



NATIONAL OPEN UNIVERSITY OF NIGERIA

FACULTY OF MANAGEMENT SCIENCES

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COURSE TITLE: MANAGEMENT THEORY

BUS 839: MANAGEMENT THEORY

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Introduction

Management Theory is a twenty credit course. The course is available to all students to offer towards the core module of their M.Sc Business Administration in Management Theory. The course is also useful to practising administrators/ managers who are not registered with NOUN.

The course is made up of twenty units, which deals with a general overview of management, the various management perspectives (classical, behavioural, quantitative and contemporary), the controversy over the status of management, whether it's a science, an art or something else. The course will also deal with management in Nigeria. The aim is to provide students and practitioners with up to date state of management theory to serve them in their various work situations.

The only requirement for this course is a first degree in any discipline or s equivalence 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*.

What you will learn in this Course

The global intent of this course *Management Theory* is to introduce you to the philosophy, principles and applications of management theory. During the course you will learn about the historical emergence of management thought, the status of management, the various types of management theory, management functions, management in Nigeria, and planned change management.

There, are regular tutorial classes that are linked to the course. It is advisable you attend these sessions. Details of times and locations of tutorials will be communicated to you soon.

Management is very essential for effective and efficient running of organisations, especially' in this competitive world. Towards the end of this course you will learn about management in Nigeria. The usefulness of management in Nigeria, and the problem confronting management practise in Nigeria will be highlighted.

Course Aims.

The aim of this course can be summarized as follows: this course aims to give an understanding of management principles and their applications.

This will be achieved by aiming to:

- Introduce you to the evolution of management theory;
- Explain the status of management with regard to whether it's a science, an.art or something else;
- Explain the major perspectives of management theory from classical to behavioural, to quantitative, and to contemporary viewpoint;
- Introduce you to the major management functions;
- D istin gu ish be tw een a man a ger and a lead er;
- Exp la in th e variou s manage me nt job types ;
- Ex p la in to yo u man a ge me nt p ract ise in N i ge r ia ;
- Ex p la in th e man a ge me nt o f ch a n ge to yo u .

Course Objectives

To achieve the aims set above, the course sets overall objectives. In addition, each unit also has 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 should be able to:

1. Present an overview of management theory.
2. Discuss the management functions.
3. Explain the status of management, whether it is a science, an art or something else.
4. Distinguish between a manager and a leader.
5. Discuss the various managerial job types.
6. Describe the evolution of management thought.
7. Discuss the pre-classical management and the scientific management school.
8. Discuss the bureaucracy.
9. Discuss the administrative management school.
10. Explain the behavioural movement.
11. Describe the Hawthorne studies.
12. Discuss the Human Relations movement.
13. Explain the behavioural science approach to management.
14. Discuss Operations Management (OR), or Management Science.
15. Explain Operations Management.
16. Explain the systems theory.
17. Explain the contingency theory.
18. Describe the emerging views of management.
19. Explain management practice in Nigeria.
20. Discuss management of change.

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. Textbooks
4. Assignment file (to be made available soon by the NOUN)
5. Presentation schedule.

You are advised to purchase some of the set books. The NOUN will not provide them, so the responsibility is yours. You are free to contact your tutor or the developer of this course if you have problems in obtaining the set texts.

Study Units

There are twenty study units in this course, as follows: 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

Unit 6: The Evolution of Management

Theories Unit 7: Scientific Management Theory

Unit 8: Administrative Management

School Unit 9: Bureaucracy

Unit 10: Neoclassical Theory — the Hawthorn

Studies Unit 11: Human Relations Movement

Unit 12: The Behavioural Science Approach

Unit 13: Operations Research (Management Science) Unit 14: Operations Management

Unit 15: Management Information Systems

Unit 16: Contemporary Management Perspective — the Systems Theory

Unit 17: Contingency Theory

Unit 18: The Emerging Views

Unit 19: Management in Nigeria

Unit 20: Management of Change

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.

Set Textbooks

There are two relevant, useful and compulsory set books. They should be purchased by you, and if you have any difficulty contact your tutor or the developer of this course.

