches motivation through his theory Y which is based on assumptions concerning the motives of workers. This means that the two theories are relevant to studies of external motivation.

2. The three lower-level needs in Maslow's hierarchy of needs theory, physiological, safety and love are all relatively satisfied. Consequently, they are no longer strong, driving forces.
3. McGregor's theory Y assumes that the employee desires satisfaction of his esteem and self-actualization needs, desires responsibility, exercises self-direction and self-control. Maslow's assumption: a manager by implication is therefore free to choose either higher-level needs, or theory Y assumptions to motivate his employees.

2.6 Contributions of the Human Relations School

The major contributions of the human relations approach are that it:

- (a) Was the first to recognize explicitly the role and importance of interpersonal relations in group behaviour at work.
- (b) Critically re-examined the relationship between the wages and motivation.
- (c) Questioned the presumption that society consists of a horde of mercenary individuals each attempting selfish to maximize their personal self-interest.
- (d) Showed how social and technical systems interrelate.
- (e) Highlighted links between job satisfaction and productivity.

2.6.1 Criticisms of the Human Relations Approach

The human relations approach has been attacked for its seemingly unrealistic altruism.

Organizational needs and objectives can vary enormously depending on current environmental circumstances. Against backgrounds of fierce commercial competition, ideological concerns for personal development and individual human rights (laudable objectives in themselves) can appear naïve and implausible. In particular, the existence of conflicts of interest in industry has to be recognized. It is not necessarily the case that employees will feel they should pull together as a team. Other criticisms are that the approach:

1. Underestimates the effects of organizational structure on individual behaviour.
2. Views organizations as closed systems and ignores political, economic and other environmental forces.
3. Does not explain the influence of labour unions on employee attitude and

- behaviour.
4. Overestimates the motivation, the desire to participate in decision making and the occupational self-awareness of many employees. Not everyone wants to exercise initiative or to control their work. Indeed, many people have little idea of what they actually expect or desire from the employment experience and thus welcome directions imposed by a higher level of authority.
 5. Focused attention on the influence of small groups while neglecting the effects of the wider social structures within which groups are embedded.

Note also that the empirical studies such as Johnson (2018) and McLeod (2018) upon which many of the conclusions of human relations approach are based involved small numbers of subjects who themselves represented a particular culture at a particular historical moment. Social environments and perspectives have altered radically over the last half century and continue to change rapidly.

Self - Assessment Exercise 2

1. Contrast Maslow's and McGregor's works on motivation.
2. Explain the contributions of the human relations school



2.7 Summary

In this unit we have examined the human relations movement as a management perspective. The unit shows that motivation is a complex problem in organizations because the needs, wants and desires of each worker differ. They differ because each worker is unique in his biological and physiological make up and his learning experiences.

You also learned from the unit that motivation can be internal or external. Internal motivation originates within the individual and this can be explained by Maslow's hierarchy of needs theory. External motivation builds on internal motivation and depends on the motivational assumptions and techniques used by the manager. They are explained by McGregor's theory.

In this unit you also learned the hierarchy of needs theory of Maslow — physiological needs, safety needs, love needs, esteem needs and self-actualization needs. The two theories of McGregor—theory X and theory Y are also treated in this unit. You will recollect that McGregor's theories echoed Maslow's ideas about self-actualization.

You have also known from this unit that the human relations approach recognized the importance of the informal organization which will always be present within the formal structure. This informal organization influences the motivation of employees.

Finally, this unit has shown that people go to work to satisfy a complexity of needs and not simply for the monetary award. The human relations writers emphasized the importance of the wider social needs of individuals and gave recognition to work organization and the importance of the groups and group values and norms in influencing individual work behaviour



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2.9 Possible answers to Self - Assessment Exercise

Answers to SAE 1

(a) **Discuss the characteristics of Physiological Needs.**

- a. they are relatively independent of each other.
- b. they can usually be identified with a specific location in the body — you can identify thirst with the throat.
- c. in an affluent society, these needs are unusual rather than typical motivators.
- d. in order to remain satisfied, they must be met repeatedly within relatively short periods of time.
- e. they require some conscious provision for their future satisfaction

(b) **Elaborate on the four main propositions upon which Maslow based his theory.**

1. Man's needs are arranged in a hierarchy of importance, ranging from the lowest need (physiological) to safety, love (social), esteem (ego), and self-actualization.
2. Man is continually wanting: consequently, all needs are never fully satisfied. Once a particular need is satisfied, its potency or urgency of satisfaction diminishes, and another need emerges to replace it. This means that man is an insatiable being.
3. Once a need is fairly well satisfied, it no longer motivates behaviour. Man is consequently motivated by the next higher level of unsatisfied need. However, he can be motivated in a reverse direction if a lower-level need is threatened.
4. The various needs are interdependent and overlapping.

Answers to SAE 2

(a) **Contrast Maslow's and McGregor's works on motivation.**

1. Maslow views the rarely satisfied higher-level needs as the motivating force behind the worker. On the other hand, McGregor approaches motivation through his theory Y which is based on assumptions concerning the motives of workers. This means that the two theories are relevant to studies of external motivation.
2. The three lower-level needs in Maslow's hierarchy of needs theory, physiological, safety and love are all relatively satisfied. Consequently, they are no longer strong, driving forces.
3. . McGregor's theory Y assumes that the employee desires satisfaction of his esteem and self-actullization needs, desires

responsibility, exercises self-direction and self-control. Maslow's assumption: a manager by implication is therefore free to choose either higher-level needs, or theory Y assumptions to motivate his employees.

(b) Contributions of the Human Relations School

The major contributions of the human relations approach are that it:

- (a) Was the first to recognize explicitly the role and importance of interpersonal relations in group behaviour at work.
- (b) Critically re-examined the relationship between the wages and motivation.
- (c) Questioned the presumption that society consists of a horde of mercenary individuals each attempting selfish to maximize their personal self-interest.
- (d) Showed how social and technical systems interrelate.
- (e) Highlighted links between job satisfaction and productivity.

Unit 3 The Behavioural Science Approach

Unit Structure

- 3.1 Introduction
- 3.2 Learning Outcomes (LOs)
- 3.3 Scientific Research Approach
 - 3.3.1 The Motivation Aspect of Goal Setting
 - 3.3.2 Five major characteristics of a Goal
 - 3.3.3 Other Process Components
- 3.4 Organizational Behaviour
 - 3.4.1 Behavioural Science Approach: An Evaluation
- 3.5 Summary
- 3.6 References/Further Readings/Web Resources
- 3.7 Possible Answers to Self-Assessment Exercise(s)

3.1 Introduction

The Behavioural Science approach which is the focus of unit twelve, is the last of the four strands of the behavioural management movement. You will recollect that the preceding units discussed the other three strands of behavioural movement: the early behaviourist represented by Munsterberg and Follete, the Hawthorne studies represented by Mayo and his colleagues, and the human relations movement represented by Maslow and McGregor.

The present unit introduces you to the behavioural science approach. This is an approach that emphasizes scientific research as the basis for developing theories about human behaviour in organizations that can be used to establish practical guideline for managers.

You will recollect that the behavioural school evolved partly because the classical approach did not achieve sufficient production efficiency and workplace harmony. The human relations theory you will also remember grew out of the various studies conducted by Mayo and others at the Western Electric Company.

We also learned earlier in Unit ten about the criticisms of the human relations school — that it was based on scientific evidence and that the ideas were more theoretical than practical. This led to the birth of another movement — the behavioural science movement, which is the subject matter of this unit twelve.

In this unit, you will learn about the role of motivation in management. You will also learn about organizational behaviour. Remember that in Unit eleven, we discussed the contributions of Maslow and McGregor to

the development of the human relations approach. Maslow and McGregor you will further remember succeeded in showing that there was an alternative to the classical school's rational economic perspective of workers. Maslow and McGregor proved that workers were social beings, who had a variety of 'needs to be met on the job. Despite their contributions to management theory, their views can still at best be considered to be very general and simplistic.

For instance, their views left managers uncertain about the specific actions that they should take and the implications of such actions. This led to the birth of a more complex view of the work situation, properly handled by the behavioural science perspective.

The theories of the behavioural school can be used to establish practical guidelines for managers.

You will learn from this unit also how the behavioural science research drew the findings from a variety of disciplines including management, psychology, sociology, anthropology and economics.

It will also be discovered in this unit that the ultimate aim of the behavioural science approach is to develop theories that managers can use as guides in assessing various situations and deciding the appropriate actions.

In this unit, we will also explain the useful outcomes of behavioural science research which is that individuals perform better with challenging, but attainable goals than they do without goals. You will also gain from the research of Edwin A. Locke and others in this unit, that goal setting leads to better performance.

In this unit you will observe that the behavioural scientists brought two new dimensions to the study of management and organizations. These two new dimension are well documented by Stoner, Freeman, and Gilbert (2000). One, the behavioural scientists advanced an even more sophisticated view of human beings and their drives than did Mayo and his group.

You will remember that Maslow and McGregor wrote extensively about "self-actualizing" people. Two, behavioural scientists applied the methods of scientific investigation to the study of how people behaved in organizations as whole entities. This is well documented in the work of March and Simon.

3.2 Learning Outcomes (LOs)

By the end of this unit, you will be able to:

- explain the scientific research approach to management
- discuss the role of motivation in management
- describe the contribution of March and Simon to behavioural science approach
- explain organizational behaviour.

3.3 The Scientific Research Approach

The role of Motivation in Management

You will recall that in Unit eleven, we defined motivation as the force that energizes behaviour, gives direction to behaviour and underlies the tendency to persist.

In this section, the first thing you should be interested in knowing is "why should managers motivate".

The answer to this question is not far fetched. There are generally three main reasons why managers should know about motivation. These are:

1. Managers must understand individual's motives in order to know how to get them to join the organization.
2. Managers must know how to motivate employees to stay with the organization. For instance, managers must see that jobs and working conditions allow employees to meet their individual needs.
3. Managers must motivate because motivation together with ability, training and correct job placement, can lead to employee performance.

3.3.1 The Motivation Aspect of Goal Setting

What is your understanding of a goal? Before you answer this question, think:

1. Of a goal you recently set for yourself; and
2. Of your organizational goal for the current year.

A goal can be defined as a future target or end result that an organization wishes to achieve. There are times when some managers use the terms

goal and objective interchangeable. There is nothing wrong in this usage, although some writers use "Objective" to refer to more narrow target and shorter time frames.

In this unit, you will learn that a goal cannot be achieved without a plan. While a goal is a future end result that an organization wants to achieve, a plan can be defined as the means devised for attempting to reach a goal.