Bartol, K.M. and D.C. Martin (1994), *Management* (2nd Ed), McGraw-Hill, Inc. New York.

Ogunbameru, O.A. and P. Ehi Oribabor (ed) (2000), *Introduction to Industrial Sociology* Obafemi Awolowo University Press, Ile-Ife, Nigeria.

Assignment File

The *Assignment file* will be available at the NOU secretariat. In this file you will find all the details of the work you must submit to your tutor for grading. The marks you obtain for these assignments will count towards the final mark you obtain for this course. Additional information on assignments will be found in the *Assignment File* itself and later in this *Course Guide* in the section on assignment.

There are twenty assignments in this course. The twenty course assignments will cover:

1. A general overview of management and management functions.

2. The functions of management
3. Management: a Science or an Art?
4. Manager Versus Leader: the Controversy
5. Managerial Job Types
6. The Evolution of Management Theories
7. Scientific Management Theory
8. Administrative Management School
9. Bureaucracy
10. Neoclassical Theory — the Hawthorne Studies
11. Human Relations Movement
12. The Behavioural Science Approach
13. Operations Research (Management Science)
14. Operations Management
15. Management Information Systems
16. Contemporary Management Perspective — the Systems Theory
17. Contingency Theory
18. The Emerging Views
19. Management in Nigeria
20. Management of Change

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 a substantial percentage of your total course mark.

Tutor-Marked Assignments (TMAs)

There are twenty tutor-marked assignments in this course. But you need only to answer and submit ten assignments. It is however recommended that you submit all the twenty, because the highest ten of the twenty marks will be recorded.

For this course, you can get the assignment questions in the *Assignment File*. 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 assist you on this.

On completion of the assignments, they should be sent to your tutor. It is advisable that your assignment reaches your tutor on or before the deadline given in the *presentation schedule* and *Assignment File*. If per chance, you are unable to meet the deadline for submission of your work, you need to contact your tutor before the assignment is due to discuss the possibility of an extension. Except for special circumstances, exceptions will not be granted after the due dates.

Final Examination and Grading

The final examination for *Management Theory* will be of three hours duration and have a value of 60% 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.

Course Marking Scheme

The table below lays out how the actual course marking is broken down. Table 1: Course Marking Scheme

Assessment	Marks
Assignments 1-20	Twenty assignments, best ten marks of the ten count at 40%
Final examination	60% of overall course marks
Total	100% of course marks

Table 2 brings together the units, the number of weeks you should take to complete them, and the assignments that follow them.

Table 2: Course organizer

Unit	Title of work	Weeks Activity	Assessment (end of unit)
	Course Guide		
1.	An Overview of Management		Assignment 2
2.	Management Functions		Assignment 2
3.	Management: a Science or an Art		Assignment 2
4.	Manager Versus Leader: the Controversy		Assignment 2
5.	Managerial Job Types		Assignment 2
6.	The Evolution of Management Theories		Assignment 2
7.	Scientific Management Theory		Assignment 2
8.	Administrative Management School		Assignment 2
9.	Bureaucracy		Assignment 2
10.	Neoclassical Theory		Assignment 2
11.	Human Relations Movement		Assignment 2
12.	The Behavioural Science Approach		Assignment 2
13.	Operations Research (Management Science)		Assignment 2
14.	Operations Management		Assignment 2
15.	Management Information Systems		Assignment 2
16.	Contemporary Management Perspective —System Theory		Assignment 2
17.	Contingency Theory The		Assignment 2
18.	Emerging Views		Assignment 2
19.	Management in Nigeria		Assignment 2
20.	Management of Change		Assignment 2
	Revision		
	Total		

How to get the most from this Unit

You need to know that in distance learning The study units stand in 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 material. 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. Listed below are your twelve "commandments".

1. Read this Course Guide thoroughly.
2. Organise a study schedule. Refer to the Course overview for more details. Follow strictly the time you are to spend on each unit.
3. Once a personal study schedule is created, endeavour to stick to it. Most students fail simply because they lag behind in their course work. At any time you run into any difficulty, get in touch with your tutor at least, before it is too late.
4. Turn to unit 1, and read the introduction and the objectives for the units.
5. Assemble your study materials. Information about what you need for a unit is given in the "content" at the beginning of each unit. Contact your set books regularly when you are reading your units.
6. Work through the unit. The content of the unit itself has been arranged to provide a sequence for you to follow.
7. Keep in touch regularly with your set books.
8. Regularly read through the *Assignment File*, and know that you will gain a lot by doing the assignments carefully. They have been designed for two purposes:
(i) to help you meet the objectives of the course, and (ii) to help you pass the exam. Submit all assignments as at when due.
9. Review the objectives for each unit to confirm that you have achieved them. If you are in doubt or confused about the objectives, either review the study material or consult your tutor.
- 10 When you are sure that you have achieved a unit's objectives, you can then start on the next unit. Proceed unit by unit through the course and try to face your study so that you keep yourself on schedule.
- 11 After submitting an assignment to your tutor for marking, do not wait for its return before starting on the next unit. Always keep to your schedule. Each time an assignment is returned, pay particular attention to your tutor's comments, both on the tutor-marked assignment form and also written on the assignment.
- 12 Finally, after completing the last unit, review the course and prepare yourself for the final examination. Make sure you have achieved the unit objectives (listed at the beginning of each unit) and the course objectives (listed in this Course Guide).

Tutor and Tutorials

Tutorial hours are provided in support of this course. You will be notified of the dates, times and location of these tutorials, together with the name and phone/e-mail of your tutor, as soon as you are allocated to a tutorial group.

Your tutor will mark and comment on your assignments, keep a close watch on your progress and on any difficulties you might encounter and provide assistance to you during the course. You must mail your tutor-marked assignments to your tutor well before the due date.

You are free to contact your tutor by phone or e-mail if you need help. Listed below are some circumstances in which you would find help necessary to contact your tutor. Contact your tutor if:

- You do not understand any part of the study units or the assigned readings.

- You have difficulty with the self-tests or exercises.

- You have a question or problem with an assignment, with your tutor's comments on an assignment or with the grading of an assignment.

It is good you attend all the tutorials. This is because it is the only opportunity to have face-to-face contact with your tutor and to ask questions which are answered instantly. It also affords you the opportunity to raise any problem encountered in the course of your study.

This course, *Management Theory*, proposed to introduce the philosophy, principles and growth management thought to you. Upon completing this course, you will be equipped with basic understanding of Management. You will be able to answer these kinds of questions:

What is meant by management?

What are the functions of management?

What is the status of management: A Science or an Art?

Distinguish between a manager and a leader

What roles do entrepreneurs play to promote innovation?

What are the historical antecedents of management thought?

What contributions did the pre-classical theorists have on management theory?

What are the strengths and weaknesses of the scientific management theory?

Discuss the main functions and dysfunctions of bureaucracy.

List and explain the 14 principles of Henri Fayol.

What are the contributions of Hawthorne studies to management theory?

Compare the contributions of Maslow with McGregor's to the human relations movement.

What is the usefulness of Operations Management?

What are the strengths and limitations of the systems perspective?

What are the advantages of the contingency perspective over the systems theory?

Why do managers study motivation?

Explain the contribution of Ouchi to Theory Z.

What are the factors influencing the work attitude of the Nigerian worker?

How can management overcome resistance to change.

The list of questions is unlimited to the above list. To gain the most from this course, you need to apply the principles and philosophy of management to your work activity.

We wish you success with the course and hope that you will find it both interesting and useful.

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1)

1.0 Introduction

Your 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. I am saying this 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.

2.0 Objectives

After studying this unit, you should be able to:

1. Explain what management is.
2. Explain why people study management.
3. Describe what managers do.
4. Identify the factors influencing work agendas.
5. Describe knowledge base and types of skills required by managers.

3.1 An Overview of Management

3.1.1 What is Management

To have a proper understanding of what management is, note from the beginning that it denotes two things - it denotes a function as well as the people who discharge the function.

Let us therefore rely on the definition provided by Robbins and Coutler (1966). The term *Management refers* to the process of coordinating work activities so that they are completed efficiently and effectively with and

management can through other people- This should not be taken to mean that this is the only way that - be-defined. 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 organisation's goals by effectively leading, and controlling the organisation's human, physical, financial and

informational resources.