Another interesting concept you need to know in this section of this unit is organizational mission-Organizational mission is a broad declaration of the basic, unique purpose and scope of operations that distinguishes the organization from others of its type. According to Laura Hahs (1988), a mission statement serves different purposes for shareholders in an organization. For managers, it can be benchmark against which to evaluate success. For employees, it may define a common purpose, nature of organizational loyalty, and foster a sense of community among workers. For external parties- investors, governmental agencies, and the public at large, the statement helps provide unique insight into the organization's value and future direction.

In the next few minutes, you will learn in this unit about the benefits of setting goals. Edwin, A. Locke and Gary P. Lathan (1984) explained four benefits of goals setting:

1. **goals can increase performance.** Research finding shown that when challenging goals are set, increase performance frequently range from 10 to 25%, and at times higher.
2. **goals help clarify expectation.** When goals are set, organization members usually have a clear idea of the major outcomes that they are expected to achieve. Without goals, the members lack direction.
3. **goals facilitate the controlling function,** because they provide benchmarks against which progress can be assessed so that corrective action can be taken as needed.
4. **goals increase motivation.** Meeting goals, feeling a sense of accomplishment, and receiving recognition and other rewards for reaching targeted outcomes all serve to enhance motivation.

We have come to the last part of this section where the issue of how goals facilitate performance is discussed. Our effort here is concentrated on the following things: a model of goal setting theory - goal core

properties, goal moderators and goal mediators. This is shown in Figure 3.1

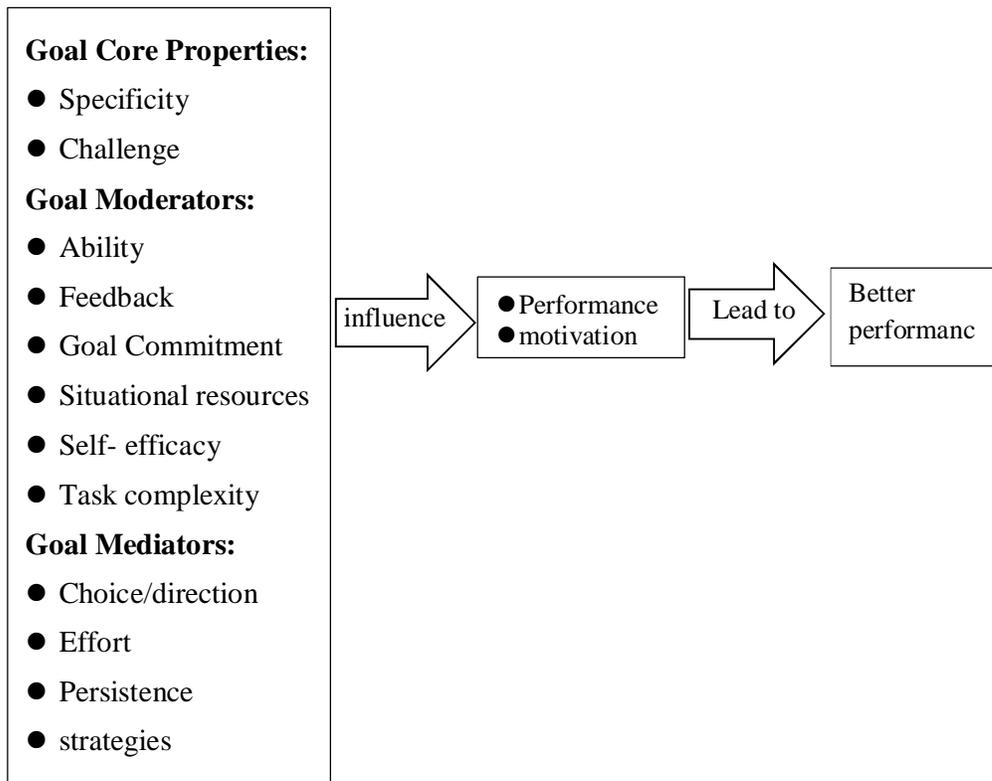


Fig: 3.1: How Goals Facilitate Performance

Source: (Adapted from Locke and Latham, 2002)

You will learn in this unit that goals are effective in channeling effort toward achievement have a content that reflects five major characteristics: challenging, attainable, specific and measurable, time-limited, and relevant.

3.3.2 Five major characteristics of a Goal

- (i) **Challenging.** Challenging and difficult goals lead to higher performance.
- (ii) **Attainable.** In addition to being challenging, a goal must be attainable. Attainable goal is more likely to promote sustained performance over a period of time rather than continually doing the impossible.
- (iii) **Specific and Measurable.** To be effective, goals need to be specific and measurable so that workers clearly understand what is expected and know when the goal has been achieved.
- (iv) **Time-Limited.** There should be a defined period of time within which a goal must be accomplished.

- (v) **Relevant.** Goals are more likely to elicit support when they are clearly relevant to the major work of the organization and the particular department.

Goal Commitments. Goal commitment refers to one's attachment to, or determination to reach a goal. You will learn in this unit that without commitment, setting specific, challenging goals will have little impact on performance. Managers can foster commitment to important organizational goals in the following ways: supervisory authority, peer and group pressure, public displaying of commitment, expectations of success, incentives and rewards, and participation:

- (i) **Supervisory Authority:** Individuals and groups are more likely to commit themselves to a goal when the goal and reasons for it are explained by a person with supervisory authority, usually a boss. The explanation and instruction will be more effective with a supportive rather than an authoritative supervisor.
- (ii) **Peer and Group Pressure:** Pressure from peers and work group members can enhance goal commitment when one's efforts are channeled in the same direction. You will recollect that the Hawthorne studies discussed earlier also mentioned something about the influence of work groups on job performance.
- (iii) **Public Display:** Commitment to difficult goals is higher when the commitment is public (made in front of others) than when it is private.
- (iv) **Expectations of Success:** Goal commitment is more likely when individuals or groups perceive that they have high expectations of success. This means that individuals tend to become committed when they believe that they have a good chance of performing well on the tasks involved in reaching the goal.
- (v) **Incentives and Rewards:** Though some incentives such as money may be tangible, while some such as challenge of the job may be intangible, the fact still remains that goal commitment is also enhanced by incentives and rewards.
- (vi) **Participation:** The last factor under goal commitment to be discussed here is participation.

Having individuals participate in the goal-setting process can be an effective means of fostering commitment.

Participation can be particularly helpful in developing plans for implementing goals. Work Behaviour Goal content and goal commitment affect an individual's actual work behaviour by influencing four factors: direction, effort, persistence and planning.

Direction: Goals are known to provide direction by counselling attention and action toward activities related to goals, rather than toward other activities.

Effort: Individuals are likely to put forth more effort when goals are difficult than when they are easy.

Persistence: Persistence involves maintaining direction and effort on behalf of a goal until it is reached.

Planning: Individuals who have committed themselves to achieving difficult goals are likely to develop plans or methods that can be used to attain those goals.

3.3.3 Other Process Components

You will learn in this unit that in addition to goal content, goal commitment and goal behaviour, there are other components that may influence performance. These are job knowledge and ability, complexity of the task, situational constraints and knowledge of results.

Job knowledge and ability: These may affect an individual's work behaviour and prospects for reaching goals even when there is strong commitment.

- i Complexity of the task: This may affect the degree to which goal — directed work behaviour influence job performance.
- ii Situational constraints: Availability of proper tools, materials and equipment is important for achieving difficult goals.
- iii Knowledge of result (feedback): Feedback about progress toward goals is an influential factor in the effectiveness of goals.

Self - Assessment Exercise 1

1. Discuss why managers must motivate employees
2. What are the five major characteristics of a goal?

3.4 Organizational Behaviour

You will remember that in the introduction to the unit, we said that you will also learn about organizational behaviour. According to Luthans (1992), Organizational behaviour involves the understanding, prediction and control of human behaviour and the factors, which interfere with the performance of people as members of an organization.

It is natural to ask the question-why do you have to learn organizational behaviour under management theory? The answer is simple, and that is,

that there is close relationship between organizational behaviour and management theory and practice. In fact, there are times when some writers use the terms organizational behaviour and management as synonyms. This is however too simplistic because there are many broader facts to management. In the words of Mullins (1994), "Organizational behaviour does not encompass the whole of management: it is more accurately described in the narrower interpretation of providing a behavioural approach to management". And if you have not forgotten, our attention in the last four units have been concentrated on the behavioural viewpoint of management.

In all, the study of organizational behaviour embraces an understanding of:

1. The behaviour of people.
2. The process of management.
3. The organization context in which the process of management takes places.
4. Organizational processes and the execution of work.
5. Interactions with the external environment of which the organization is a part.

3.4.1 Behavioural Science Approach: An Evaluation

In this last section of this Unit twelve, you will learn about the relevance of behavioural science.

You will also still recollect earlier in this unit that we said something about the social science disciplines that contributed to behavioural science - economics, political science, sociology, anthropology and psychology. Note however that of all these social science disciplines, the contribution of relevant aspects of psychology, sociology and anthropology did contribute to our understanding of the behaviour of people in work organizations, and underpin the field of organizational behaviour.

Behavioural science is relevant because it attempts to structure organizations in order to secure the optimum working environment. Specifically, organizational behaviour is concerned with reconciling the needs of the organization for the contribution of maximum productivity with the needs of individuals and the realization of their potential.

Self - Assessment Exercise 2

1. Define organizational behaviour.



3.5 Summary

In this unit, you have learnt how the behavioural science approach developed as an improvement over the classical and neoclassical theories of management. You also have observed from this unit that the behavioural science approach has brought two new dimensions on the study of management and organizations. You will recollect that one of the two new dimensions relate to the more advanced sophisticated view of human beings and the drives it brought to management perspective. The second dimension you will also recollect relates to the application of the scientific methods of investigations to human behaviour in organization.

You have also learned from this unit that the behavioural science approach relied on perspectives from the social sciences, particularly psychology, sociology and anthropology.

This unit also explained the role of motivation in management. The motivational aspects of goal settings are also covered.



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3.7 Possible answers to Self - Assessment Exercise

Answers to SAE 1

(a) *Discuss why managers must motivate employees*

The answer to this question is not far fetched. There are generally three main reasons why managers should know about motivation. These are:

1. Managers must understand individual's motives in order to know how to get them to join the organization.
2. Managers must know how to motivate employees to stay with the organization. For instance, managers must see that jobs and working conditions allow employees to meet their individual needs.
3. Managers must motivate because motivation together with ability, training and correct job placement, can lead to employee performance.

(b) **Five major characteristics of a Goal**

- (i) **Challenging.** Challenging and difficult goals lead to higher performance.
- (ii) **Attainable.** In addition to being challenging, a goal must be attainable. Attainable goal is more likely to promote sustained performance over a period of time rather than continually doing the impossible.
- (iii) **Specific and Measurable.** To be effective, goals need to be specific and measurable so that workers clearly understand what is expected and know when the goal has been achieved.
- (iv) **Time-Limited.** There should be a defined period of time within which a goal must be accomplished.
- (v) **Relevant.** Goals are more likely to elicit support when they are clearly relevant to the major work of the organization and the particular department.

Answers to SAE 2

Organizational Behaviour

Organizational behaviour involves the understanding, prediction and control of human behaviour and the factors, which interfere with the performance of people as members of an organization.

There is close relationship between organizational behaviour and management theory and practice. In fact, there are times when some writers use the terms organizational behaviour and management as synonyms. This is however too simplistic because there are many broader facts to management. Organizational behaviour does not encompass the whole of management: it is more accurately described in the narrower interpretation of providing a behavioural approach to management.

In all, the study of organizational behaviour embraces an understanding of:

1. The behaviour of people.
2. The process of management.
3. The organization context in which the process of management takes places.
4. Organizational processes and the execution of work.
5. Interactions with the external environment of which the organization is a part.

Module 4 Modern Theories of Management

Unit 1 Operations Research - Management Science

Unit Structure

- 1.1 Introduction
- 1.2 Learning Outcomes (LOs)
- 1.3 Origin and Development of Operations Research
- 1.4 Nature and Meaning of Operations Research
- 1.5 Technique's and Characteristics of Operations Research
- 1.6 Operations Research as a Tool in Decision-Making
- 1.7 Models and Classification of Operations Research Models
- 1.8 Properties, Phases and Advantages of a Model
- 1.9 General Limitations of Operations Research
- 1.10 Summary
- 1.11 References/Further Readings/Web Resources
- 1.12 Possible Answers to Self-Assessment Exercise(s)



1.1 Introduction

In this module 4, unit 1, we are going to study Management Science, also known as Operations Research. The concept of operations research is not entirely new to most people, however, its growth, its usefulness as a tool, its advantages and the limitations are not known to everybody. This unit will cover all these areas. In addition to the above, you will also learn in these unit relevant things like the nature, techniques and features of operations research as well as the properties and different phases of operations research are explained in this study.



1.2 Learning Outcomes (LOs)

By the end of this unit, you will be able to:

- explain the growth of operations research
- discuss the nature, features and techniques of operations research
- classify the models of operations research
- describe the advantages and limitations of operations research.



1.3 Origin and Development of Operations Research (O.R.)

The term, Operations Research, was first coined in 1940 by McCloskey and Trefethen Bawdsey of the United Kingdom. This new science came into existence in the military context. How did this happen? This should be the next question agitating your mind. According to Kanti, Gupta, and Moham (1981), during the World War II, military management called on scientists from various disciplines and organized them into teams to assist in solving strategic and tactical problems. Put in another way, they were invited to discuss, evolve and suggest ways and means to improve the execution of various military projects. By their joint efforts, experience and deliberations, they came up with certain approaches that showed remarkable progress. This new approach to systematic and scientifically study the operations of the system was called the operations research or operational research (henceforth called O.R. in this unit)

At the end of the War, De Witte and Lopez-Torres (2017), the success of military teams attracted the attention of industrial managers who were seeking solutions to their complex executive - type problems. In the 1950s, around the time the classical theory emerged, O.R. achieved recognition as a subject worthy of academic study in the universities. Since then, the subject has been gaining ground for students of Economics, Management, Public Administration, Behavioural Sciences, Social Work, Mathematics, Commerce and Engineering.

1.4 Nature and Meaning of O.R.

In this section of the unit, attempt is made formally to define O.R. You will also learn about the nature and what O.R. does in this section.

Now that you have learned about the origin and development of O.R., you need to go a bit further to know about its relevance to other new sciences.

Operation, ordinarily can be defined as some action that we apply to some problems or hypotheses. The word 'research' is a systematic inquiry to describe, explain, predict and control the observed phenomenon.

One thing you should realize is that O.R. is very difficult to define because of the simple fact that its boundaries are not clearly marked. For instance, it has been variously described as the "science of use", "quantitative common sense", "scientific approach to decision-making problems" among others.

We will rely on two definitions provided by two writers in this unit:

1. Morse, and Kinball define O.R. as "a scientific method of providing executive departments with a quantitative basis for decisions under their control.
2. Bartol and Martin (1994) define O.R. as an approach aimed at increasing decision effectiveness through the use of sophisticated mathematical models and statistical methods.

To better understand the concept, it would be better if we add a third definition by Churchman, Ackoff and Arnoff- who define O.R. as "the application of science methods, techniques and /tools to problems involving the operations of a system so as to provide those in control of the system with optimum solutions to the problem.

1.4.1 The Scope of O.R

Operation Research is primarily concerned with the techniques of applying scientific knowledge, besides the development of science. It provided an understanding, which gives the expert manager new insights and capabilities to determine better solutions in his decision-making problems, with great speed, competence and confidence.

Listed are five major areas of research that have proved amenable to the particular techniques of O.R:

1. O.R. is useful to the directing authority in deciding optimum allocation of various limited resources such as men, machines, material, time, money, etc for achieving the optimum goal.
2. O. R. is useful to production specialist in:
 - (i) designing, selecting and locating sites ;
 - (ii) determining the number and size;
 - (iii) scheduling and sequencing the production runs by proper allocation of machines; and
 - (iv) calculating the optimum product mix.
3. O.R. is useful to the Marketing Manager (executive) in determining:
 - (i) how to buy, how often to buy, when to buy and what to buy at the minimum possible cost;
 - (ii) distribution points to sell the products and the choice of the customers;
 - (iii) minimum per unit sale price;
 - (iv) the customer's preference relating to the size, colour, packaging, etc, for various products and the size of the stock to meet the future demand; and

- (v) the choice of different media of advertising.
4. O. R. is useful to the Personnel Administrator in finding out:
 - (i) skilled persons at a minimum cost; and
 - (ii) the optimum manner of sequencing personnel to a variety of jobs.
 5. O.R. is useful to the Financial Controller to:
 - (i) find out a profit plan for the company;
 - (ii) determine the optimum replacement policies; and
 - (iii) find out the long-range capital requirements as well as the ways and means to generate these requirements.

1.5 Techniques and Characteristics of O.R.

The two major things you need to know in this section are: the techniques of O.R and the features of O.R. Let us start with the techniques. It is difficult to enumerate all the available techniques of O.R under a common classification. For this course, know that some of the commonly accepted well-defined problems of O.R can be classified as follows:

1. Allocation problems
2. Competitive problems
3. Waiting line problems
4. Sequencing problems
5. Routine problems
6. Inventory problems
7. Replacement problems

All these problems find a prominent place in the subject frame of O.R. and the tools for solving these problems are referred to as the Techniques of O.R.

1.6 Features of O.R

O.R. has five salient features. These are listed below:

1. O.R. is the inter-disciplinary team approach to finding out the optimum return.
2. O.R. uses techniques of scientific research to arrive at optimum solution.
3. O.R. emphasizes on the overall approach to the systems, that is, all the aspects of the problem under consideration.
4. O.R. tries to optimize the total output by maximizing the loss or cost.

5. O.R. gives only bad answers to the problems where worse could be given, that is, it cannot give perfect answers to the problems. Thus, O.R. improves only the quality of the solution.

1.7 Operations Research as a Tool in Decision-Making

Having known what is meant by OR, the techniques and features, let us move forward in this unit by learning something about the tools. O.R is a tool employed to increase the effectiveness of managerial decisions as an objective supplement to the subject feeling of the decision-maker.

OR, for instance, may suggest the best locations for agencies, warehouses, as well as the most economical kind of transportation in the distribution or allocation areas. In marketing areas, O.R. may aid in indicating the most profitable types, use and size of advertising campaigns, in regard to available financial limit. In addition, O.R. may suggest alternative courses of action when a problem is analyzed and a solution is attempted.

In all, know that O.R. may be regarded as a tool that enables the decision-maker to be objective in choosing an alternative.

1.8 Models and Classification of O.R. Models

What is your understanding of a model? The Longman Contemporary English Dictionary simply described a model thus: to wear clothes in order to show them to possible buyers. In this usage, model means representation, copy pattern or example. In OR, Cui and Wu (2018.) see a model as simplified representation of an operation or a process in which the basic aspects or the most important features of a typical problem under investigation are considered. There exists several models in each area of business, or industrial activity. In accounting, a model is a typical budget in which business accounts are referred to the intention of providing measurement such as rate of expenses, quantity sold. In mathematics, an equation may be taken as a model. Equation as you know shows a relationship between constants and variables.

1.8.1 Classification of O.R Models

To classify O.R. models may be somehow difficult. However, several types of O.R. models may be distinguished as follows:

1. *Iconic (physical) models* - are pictorial representation of systems and have the appearance of the real thing. They are called 'Iconic' because they 'look-alike' items to understand and interpret. Examples are: a child's toy, a photograph. Iconic models are easy to observe, build and describe, but are difficult to manipulate and

not very useful for the purpose of prediction. They are static in nature:

2. *Analogue Models* - These are more abstract, because there is no 'look-alike' correspondence between those models and real items. They are built by utilizing one set of properties to represent another set of properties. An example is a network of pipes through which water is runs. It could be used as a parallel of understanding the distribution of electric currents. Graphs and maps are various analogue models, in which different colors correspond to different characteristics.
3. *Mathematical (symbolic) models*. These are most abstract in nature. They employ a set of mathematical symbols to represent the components (and relationships between them) of the real system.

In addition to the above, are other types of models. These other ones are briefly discussed below:

- (a) *Combined analogue and mathematical models*. A good example is simulation model. This type is commonly used by the managers to 'simulate' their decisions by studying the activity of the firm summarized in a scaled — down period.
- (b) *Function models*. Models are sometimes grouped according to the functions performed. A function can for example, serve to acquaint the analyst with such thing as a blueprint of layouts, tables, a schedule indicating a sequence of operations.
- (c) *Quantitative models*. They are models that can measure the observations. Examples are a unit of measurement of length, values, degree of temperature.
- (d) *Qualitative models*. They are those that can be classified by the subjective description.

Examples are the "economic models" and the "business models".

Self - Assessment Exercise 1

1. Briefly describe the growth of O.R.
2. Explain the main O.R. tools used in decision-making.

1.8.2 Properties, Phases and Advantages of a Model

Let us spend the next few minutes to discuss the properties, phases and advantages of a model.

(a) Properties;

The four main properties of a model are listed below:

1. A good model should be capable of taking into account new formulation without having significant change in its frame.
2. Assumptions made in the model should be as small as possible.
3. It should be simple and coherent. Number of variables used should be less.
4. It should be open to parametric type of treatments.