3.1.2 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 for studying management. The first reason is that we all have a vested interest in improving the way organisations are managed. The point being raised here is that organisations that are well managed develop a loyal constituency, they grow and prosper. On the other hand, organisations 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 from college 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.

3.2 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.

3.2.1 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, 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. ¹ 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 brainwork 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

mceomomsu.n.ic•ation, 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.

3.2.2 Managerial Work Agendas

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 manager is attempting to accomplish. Do you know that even at home as-soon as you arise from bed you start having agendas? Without an agenda as an ordinary individual or as a manager in an organization, your working plan will not be efficient.

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 organisation, 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 organisation.

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. **Students Assessment Exercise**

- I. Define Management.
2. Why do people study management?
3. Distinguish between a network and a work agenda.
4. Discuss the factors influencing work agendas.

3.3 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 formulating 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 organisation members, and important

suppliers and customers.

A *skill* is 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.

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 organisation as a whole, discern interrelationships among organisational parts, and understand how the organisation 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.

Students Assessment Exercise

1. What is managerial knowledge base?
2. How can knowledge base and skill contribute to organisational performance?

4.0 Conclusion

Management is the process of coordinating work activities so that they are completed efficiently and effectively with and through other people. Individuals are interested in studying management to assist them in their daily activities, and also to assist them in their organisational work.

Managers draw up work agendas in order to work efficiently and effectively. There are some factors that influence work agendas. These are: job demands, job constraints and job choices.

5.0 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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6.0 References and Further Reading

Bartol, K.M. and D.C. Martin (1994) *Management* (second Edition), McGraw-Hill, Inc New York.

Robbins, S.P. (1993) *Organisational Behaviour: Concepts, Controversies, and Application* (8th Edition), Prentice — Hall International, Inc. New Jersey.

7.0 Tutor-Marked Assignment

Question

Define management and discuss why people study it.

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1.0 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 organisation structure are also discussed. In the last section of the unit you are introduced to leadership styles and steps in the control process.

2.0 Objectives

(-

After studying this unit' you should be able to:

- I. Define and describe the purpose of planning.
2. Identify the components of planning.
3. Explain the obstacles to planning.
4. Define and describe the purpose of organizing.
5. Describe organisation structure.
6. Define and describe the purpose of leading.
7. Describe leadership styles.
8. Define and describe the purpose of control.
9. Describe the various steps in the control process.

3.1 Management Functions

3.1.1 Planning

- Definition and purpose of planning

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 organisational goals, as well as developing comprehensive plans to integrate and coordinate activities.

The next issue I want us to address is:

Why do managers plan? William F. Glueck (1980), gave four reasons why managers plan:

- I. Planning leads to organisational 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. We shall discuss about the management change in Unit 20.
4. Planning is necessary for effective performance of the other management functions. Without planning, organisation and 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.

Types of Planning Decision

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

The answer to the first question is that plans differ by level in the organisation. Plans also differ by extent of recurring use. Since there are levels of goals, plans must also differ according to level in the organisation.

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 organisations to guide their activities and resource allocation. Specifically, *strategy* means the overall plan for the organisation to accomplish its goals in the context of environmental forces beyond the control of the organisation (Brown and Moberg 1980).

A *policy* on the other hand refers to a general guide that specifies the broad parameters within which organisation members are expected to operate in pursuit of organizational goals. In summary, strategy focuses mainly on an organisation's relationship to the external environment and the competitive nature, while policy focuses mainly on internal organisational 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.

Obstacles to Planning

We have tried to define and describe planning and its different levels. I want you to 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 Steiner (1969) — "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 organisation". It should however be noted that while precision exists in some specific planning techniques, it is not in specification of all overall strategic plan.

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- (2) *The problem of plan size.* The database for a good and detailed organisational 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.

Lack of information. Inadequate information or a breakdown in communication can hinder planning.

Students Assessment Exercise

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

3.2.1 Organizing

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

-Organisation 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 Organisation Structure.