(b) Advantages of a Model

Let us also take time to consider the advantages of a model.

- (a) The problem under consideration becomes controllable through a model.
- (b) A model provides some logical and systematic approach to the problem.
- (c) A model indicates the limitations and scope of an activity.
- (d) They help in incorporating useful tools that eliminate duplication of methods applied to solving any specific problem.
- (e) They help in finding avenues for new research and improvement in a system.

(c) Phases of Operations Research

You should know that the construction of an appropriate model involves only one phase of the application of O.R. However, the basic pattern of the application of O.R. to a problem can be divided into six (See Fig. 3.1)

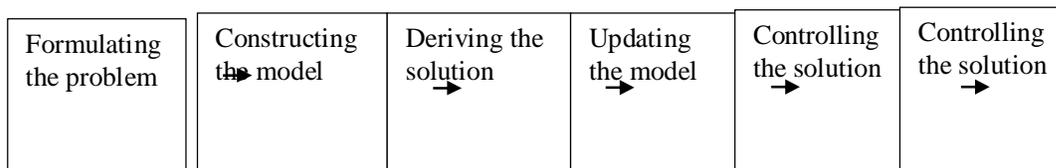


Fig 1.1: Phases of O. R

Let us briefly discuss the six phases:

1. Formulating the problem - this involves developing a statement of the problem elements that includes the controllable (decision) variables, the uncontrollable parameters and the objectives for defining a good solution.
2. Constructing the model- which deals with the choice of proper data inputs and the design of the appropriate information output is the second phase of the investigation.
3. Deriving the solution - the solution deals with mathematical calculations for obtaining the solution to the model. A solution of the model means those values of the decision variables that optimizes one of the objectives and gives permissible levels of performance on any other of the objectives.
4. Updating the model - The fourth phase of the study involves checking the validity of the model used - A valid model is the one that gives a reliable prediction of the system's performance.
5. Controlling the solution - This is the fifth phase of the study. It establishes control over the solution by proper feedback of the information on variables, which deviated significantly. As soon as a controlled variable or some variables change significantly, the solution goes out of control. This calls for the modification of the model.
6. Implementing the finding-This is the final phase of the study. It deals with the implementation of the tested results of the model. This phase is executed mainly through the co-operation of both the O.R. experts and those who are responsible for managing and operating the system.

Self - Assessment Exercise 2

1. Briefly discuss the six phases of Operations Research.
2. List the advantages of Operations Research.



1.9 Summary

You have learned in this unit about O.R. as a stream of quantitative theory of management. You have learned about its growth, which is usually linked to the World War II in Britain then later America. The unit also explained the five major areas of research that have proved amenable to the particular techniques of O.R. These are directing authority, production specialist, marketing manager, personnel administrator and financial controller. The merits and demerits of O.R. are also treated in this unit.



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1.11 Possible answers to Self - Assessment Exercise

Answers to SAES 1

1. Briefly describe the growth of O.R.

The term, Operations Research, was first coined in 1940 by McCloskey and Trefethen Bawdsey of the United Kingdom. This new science came into existence in the military context. During the World War II, military management called on scientists from various disciplines and organized them into teams to assist in solving strategic and tactical problems. Put in another way, they were invited to discuss, evolve and suggest ways and means to improve the execution of various military projects. By their joint efforts, experience and deliberations, they came up with certain approaches that showed remarkable progress. This new approach to systematic and scientifically study the operations of the system was called the operations research or operational research (henceforth called O. R.)

2. Explain the main O.R. tools used in decision-making.

At the end of the War the success of military teams attracted the attention of industrial managers who were seeking solutions to their complex executive — type problems. In the 1950s, around the time the classical theory emerged, O. R achieved recognition as a subject worthy of academic study in the universities. Since then, the subject has been gaining ground for students of Economics, Management, Public Administration, Behavioural Sciences, Social Work, Mathematics, Commerce and Engineering.

O.R is a tool employed to increase the effectiveness of managerial decisions as an objective supplement to the subjective feeling of the decision-maker.

OR, for instance, may suggest the best locations for agencies, warehouses, as well as the most economical kind of transportation in the distribution or allocation areas. In marketing areas, O.R. may aid in indicating the most profitable types, use and size of advertising campaigns, in regard to available financial limit. In addition, O.R. may suggest alternative courses of action when a problem is analyzed and a solution is attempted. In all, know that O.R. may be regarded as a tool that enables the decision-maker to be objective in choosing an alternative.

Answers to SAE 2**(a) Briefly discuss the six phases of Operations Research.**

1. Formulating the problem - this involves developing a statement of the problem elements that includes the controllable (decision) variables, the uncontrollable parameters and the objectives for defining a good solution.
2. Constructing the model- which deals with the choice of proper data inputs and the design of the appropriate information output is the second phase of the investigation.
3. Deriving the solution - the solution deals with mathematical calculations for obtaining the solution to the model. A solution of the model means those values of the decision variables that optimizes one of the objectives and gives permissible levels of performance on any other of the objectives.
4. Updating the model - The fourth phase of the study involves checking the validity of the model used - A valid model is the one that gives a reliable prediction of the system's performance.
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6. Implementing the finding-This is the final phase of the study. It deals with the implementation of the tested results of the model. This phase is executed mainly through the co-operation of both the O.R. experts and those who are responsible for managing and operating the system.

(b) Advantages of a Model

Let us also take time to consider the advantages of a model.

- (a) The problem under consideration becomes controllable through a model.
- (b) A model provides some logical and systematic approach to the problem.
- (c) A model indicates the limitations and scope of an activity.

- (d) They help in incorporating useful tools that eliminate duplication of methods applied to solving any specific problem.
- (e) They help in finding avenues for new research and improvement in a system.

Unit 2 Management Information Systems

Unit Structure

- 2.1 Introduction
- 2.2 Learning Outcomes (LOs)
- 2.3 Management Information Systems: An overview
 - 2.3.1 The nature of Information Systems
 - 2.3.2 A System's View of Information Processing
 - 2.3.3 Computer Component of Information Systems
 - 2.3.4 Characteristics of Useful Information
- 2.4 Types of Information System
 - 2.4.1 Transaction - processing system
 - 2.4.2 Office Automation System
- 2.5 Management Information Systems
- 2.6 Developing Computer—based Information Systems
 - 2.6.1 The systems Development Life Cycle
 - 2.6.2 Alternative means of system development
- 2.7 Impacts of Information Technology on Organizations
 - 2.7.1 Organization Structure
 - 2.7.2 Individual Jobs
 - 2.7.3 Organizational Risks
- 2.8 Assessing the Quantitative Management Perspective
- 2.9 Summary
- 2.10 References/Further Readings/Web Resources
- 2.11 Possible Answers to Self-Assessment Exercise(s)

2.1 Introduction

Before you start reading this unit, can you spare a minute to answer this question. How far have you been enjoying this course - *Management Theory*? Right, if you have been so doing, let us go to Unit 14 now.

You have now come to the last strand of the quantitative management perspective —

Management Information Systems (M.I.S). In this unit, you will learn about the following: what management information system is about, the peculiar nature of information systems, characteristics of useful information which include: relevance, accuracy, timely, completeness and concise. This unit will also introduce you to the various types of information systems: transaction — processing systems, office automation systems, and management information systems. Finally, you will learn in this unit about ways to develop computer based information systems. A brief assessment of the quantitative management perspective is also undertaken in this unit.

2.2 Learning Outcomes (LOs)

By the end of this unit, you should be able to:

- explain management information systems
- discuss the nature of information systems
- describe the various types of information systems
- explain how to develop computer-based information systems
- analyze the impact of information systems on organizations.

2.3 Management Information Systems: An Overview

In this unit, management information systems are explained as the last strand of the quantitative management viewpoint. It is a viewpoint accepted by most modern managers as causing vast changes in the way that information is handled and used in organizations. The rapid growth in personal computer offers increasing opportunities for managers to have more and better information at their fingertips.

2.3.1 The Nature of Information Systems

To better understand this unit in general, and this section in particular, there is the need for you to differentiate between data and information. In addition, this section will explain to you how to use a system's view to examine the nature of information processing. What is the difference between data and information? There is need to clarify the distinction because more often we tend to use the two terms as if they are synonymous.

Data in this unit refers to analyzed facts and figures. For data to be useful in management, they need to be transformed into information. Information refers to data that have been analyzed or processed into a form that is meaningful for decision makers. Another useful concept that you need to know is electronic data processing. Electronic Data Processing refers to the transformation of data into meaningful information through electronic means.

2.3.2 A System's View of Information Processing

You will recollect that we promised to consider information processing using a system's view in this unit. This is our interest now. The systems view will be comprehensively discussed in Unit 15.

For the meantime, know that to obtain the information needed for various purposes, organizations develop information systems. It is similar to the systems perspective in that information systems involve

inputs, transformations, and outputs. What are the processes involved? In information system, data are the inputs. The data undergo transformation, or processing. Processing involves the various forms of data manipulations and analyses that transform data into information. Information — processing then makes use of data storage — a system of sorting data for use at a later point. The outputs refer to the report, documents, and other system outcomes that supply needed information to decision makers. Controls serve as safeguards used to ensure that the outputs are appropriate and serve their intended purposes.

From the analysis above, an information system can be defined as a set of procedures designed to collect, process, store and disseminate information to support planning, decision making, coordination and control.

2.3.3 Computer Components of Information Systems

The components of a computer-based information systems fall into two categories: hardware and software. Hardware refers to the physical equipment (the computer and related devices). Software on the other hand refers to the set of programmes, documents, procedures and routines associated with the operation of a computer system that makes the hardware capable of its various activities.

2.3.4 Characteristics of Useful Information

Lee, Gremillon and Pybum (1988) identified five characteristics that are important in making information useful to managers. They are:

1. Relevance - Information should be directly related to the decision at hand.
2. Accuracy - Information needs to be correct enough to form the basis for effective decision-making.
3. Timely - Information should be available when needed.
4. Complete - Information should come from all the appropriate sources and cover all the areas that are required by the decision maker.
5. Concise - Finally, information needs to be summarized, providing the amount of detail that is appropriate to the particular decision.

2.4 Types of Information Systems

The five major types of information systems are: transaction processing, office automation, management information, decision support, and executive support. Each is explained below:

1. Transaction — processing systems. This is a computer-based information system that executes and records the routine day-to-day transactions required to conduct an organization's business. Supervisors, operations personnel are the ones served by the transaction — processing systems.
2. Office Automation Systems. This refers to a computer-based information system aimed at facilitating communication and increasing the productivity of managers and office workers through document and message processing. The oldest ones are word processing systems. They allow text to be created, edited, and printed quickly and easily. Office automation systems serve managers, office staff, professionals and supervisors. The recent ones are electronic mail systems. These allow for high-speed exchange of written messages by means of computer text processing and communication networks.

You also need to know that an office automation systems also includes the following applications:

- (a) Voice mail. A means of recording a telephone message and storing it in a computer's secondary storage for later retrieval by the intended receiver.
- (b) Electronic calendaring. A method of maintaining appointments schedule electronically.
- (c) Teleconferencing. A means of communication between two or more geographically separated locations by using electronic and or image-producing facilities.
- (d) Document retrieval. The use of one or more electronic devices to store documents on microfilm or some other medium and facilitate the later location and copying of the stored images.
- (e) Facsimile transmission. A means of sending documents by telephone that arrive in printed form at the receiving location.
- (f) Groupware. Software designed to facilitate meetings by coordinating simultaneous computer messages from group members.
- (g) Graphics. A means of creating charts and diagrams.

2.5 Management Information Systems

Management information systems is a concept that permeates every literate family especially where computers are used. What do you understand by management information system? It is a computer- based system that produces routine reports and often allows on-line access to current and historical information needed by managers mainly at the middle and first-line levels. Management information systems are important in planning, decision-making, and controlling. Specifically,

they summarize information from transaction — processing systems to produce routine and exception reports for managers and supervisors. More often, the term management information systems is used to designate the field of management that focuses on designing and implementing computer-based information system for use by management.

2.5.1 Computer-related Systems Relevant to Management

There are some computer-related systems that are very relevant to management. They are briefly discussed below:

1. **Decision support systems.** Is a computer-based information system that supports the process of managerial decision making in situations that are not well structured. Rather than point to optimal decisions for managers, decision support system attempts to improve the decision making process by providing tools that help managers and professionals analyze situations more clearly. What do you think are the differences between decision support systems and management information systems? There are about three differences:
 - (a) When compared with management information systems, a decision support system provides more advanced analysis and greater access to various models that managers can use to examine a situation more thoroughly.
 - (b) decision support systems often rely on information from external sources as well as from the internal sources that are largely the domain of management information systems.
 - (c) Decision support systems tend to be more highly interactive than management information systems.
2. *Expert System.* This is one specialized type of decision support systems that is currently in vogue. Expert systems are computer-based systems that apply the substantial knowledge of an expert to help solve specialized problems.
3. *Artificial Intelligence.* Expert systems are one outgrowth of artificial intelligence. Artificial intelligence is a field of information technology aimed at developing computers that have human-like capabilities, such as seeing, hearing, and thinking.

Self - Assessment Exercise 1

1. Define Management Information Systems.
2. Explain the differences between decision support systems and management information systems.

2.5.2 Executive Support Systems

Executive support systems is the second computer-related systems that are very relevant to management. Executive support system refers to a computer-based information system that supports decision-making and effective functioning at the top levels of an organization.

What are the differences between decision support system and executive support system? The differences are stated below:

- (i) An executive support system, unlike a decision support system which is narrowly focused, involves more general computing capabilities, communications, and display options that are applicable to different problems.
- (ii) An executive support system makes less use of analytical models than does a decision support system.
- (iii) Essentially, executive support systems are information systems tailored to fit the needs of executives working in particular situations.

2.6 Developing Computer-based Information Systems

A manager in this age of information technology must have at least a general knowledge of what is involved in information systems development. His knowledge must include: the systems of development life cycle and alternative means of systems development.

2.6.1 The Systems Development Life Cycle

The development of new information follows a traditional process known as development life cycle. This refers to a series of stages that are used in the development of most medium- and large- size information systems. It has seven distinct stages: planning, Systems Analysis and Requirements, Systems Design, Development, Integration and Testing, Implementation, Operations and Maintenance.

1. Planning

The purpose of this first phase is to find out the scope of the problem and determine solutions, resources, costs, time, benefits and other items should be considered here.

2. Systems analysis & requirements

The second phase is where teams consider the functional requirements of the project or solution. It is also where system analysis takes place -

or analyzing the needs of the end users to ensure the new system can meet their expectations.

3. Systems design

The third phase describes in details the necessary specific features and operations that will satisfy the functional requirements of the proposed system which will be in place.

4. Development

Now the real work begins! The development phase marks the end of the initial section of the process. Additionally, this phase signifies the start of production. The development stage is also characterized by insinuation and change.

5. Integration & testing

This phase involves systems integration and system testing (of programs and procedures) - normally carried out by a Quality Assurance (QA) professional - to determine if the proposed design meets the initial set of business goals.

6. Implementation

The sixth phase is when the majority of the codes for the program is written, and when the project is put into production by moving the data and components from the old system and placing them in the new system via a direct cut-over.

7. Operations & maintenance

The last phase is when end users can fine-tune the system, if they wish to boost performance, add new capabilities or meet additional user requirements

What is the usefulness of the life-cycle approach? It has several usefulness:

1. It provides a series of stages and phases as guidelines for major system development efforts.
2. It focuses considerable effort on early definition of both the necessary functions and the outputs of the system.
3. It allows for the involvement of potential users.

What then are the disadvantages of the life-cycle approach? As it has advantages, it also has its inherent disadvantages:

1. It is very costly
2. It is common to encounter backlogs of 2 or 3 years before new applications of computer technology can be developed.
3. The intended users often have difficulty specifying all the functions and outputs of the system early in the life cycle, as required.
4. It tends to discourage changes in the system definition once the definition stage is over.

2.6.2 Alternative Means of System Development

Among the alternatives to the conventional life-cycle approach are: application of software packages, prototyping, and end-user development.

1. Application of software packages: These are software programmes available for sale or lease from commercial sources.
2. Prototyping: Refers to the process of building a rough, working model of all or parts of a proposed information system for purposes of preliminary evaluation and further refinement.
3. User-developed system: This refers to the development and/or management of information systems by users.

2.7 Impacts of Information Technology on Organizations

In this last section of the unit, you will learn about the usefulness of information technology to organizations. The major areas of influence include organization structure, individual jobs, and organizational risk.

1. **Organization Structure:** Computer-based information systems influence the overall structures of organizations. For instance, it has reduced the need for middle managers, and has caused top management to assume more of the responsibility for innovating and planning. It has also led to large organizations decentralizing decision making.
2. **Individual Jobs:** Computers can influence individual jobs in three ways: alterations in the design of jobs, the job-related stress and health consequences of computers, and increasing options regarding the location of work.
 - (a) **Alterations in the design of jobs.** For clerical jobs, computers can lead either to jobs that are extremely simple and require little skill or to jobs that involve creativity and skill. At the professional level, computers are reducing the number of routine

tasks while increasing the ability of professionals to communicate with others. At the managerial level, computers offer managers new ideas to help with decision making, communication and control.

- (b) **Stress and health consequences.** One topical issue in the world of computers is the practice of using computers to assess employee performance. This is known as electronic monitoring. Studies have shown that monitoring can degrade the quality of customer service and of the work environment itself. Sitting in front of a video display terminal for a long time has hazardous effects. Such hazards include, eye, back, and wrist injuries.
- (c) **Location of work.** Computer technology has introduced telecommuting. *Tele-commuting* is a form of working at home that is made possible by using computer technology to remain in touch with the office. Computer technology has also given birth to logical office. Logical office refers to the concept that portable microcomputers allow an individual's office to be anywhere the individual is, rather than being restricted to one specific place. Examples are laptop computers.

3. Organizational Risks

Information technology also has its risks. The common risks include: errors, physical calamities, theft, sabotage and security breaches, and resistance to and under-utilization of major systems.

1. Errors. With complex software, errors and problems occur.
2. Physical calamities. An organization's information flows can be seriously destructed by damages caused by fires, floods, power failures and similar calamities.
3. Theft. Today computer technology is being used to commit theft, especially in the banking sector.
4. Sabotage and Security Breaches. Computer sabotage is the deliberate disruption of computer-related activities, while computer security breaches refer to getting unauthorized entry to computer. These two factors are becoming major problems to information technology today.
5. Resistance and under-utilization. There are times when managers and their subordinates might resist significant resources allocated to developing systems. Also top-level managers at times may be adverse to operating computers because they tend to associate using a keyboard with lower-level work. This can lead to under-utilization.

2.8 Assessing the Quantitative Management Perspective

The behavioural management you will recollect focused more on the human aspect of the organization. In contrast, the quantitative perspective relies on hard, rational facts and formulas. Specifically, managers find quantitative management useful for planning, decision making, and controlling.

The quantitative perspective has its limitations. For instance, it is not helpful for managers seeking a broad framework for analyzing and implementing effective management because it deals primarily with problems and not management patterns. There are times when some managers claim that particular tools are not applicable to the situation they find themselves.

This problem is not however without a solution. One technique that can be used is called sensitivity analysis. This is a process whereby the manager varies elements in the model so that the results reflect what may happen under a variety of conditions.

Another problem associated with the quantitative perspective is that it is not always an effective way to arrive at a real-world solution in the public sector when political, technical, or timely issues confuse the situation

You should realize however, that in spite of these limitations, organizations can benefit by applying appropriate techniques and using old-fashioned management judgment to interpret and then implement the results.

Self - Assessment Exercise 2

1. What three ways can computers influence individual jobs?



2.9 Summary

In this unit, you have learned about management information systems as the last strand of quantitative management perspective. We also explained the nature as well as the type of information systems. Management information system has been clearly defined in this unit; concepts like data, information, electronic processing were also explained in the unit.

The unit also discussed the differences between decision support systems and management information systems.

We also discussed the differences between support systems and management information systems. You also learned how to develop a computer-based information system: a business problem is defined, a physical design is laid out, and implementation and operation follow. Finally, this unit explained to you the various implications- both positive and negative, of information technology on organizations.



2.10 References/Further Readings/Web Resources

Bartol, K. M. & D.C. Martin (1994). *Management*. McGraw-Hill, Inc. New York.

Gremillion, Lee L. & Philip, J. Pyburn (1988). *Computers and Information Systems in Business: An Introduction*. McGraw-Hill, Inc. New York.



2.11 Possible answers to Self - Assessment Exercise

Answers to SAE 1

1. Define Management Information Systems.

Management information systems is a concept that permeates every literate family especially where computers are used. It is a computer-based system that produces routine reports and often allows on-line access to current and historical information needed by managers mainly at the middle and first-line levels. Management information systems are important in planning, decision-making, and controlling. Specifically, they summarize information from transaction — processing systems to produce routine and exception reports for managers and supervisors. More often, the term management information systems is used to designate the field of management that focuses on designing and implementing computer-based information system for use by management.