What then is an organisation structure? Oribabor (**2000**) defines *organisation structure* as the way in which

the organisation 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 organising, and the role of organisation, take a sheet of paper

and

draw the organisation structure of your organisation, or of any known

organisation. **3.3.1** Leading

Definition and Purpose of Leading

This is the third function of management. We *all* know that every organisation 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 organisational objectives.

To fully understand the purpose of leadership, consider this statement by Davis:

.... without leadership, an organisation 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 organisation and its people.

From this quotation, you can see that leadership is indispensable if an organisation is to be successful.

Without leadership the link between individuals and organisational goals may become tenuous.

Lack of leadership has also been found to be associated with lower employee satisfaction, higher grievances, and lower productivity.

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 (See Figure 2.1). 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 organisational goals.

Democratic (participative) style. This style seeks to obtain the cooperation of workers in achieving

- organisational 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. (See Figure 2.1).

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. (See Figure 2.1).

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

I

Participative

Fig. 2.1 Types of leadership

Autocratic

Laissez-faire

Source: Adapted from Hicks, H.G. and C.R. Gullett (1981) *Organization Theory and Behaviour McGraw-Hill, Tokyo.*

Look at Fig. 2.1 very well. What is your interpretation of the three leadership style? Figure 2.1 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.

3.4.1 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.

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 channelled toward organizational objectives.

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.

Directing irregularities. Controls help managers to detect undesirable irregularities, such as product defects, cost overruns, or rising personnel turnover.

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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 organisations 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.

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.
 - (i) They provide a basis for detecting job difficulties related to personal limitations of organisation 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 organisation members and those of the organisation).
- 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 organisation as a whole and every unit and individual within it. The goals are then used as a basis for planning, managing organisational 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.
- (6) 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. Students Assessment Exercise

- I. Why is leading relevant in organisation?
2. Describe the advantages and disadvantages of each of the three leadership styles.

3. Without control, the other three functions of management will fail. Do you agree?
4. List the various steps involved in the control process.

(.)

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4.0 Conclusion

Management performs four major functions that are necessary for any organisation to succeed, The functions are: Planning, organizing, leading and controlling. Each of these functions are inter-independent. it is useful to study management functions because organisations contribute to the successful living of the modern day man. Can you imagine the life of mankind in this complex world without organisation? It would have been frustrating and chaotic. We rely for instance, on organisation for food, shelter, clothing, employment among others. To achieve these ends, organisations must be properly managed.

5.0 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.

6.0 References and Further Reading

Hicks, H.G. and C. Ray.Gullet (1981), *Organisations: Theory and Behaviour* McGraw-Hill, Inc Tokyo.

Oribabor, P.E. (2000) "Organisational structure: The key Dimensions". In O.A. Ogunbameru and P.

Ehi Oribabor, *Introduction to Industrial Sociology*. (Ed) Obaferni Awolowo University Press, Ile-Ife,

Nigeria.

7.04 Tutor-Marked Assignment

Question

Discuss the main functions of management.

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UNIT 3: Management: A Science or an Art?

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Management
 to all of the maintenance of leadership
 science a profession

1.0 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.

2.0 Objectives

After studying this unit, you should be able to:

1. Define the following concepts — science, art, human relations, profession, and leadership.
2. Explain management as a Science.
3. Explain management as an art.
4. Explain management as leadership.
5. Explain management as human relations.
6. Explain management as a profession.

3.1 is Management a Science?

You will better understand this problem 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 Webster's Third New International Dictionary's definition of Science. According to Webster's 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 analysed 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.

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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.

3.2 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. Encyclopedia of World Art. Vol. 1, defines Art as "an activity of the mind and the technical activity of craftmer". 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 Fredrick W. Ness, 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.

3.3 Is Management a Profession?

Mother 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? Edger H Schein (1968) compared key qualities of professionals with those of managers, and came up with three characteristics.

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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-workrelated 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. Schein argued that no management code of ethics has yet been so developed.

Management according to Schein 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 organisations. 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.

Borje O. Saxberg (1983) 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.

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

3.4 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 organisation development movement. Improvement really meant human relations or sensitivity training and organisation 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 organisational 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

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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.