2. Explain the differences between decision support systems and management information systems.

There are about three differences:

- (a) When compared with management information systems, a decision support system provides more advanced analysis and greater access to various models that managers can use to examine a situation more thoroughly.
- (b) decision support systems often rely on information from external sources as well as from the internal sources that are largely the domain of management information systems.
- (c) Decision support systems tend to be more highly interactive than management information systems.

Answers to SAE 2

1. What three ways can computers influence individual jobs?

(a) **Alterations in the design of jobs.** For clerical jobs, computers can lead either to jobs that are extremely simple and require little skill or to jobs that involve creativity and skill. At the professional level, computers are reducing the number of routine tasks while increasing the ability of professionals to communicate with others. At the managerial level, computers offer managers new ideas to help with decision making, communication and control.

(b) Stress and health consequences. One topical issue in the world of computers is the practice of using computers to assess employee performance. This is known as electronic monitoring. Studies have shown that monitoring can degrade the quality of customer service and of the work environment itself. Sitting in front of a video display terminal for a long time has hazardous effects. Such hazards include, eye, back, and wrist injuries.

(c) Location of work. Computer technology has introduced telecommuting. *Tele-commuting* is a form of working at home that is made possible by using computer technology to remain in touch with the office. Computer technology has also given birth to logical office. Logical office refers to the concept that portable microcomputers allow an individual's office to be anywhere the individual is, rather than being restricted to one specific place. Examples are laptop computers.

Unit 3 Contemporary Management Perspective

Unit Structure

- 3.1 Introduction
- 3.2 Learning Outcomes (LOs)
- 3.3 Systems Theory of Management: An Overview
 - 3.3.1 Contributors to Systems Theory
 - Alfred Korzybski
 - Norbert Weiner
 - Ludwig Von Bertalanffy
- 3.4 Major Components of Systems Theory
- 3.5 Open Versus Closed Systems
- 3.6 Systems Theory Assessed
- 3.7 Summary
- 3.8 References/Further Readings/Web Resources
- 3.9 Possible Answers to Self-Assessment Exercise(s)



3.1 Introduction

We have come to the last strand of management theory - Contemporary Management Perspective. This strand is divided into three streams: Systems theory, Contingency theory, and Emerging views. The present unit, Unit fifteen is devoted to the systems theory. The other two theories- contingency and emerging views will be treated in the next unit.

You will learn in this unit the definition of systems theory. The unit will also discuss the works of contributors to the system. You will also learn in the unit the various components of systems theory. Another point you will learn in the unit is the open versus closed systems perspective. Finally, a general assessment of the theory is done in the unit.



3.2 Learning Outcomes (LOs)

By the end of this unit, you will be able to:

- explain systems theory
- discuss the works of contributors to the theory
- differentiate between open and closed systems
- explain the major components of systems theory
- assess the systems theory of management.



3.3 Systems Theory of Management: An Overview

The systems theory of management views the organization as a verified, purposeful system composed of interrelated parts. The theory draws on works from many fields, including biology. The theory analyzes the functions of the total enterprise in terms of systems-inputs, processing and outputs- with a view toward improving their operations.

Systems theorists point out that most units within an organization (a system) interact with each other and are therefore dependent on each other.

The system theory also emphasizes that most organizations are open systems, that is, the organization (system) depends for its inputs (money, materials, employees) on other systems.

In short, what you will learn in this unit is that systems theory is a way of looking at and integrating the management functions (planning, organizing, leading and controlling) and the management schools of thought (scientific management, human relations, principles of management) in order to analyze how a manager organizes his thoughts and actions.

3.4 Contributors to Systems Theory

Many authors contributed to the development of what we have today as systems theory. We will present three of such authors in this section

(a) Alfred Korzybski

One early contributor to systems theory was Korzybski. He emphasized the process (dynamic) nature of reality. He called his approach "general semantics". Korzybski argued in his book — *Science and Sanity: An introduction to Non-Aristotelian System and General Semantic (1933)*, that we live in three worlds: the world of events, the world of objects, and the world of symbols. Specifically, Kristof, Vladislav and Gert, (2019), he focused on problems of language and communication. His topics included: abstracting, inferences, language, inflexibility, environment of communication, the nature of words and the importance of perception.

(b) Norbert Wiener

Weiner was a scientist whose works have greatly affected the world. He pioneered in the field of cybernetics. His concepts of systems control by

information feedback directly contributed to development of the electronic computer. Wiener's work gave the first clear view of an organization as a system consisting generally of input, process; outputs, feedback and environment Wiener, (1989)

(c) Ludwig Von Bertalanffy

The most important contributor to system theory was Bertalanffy, a biologist, who developed a general systems theory. He saw organization as the primary problem of all life. Though he considered parts to be important, he saw the whole as also important. He argued that the whole might have properties that are not mere summations of the parts. Kristof, Vladislav and Gert, (2019)

3.5 Major Components of Systems Theory

The System Theory as you will discover in this unit submits that an organizational system has four components (See figure 3.1)

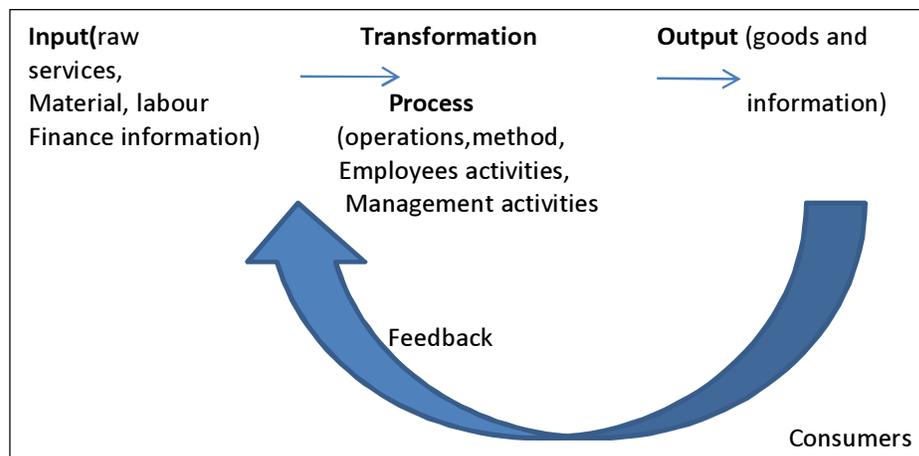


Fig. 3.1: Contingency View

The four parts as can be seen in Figure 15.1 are inputs, transformation processes, outputs and feedback.

Inputs. Inputs are the various human, material, financial, equipment, and informational resources required to produce goods and services.

Transformation processes. Are the organization's marginal and technological abilities that are applied to convert inputs into outputs.

Outputs. These are the products, services, and other outcomes produced by the organization.

Feedback refers to the information about results and organizational status relative to the environment.

3.6 Open Versus Closed Systems

A system exists in two forms: Open and closed. An Open System is a system that operates in interaction with its environment. A closed system is a system that does little or no interaction with its environment and little feedback.

- (a) **Characteristics of Closed Systems:** A closed system is one that:
- (i) is independent of its environment;
 - (ii) determines its own destiny;
 - (iii) controls its own internal relationships. The continuing existence of a closed system does not depend on its entering transactions with the outside world.

(b) **Characteristics of Open Systems**

Katz and Kahn (1971) identified some characteristics of open systems. These are: input, through-put, output, cycles of events, differentiation, and equifinality or synergy. These are briefly explained below:

1. *Input: The Importation of Energy.* Open systems according to Onyeonoru (2000) import some form of energy from the external environment. Social organizations replenish their supplies of energy from the other institutions, or people, or the material environment because social structures are rarely self-sufficient or self-contained. In organizations, inputs may be in the form of the importation of skill, technology, or raw materials for the through-put process.
2. *Through-put: Transformation Process.* The next step is the transformation of energy available to them just like the body transforms starch and sugar into heat and action. Organization on its part creates new products, processes materials, trains people, or provides services.
3. *The output: Export.* Open systems export some products into the environment for the benefit of other systems. Organizational output may be in the form of innovative invention embodied in product. For instance, a bridge constructed by an engineering firm, or beverages brewed by a food processing company represent some form of output.
4. *Cycles of Events.* The pattern of activities of the energy exchange has a cyclic character. The product exported into the environment furnishes the sources of energy for the repetition of the cycles of activities. For instance, the industrial enterprise utilizes raw

materials and human labour to turn out a product, which is marketed and the monetary return is used to obtain more raw materials and labour to perpetuate the cycle of activities.

5. *Differentiation*. This is the tendency of open systems to become more complex. The increased complexity usually stems from the addition of specialized units to handle particularly challenging parts of the environment.
6. *Equifinality*: Steady state (synergy). The final characteristic of open systems is synergy.

This is the ability of the whole to equal more than the sum of its part. What this means is that an organization ought to be able to achieve its goals more effectively and efficiently than would be possible if the parts operated separately.

Self - Assessment Exercise 1

1. Define systems theory management.
2. Discuss the 5 main characteristics of the open systems.

3.7 Systems Theory Assessed

In this section of Unit fifteen, attempt is made to discuss the strengths (usefulness) and weaknesses (limitations) of systems theory. Let us start with the strengths.

(a) Strengths of Systems Theory

1. The systems theory is useful because it helps managers envision the boundaries of their organizations and the ways in which subsystems, the various systems within a system, interact with each other.
2. Managers taking the systems perspective can look at their organizations in terms of the amount of interaction with the environment. A closed system for instance, has no interaction with its environment and is therefore self-sufficient, but an open system interacts with its environment and receives feedback.
3. Over time, systems may fall victim to entropy, the natural tendency of systems to decay. But organizations can use feedback to detect entropy and then counter the process with negative entropy — the ability to acquire new inputs from the environment to keep system from deteriorating.
4. With the concept of synergy — the idea that the whole is greater than the sum of its parts can be used by an organization to accomplish its goals. Put in another form: people who come together to form an organization can accomplish more than they could work by themselves. This is similar to Fayol's *Esprit de corps* treated in Unit 8.

5. Systems theory argues that most organizations are open systems — that is, the organization (system) depends for its inputs (money, materials, employees) on other systems. This enables managers to know that an organization cannot for example solve the problem of production without considering whether other systems will ship necessary materials on time or at the right price.

(b) Limitations of Systems Theory

The systems theory also has some limitations:

1. The theory is prone to the danger of reification. Reification is the error of regarding an abstraction as a material thing, and attributing causal powers to it — in other words the fallacy of misplaced concreteness.
2. Systems thinking is heavily managerial in conception hence, its under emphasis of such realities as the conflictual social relations in the workplace — with particular reference to trade unionism, and labour management relations.
3. The systems approach is tautological in that the concept of function cannot be given any substantive content.
4. The assumptions of the theory cannot be operationalized.
5. Habermas (a major critique of the systems approach) questioned the basis for the analogy between the biological organism and social organization. He argued, that the notion of "survival" derived from the biological organism, which underlies the system — environment relation cannot be legitimately extended to the sociocultural level.
6. Organizational systems consist of and are run by people. Accordingly, interpersonal relations might be more important than particular input/output structures and organizational forms, which in any case are subject to human control.
7. Systems theory has little to say about the causes of motivation to work hard within various types of systems.
8. The boundaries of a system might change according to circumstances and over time (changing patterns of distribution, for instance).
9. Different members of the same system may have entirely different interpretations of its structure and aims.
10. The actions of a single individual can instantly transform the nature of a system.
11. Systems theory cannot on itself explain organizational behaviour without taking other considerations into account.
12. Often, organizational relationships are highly complex. In these cases the application of the systems approach might naively simplify what in fact is an enormously complicated problem.

There is a vast range of variables potentially relevant to organizational performance so that the specification of just a few inputs and constraints is bound to be arbitrary to some degree.

- 13 . Some advocates of the systems approach have used it to justify centralization of administrative procedures in circumstances where this might not be entirely appropriate. The tendency to centralization flows from the adoption of a holistic perspective: hence the desire to concentrate decision making at the apex of the organization.

Despite the foregoing limitations, do you know that the systems thinking has remained influential to date, as organizational perspective. This is so because thinking in terms of systems has been very fruitful as a framework for organizing and understanding the patterns of social relations and social action observable in organizations.

Self - Assessment Exercise 2

1. Discuss the limitations of the systems theory.



3.8 Summary

You have learned from this unit that the systems approach represent a relatively recent major innovations in ways of thinking about management. You will also realize from this unit that the systems approach is based on the notion that organizations can be visualized as systems, including inputs, transformation processes, outputs and feedback.

This unit has also made it clear to you that the systems approach views the organization as a unified, purposeful system composed of interrelated parts rather than dealing separately with the various segments of an organization.



3.9 References/Further Readings/We Resources

Brown, W. B & D. C. Moberg (1980). *Organization Theory and Management: A Macro Approach*, John Wiley and Sons, New York.

Onyeononu, I. (2000). "Systems Approach and Organisation". In O. A. Ogunbameru and P. Ehi Oribabor (Ed.) *Introduction to Industrial Sociology*. Obafemi Awolowo University, Ile-Ife, Nigeria.



3.10 Possible answers to Self - Assessment Exercise

Answers to SAE 1

1. Define systems theory management.

Systems theory is a way of looking at and integrating the management functions (planning, organizing, leading and controlling) and the management schools of thought (scientific management, human relations, principles of management) in order to analyze how a manager organizes his thoughts and actions.

2. Discuss the 5 main characteristics of the open systems.

These are briefly explained below:

1. *Input: The Importation of Energy.* Open systems import some form of energy from the external environment. Social organizations replenish their supplies of energy from the other institutions, or people, or the material environment because social structures are rarely self-sufficient or self-contained. In organizations, inputs may be in the form of the importation of skill, technology, or raw materials for the through-put process.
2. *Through-put: Transformation Process.* The next step is the transformation of energy available to them just like the body transforms starch and sugar into heat and action. Organization on its part creates new products, processes materials, trains people, or provides services.
3. *The output: Export.* Open systems export some products into the environment for the benefit of other systems. Organizational output may be in the form of innovative invention embodied in product. For instance, a bridge constructed by an engineering firm, or beverages brewed by a food processing company represent some form of output.
4. *Cycles of Events.* The pattern of activities of the energy exchange has a cyclic character. The product exported into the environment furnishes the sources of energy for the repetition of the cycles of activities. For instance, the industrial enterprise utilizes raw materials and human labour to turn out a product, which is marketed and the monetary return is used to obtain more raw materials and labour to perpetuate the cycle of activities.
5. *Differentiation.* This is the tendency of open systems to become more complex. The increased complexity usually stems from the addition of specialized units to handle particularly challenging parts of the environment.

6. *Equifinality*: Steady state (synergy). The final characteristic of open systems is synergy.

This is the ability of the whole to equal more than the sum of its part. What this means is that an organization ought to be able to achieve its goals more effectively and efficiently than would be possible if the parts operated separately.

Answers to SAE 2

The systems theory also has some limitations:

1. The theory is prone to the danger of reification. Reification is the error of regarding an abstraction as a material thing, and attributing causal powers to it — in other words the fallacy of misplaced concreteness.
2. Systems thinking is heavily managerial in conception hence, its under emphasis of such realities as the conflictual social relations in the workplace — with particular reference to trade unionism, and labour management relations.
3. The systems approach is tautological in that the concept of function cannot be given any substantive content.
4. The assumptions of the theory cannot be operationalized.
5. Habermas (a major critique of the systems approach) questioned the basis for the analogy between the biological organism and social organization. He argued, that the notion of "survival" derived from the biological organism, which underlies the system — environment relation cannot be legitimately extended to the sociocultural level.
6. Organizational systems consist of and are run by people. Accordingly, interpersonal relations might be more important than particular input/output structures and organizational forms, which in any case are subject to human control.
7. Systems theory has little to say about the causes of motivation to work hard within various types of systems.
8. The boundaries of a system might change according to circumstances and over time (changing patterns of distribution, for instance).
9. Different members of the same system may have entirely different interpretations of its structure and aims.
10. The actions of a single individual can instantly transform the nature of a system.
11. Systems theory cannot on itself explain organizational behaviour without taking other considerations into account.

12. Often, organizational relationships are highly complex. In these cases the application of the systems approach might naively simplify what in fact is an enormously complicated problem. There is a vast range of variables potentially relevant to organizational performance so that the specification of just a few inputs and constraints is bound to be arbitrary to some degree.
- 13 Some advocates of the systems approach have used it to justify centralization of administrative procedures in circumstances where this might not be entirely appropriate. The tendency to centralization flows from the adoption of a holistic perspective: hence the desire to concentrate decision making at the apex of the organization.

Unit 4 Contingency Theory

Unit Structure

- 4.1 Introduction
- 4.2 Learning Outcomes (LOs)
- 4.3 An Overview of Contingency Theory
- 4.4 Contingency Factors
 - Technology
 - Size
 - Environment
- 4.5 Contingency Approaches to Leadership and Management Behaviour
 - Contribution from Fred Fielder
 - Contribution from Robert Tannenbaun and Warren H. Schmidt
- 4.6 Contingency Theory: An Appraisal
- 4.7 Summary
- 4.8 References/Further Readings/Web Resources
- 4.9 Possible Answers to Self-Assessment Exercise(s)

4.1 Introduction

You are welcome to the sixteen unit - Contingency Theory. The journey so far has been very smooth. Or what is your view? I am happy for saying - "it has been good and smooth".

Contingency as you already read in Unit fifteen is the second of the three strands of the contemporary management perspective. Charles Kindleberger, a renowned economist used to say to his MIT students the answer to any really engrossing question in economics is: "It depends". Though he did not elaborate on what it depends on, and in what ways, the gap left by Kindleberger will be filled in this unit.

Contingency theory also known as situational theory is a management theory emphasizing that appropriate management behaviour should be adapted to the unique circumstances of the organization and the specific situation.

Wait a while and reflect back on the classical management theory. Our previous discussions about classical theory have shown that the classical theorists, such as Taylor (scientific management) and Fayol (administrative school) attempted to identify "the one best way" for managers to operate in a variety of situations. You must have also observed from our previous discussion that things were not that simple as propounded by the classical theorists. Consequently, contingency theory started to develop. Rather than seeking universal principles that

apply to every situation, contingency theory attempts to identify contingency principles that prescribe actions to take depending on the characteristics of the situation.

In this unit therefore, you will learn about the historical development of contingency theory. The factors affecting contingency are also explained in this unit. Contingency approaches to management and behaviour are also discussed in the unit. Finally, an appraisal of contingency theory is undertaken in the later part of this unit.

4.2 Learning Outcomes (LOs)

By the end of this unit, you will be able to:

- explain the contingency theory.
- describe the contingency theory growth .
- discuss the factors influencing contingency theory.
- explain contingency approaches to leadership and management behaviour.

4.3 An Overview of Contingency Model

You can still recollect that we are on the second phase of the contemporary management perspective. Let us take a cursory look at the growth of the theory. One of the earliest pioneering studies that helped establish contingency theory was conducted in the 1950s by a research team led by Joan Woodward, an industrial Sociologist. 100 British firms with different sizes and product lines, were studied to determine whether the better – performing companies adhered more closely to classical principles, such as unity of command, than did companies with average or below average performances.

When their studies using the classical principles did not yield any result, they shifted to the type of technology used, by the companies. Woodward, argued that complex organizations function as open systems, and in order to reduce the uncertainties caused by the external environments, organizations endeavour to protect their technical core.

The underlying assumption is that organizations and sub-units with similar technologies and/or environments will exhibit similar behaviour in the form of structure or organizational design.

Another contingency theorist was Duncan. His model attempted to identify the characteristics of the environment which contribute to decision unit members experiencing uncertainty in decision making. He was of the opinion that both internal and external factors have impact on

perception of decision of members. He submitted that the structure and behaviour of a particular organizational unit or subsystem is a function of the following:

1. What happens within the unit?
2. What happens within external unit of the organization?
3. What happens within the internal unit of the organization?

Can you begin to feel the argument of Kindleberger from these assumptions? "It depends".

Put in another way, can you see that the structure and behaviour of a particular organizational unit or subsystem "depends" on the three factors enumerated above?

Lawrence and Lorsh (1967) who developed their model around the same time with Thompson developed it around environmental uncertainties. They classified environment into three sub-systems which interact with the external sub-environment: research and science, sales and market production, technical and economic.

On his part Perrow (1970), emphasizes technology as the major determinant of organizational structure. This will be better discussed under the factors affecting contingency. Can you infer what led to the birth of contingency theory now? If you can still recollect, you will notice that in the early management study, classical theorists (Taylor, Fayol, and Weber) attempted to develop the ideal organization structure. However, they found that a structural configuration that seemed to work for one organization was a deterrent to effectiveness in another. Subsequently, contingency theory began to develop.

4.3.1 Contingency Factors

We have just explained above, the focus of contingency theory - that appropriate managerial action depends on the particular parameters of the situation. To date, researchers have come up with three factors affecting the organization: technology, size, and environment.

- (a) **Technology.** Technology refers to the knowledge, tools, equipment, and work techniques used by an organization in delivering its product size. Fry (1982) identified two critical aspects of technology: complexity and interdependence.
 - (i) *Technological complexity.* You can still recollect that the pioneering study that discussed the importance of technology was conducted in the 1950s by a team led by Woodward.

We already have known that they did not find any relationship between the use of the classical principles in restructuring organizations and the success of a firm. They invariably associated such with the three types of technology: unit and small -batch production, large-batch and mass production, and continuous - process production. Let us briefly highlight these types.

1. In unit and small-batch production, products are custom-produced to meet customer specifications, or they are made in small quantities by craft specialists.
2. In large-batch and mass production, products are manufactured in large quantities, frequently on assembly line.
3. In continuous-process production, products are liquids, solids, or gases that are made through a continuous process.

The researchers found that increasing complexity was associated with more levels of management (a taller structure), more staff personnel per line worker, and large spans of control at upper management levels. Their results showed that formalization (a method of vertical coordination that addresses the degree to which written policies, rules, procedures, etc. specify what actions are (or are not) to be taken under a given set of circumstances and centralization (a vertical condition relating to the extent to which power and authority are retained at the top organizational levels) both tended to be high in organizations engaged in large-batch and mass-production technology. This is because the efforts of large numbers of workers need to be standardized. In contrast, formalization and centralization were low in organizations using unit and small-batch, as well as continuous - process, where appropriate work decisions must be made at the lower levels.

What inference can you draw from the work of Woodward and others? The most important outcome was that the more successful firms had structural characteristics that were close to the median for their particular technology. The less successful firms had structural characteristics that deviated significantly from the median for their technology. Your concern here is to know that/appropriate structural characteristics depend, at least to some extent, on the type of technology used by an organization.

- (ii) Interdependence
- (b) **Size**

The question to ask is - what has size got to do with the goings-on in an organization? It is interesting to know that Woodward and the team did not find anything definite from their investigation of the possibility of a clear relationship between size and various structural characteristics.

Other studies have only succeeded in establishing minimal relationship. But why? One probable reason may be because size is just one element in the question. Other important factors, such as environment and technology also affect organization structure. Another probable reason may be because size can be measured in various ways: gross sales or profits or by number of employees. These factors make it difficult at times to compare studies.

However, four trends have been identified by studies of size effects on structure:

1. With growth in size, organizations may add more departments and levels, than by making structures more complex.
2. With growth in size, organizations employ more staff to help top management cope with the expanding size.
3. With organizational growth, more rules and regulations become imperative. This is to assist in achieving vertical coordination.
4. As organizations grow larger, they tend to become more decentralized.

(c) **Environment**

You will recollect that this is the third contingency factor. What do you understand by environment? Environment is considered in this unit to refer to the territory in which human action occurs and as itself modified by human agency. Burns and Stalker (1961) did some studies on the effects of environment on organization structure. The studies covered 20 British firms. They found that the firms had different structural characteristics, depending on whether, they operated in a stable environment with relatively little change over time or an unstable environment with rapid change and uncertainty. They came up with two types of environment: mechanistic and organistic. Firms operating in a stable environment have relatively *mechanistic characteristics* such as highly centralized decision making, many rules and regulations, and mainly hierarchical communication channels. Emphasis was on vertical coordination, with limited delegation from one level of management to the next.

Firms operating in a highly unstable and uncertain environment had relatively *organic characteristics*, such as decentralized communication channels. Emphasis was on a horizontal coordination, with considerable delegation from one level to the next. This was to allow the firms cope with their rapidly changing environments. For a comprehensive and pictorial understanding of mechanistic and organic see table 4.1

Table 4.1: Characteristics of Mechanistic and Organic Organizations

Mechanistic	Organic
Work is divided into narrow, specialized tasks	Work is defined in terms of general tasks.
Tasks are performed as specified unless changed by managers in the hierarchy.	Tasks are continually adjusted as needed through interaction with others involved in the task.
Structure of control, authority, and communication is hierarchical.	Structure of control, authority, and communication is a network.
Decisions are made by the specified hierarchical level.	Decisions are made by individuals with relevant knowledge and technical expertise.
Communication is mainly vertical, between superior and subordinate,	Communication is vertical and horizontal, among superiors.
Communication content is largely instructions and decisions issued by superiors.	Communication content is largely information and advice.
Emphasis is on loyalty to the organization and obedience to superiors.	Emphasis is on commitment to organizational goals and possession of needed expertise.

Source: Adapted from Bartol, K. M. and D. C. Martin (1994) Management (2nd Ed.) McGraw-Hill, Inc. New York.

Self - Assessment Exercise 1

1. What is contingency model?
2. Distinguish between mechanistic and organic organizations.

4.4 Differentiation and Integration

Lawrence and Lorsch, two American management experts extended the work on environment. Three departments were investigated: manufacturing, sales, research and development, to probe into the effects of environment on various units within the same organization. They focused on differentiation. The extent to which organizational

units differ from one another in terms of the behaviours and orientations of their members and their formal structures. They found significant differentiation in the three units. For instance, research and development concentrated on new developments, operated fairly informally. Sales departments were oriented toward immediate customer satisfaction, operated more formally than research and development departments.

What was their other finding? When they considered firm effectiveness, they found that the most effective firms attempted to balance differentiation with efforts toward integration, the extent to which there is collaboration among departments that need to coordinate their efforts. The greater the differentiation among departments because of environmental instability, the greater the efforts toward integration in the most successful companies.

4.5 Contingency Approaches to Leadership and Management Behaviour

Contribution from Fred Fiedler.

Fiedler (1967) developed a contingency theory of leadership effectiveness. It is called a contingency model because the leader's effectiveness is particularly contingent upon three variables:

1. ***Leader-member relations***: Leaders who have good relationships with their group members, who are liked and respected, will have more influence than those with poor relationships. Fiedler claims that this is the most important single dimension.
2. ***Task structure***: Tasks or assignments which are spelled out with specific guidelines, or even programmed, give the leader more influence than tasks which are vague, nebulous and unstructured.
3. ***Leader's position power***: Leaders who are able to reward and punish subordinates (through disciplining, setting pay, hiring and firing, and so on) have more power and are thus in a more controlling and favourable position than those who cannot.

4.6 Contribution from Robert Tannenbaum and Warren II. Schmidt

These authors in 1958 wrote an article entitled, 'How to choose a Leadership Pattern'. In their commentary, they stated how they felt the article could be updated to take into consideration conditions which were not present or which they had omitted when the article was first written.

Their statement verifies the fact that management theories can and should be altered to allow for changing conditions. Since people are

changing their needs and expectations, management theories should equally be altered to take these changes into consideration.

4.7 Contingency Theory: An Appraisal

(a) Limitations

You must have observed some limitations of the contingency theory: causal relationship organizational performance, independent variables, multiple contingencies, planned change, power factors and timing of organizational change. Let us take time to go through each of these limitations:

1. Causal relationship. Most contingency models imply a causal relationship between structure, as an intervening variable, and performance as a dependent variable. This relationship is open to question.
2. Organizational structure. Contingency model argues that there is a fit among components of the organization and situation variables is related to maximizing organizational performance. But organizational performance is multi-faceted.
3. Independent variables. The supposed status of the independent 'contingent' variables as the 'given' and beyond the control of members of the organization is open to question.
An organization may influence their environment through advertising or political pressure groups.
4. Multiple contingencies. Organizations face multiple contingencies and there is potential for multi-way relationships among the range of organizational variables.
5. Planned change. Contingency models fail to give sufficient emphasis to unanticipated consequences of planned change.
6. Power factors. Organization structure is not necessarily determined only by
Impersonal contingency conditions, but also by what are referred to as 'power factors', e.g. government policies.
7. Timing of organizational change. Changes in structure tend to lag behind situational change. There is, therefore, a degree of luck about whether at any moment in time there is a good fit between structure and prevailing contingency factors.

(b) Contributions of Contingency Theory

1. Though contingency theory has its limitations, it has however, provided a further insight into our understanding of relationships among factors influencing the structure, management and operations of work organisations.

2. The basic concepts of the contingency theory help managers to develop a more thorough understanding of complex situations and to take appropriate action.
3. Robey, even submits that modern contingency theory provides an increasing amount of empirical research, it defines variable ignored in earlier work, and it directs the attention of the manager to the contingencies to be considered in the design of organization structure.

Self - Assessment Exercise 2

1. Explain Fiedler's contribution to contingency theory.

4.8 Summary

You have learned from this unit that the contingency model draws attention to the situational factors which account for variations in the structure of organizations. You also have noticed that its focus is more with differences among organizations than with similarities. This unit has equally taught you the three contingency factors, size, technology and environment which affect organization structure, leadership and management behaviour.

4.9 References/Further Readings/Web Resources

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4.10 Possible answers to Self - Assessment Exercise

Answers to SAE 1

1. What is a contingency model?

Contingency Model

Contingency models represent studies focused to determine whether the better – performing companies adhered more closely to classical principles, such as unity of command, than did companies with average or below average performances. When their studies using the classical principles did not yield any result, they shifted to the type of technology used, by the companies. It was argued that complex organizations function as open systems, and in order to reduce the uncertainties caused by the external environments, organizations endeavour to protect their technical core.

The underlying assumption is that organizations and sub-units with similar technologies and/or environments will exhibit similar behaviour in the form of structure or organizational design.

Another contingency model attempted to identify the characteristics of the environment which contribute to decision unit members experiencing uncertainty in decision making. However, it was observed that both internal and external factors have impact on perception of decision of members. It was further submitted that the structure and behaviour of a particular organizational unit or subsystem is a function of the following:

1. What happens within the unit?
2. What happens within external unit of the organization?
3. What happens within the internal unit of the organization?

These models brought into limelight the idea of "It depends". Meaning the structure and behaviour of a particular organizational unit or subsystem "depends" on the three factors enumerated above?

Another model was developed around environmental uncertainties. They classified environment into three sub-systems which interact with the external sub-environment: research and science, sales and market production, technical and economic.

Yet another emphasized technology as the major determinant of organizational structure. It is these models that led to the birth of contingency theory.

2. Distinguish between mechanistic and organic organizations.

Answers to SAE 2

1. Explain Fiedler's contribution to contingency theory.
 1. **Leader-member relations:** Leaders who have good relationships with their group members, who are liked and respected, will have more influence than those with poor relationships. Fiedler claims that this is the most important single dimension.
 2. **Task structure:** Tasks or assignments which are spelled out with specific guidelines, or even programmed, give the leader more influence than tasks which are vague, nebulous and unstructured.
 3. **Leader's position power:** Leaders who are able to reward and punish subordinates (through disciplining, setting pay, hiring and firing, and so on) have more power and are thus in a more controlling and favourable position than those who cannot.