3.5 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. 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 organisational 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.

3.6 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.

- Students Assessment Exercise
 - 1 Is Science a profession, leadership or human relations?
 - 2 Distinguish between the following terms:
 - (a) A profession
 - (b) Leadership
 - (c) Human relations

4.0 Conclusion

From your readings of Units one and two, you would have realized that "management" is a broad term used for organizing people and processes to get things done. It is simply a goal-directed human affairs. People are confused about what management is and what it is not. In the very long past, people argued that management was a science. At about the same time some other people argued that it was an art. The controversy had not died down when some scholars and writers came up with other variations: management is leadership, management is a profession, and that management is human relations. A cursory review of the literature shows that management is not just any of these. It is all the things it is said to be.

5.0 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 predetermined objectives of organisations 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 terms.

6.0 References and Further Reading

Dabney, P. Jr. (1980), "What Management Is and Isn't," *Educational Record*, Fall, pp. 72-75. Stoner, J. A. F. and W. Wankel (1986) *Management 13rd ed*) Prentice — Hall of India Private Limited, New Delhi.

7.0 Tutor-Marked Assignment

Question

Is Management a Science or an Art?

UNIT 4: Manager Versus Leader: The Controversy Table of

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1.0 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 organisations 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 organisation, or even better, cannot one person be both a manager and a leader?

2.0 Objectives

After studying this unit, you should be able to:

1. Describe a manager.
2. Explain the roles of a manager.
3. Define a leader.
4. Explain the roles of a leader.
5. Identify the areas of differences between managers and leaders.

3.1 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 disorganisation,

Another simple way a manager can be described is to describe him as the person responsible for directing the efforts aimed at helping organisations achieve their goals.

management functions: Planning, organizing, leading, and **The Roles of a Manager** In Unit two, we discussed extensively the four

controlling. We do not need to repeat these functions here. What you need here is to learn about the four roles that all managers play:

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. Organising. *Organising* 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.

Types of Managers

It is useful to discuss the types of managers that exist. The three existing types are general manager, functional manager, and project manager.

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 task.

3.2 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 organisation are not automatic but must be supplied by the leader).
4. Catalyzing (to start or increase movement in an organisation, 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 organisation to others and also serves as a symbol of the organisation. Outsiders think of the organisation 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 organisational 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).

- **Students Assessment Exercise**

1. Define a Manager.
2. What roles do managers perform?
3. Who is a Leader?
4. Explain the functions of a leader.

3.3 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 works of Alfred P. Sloan and Edwin Land. These scholars have argued that managers be relying on the different attitudes toward their goals, careers, relations with others, and themselves. and leaders have for assessing these differences include manager's and leader's orientations toward The dimensions work, their human relations, and themselves. their goals, their

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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 organisation. 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.

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, 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.

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, using "signals" instead of "messages". What is the difference between these two methods — signals and messages? *Signal* 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 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.

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".

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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-borns, do not have an easy time of it. Because their lives are characterized by struggles, twice-borns do not take things for granted.

The once-borns and twice-borns 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.

Students Assessment Exercise

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

4.0 Conclusion

A manager is responsible for directing the efforts aimed at helping organisations achieve their goals. This is done through planning, organising, leading and controlling. The leader motivates employees towards the achievement of organisational goals.

5.0 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.

6.0 Reference and Further Reading

Glueck, W.F. (1980), *Management*. The Dryden Press, Hinsdale, Illinois, U.S.A.

7.0 Tutor-Marked Assignment

Question

What are the differences between a manager and a leader?

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UNIT 5: Managerial Job Types

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1.0 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 organisation.
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.

2.0 Objectives

After studying this unit, you should be able to:

1. Explain the types of managerial jobs.
2. Discuss the implications of managerial job types.
3. Explain what it takes to become an effective manager.

3.1 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 organisation.

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First-line Managers. *Firstline managers*, also known as *firstline 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. What is the relevance of first-line managers, you may want to ask? They are very important to the success of an organisation 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.

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 organisational plans to achieve organisational goals.

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 organisation. 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 organisation.

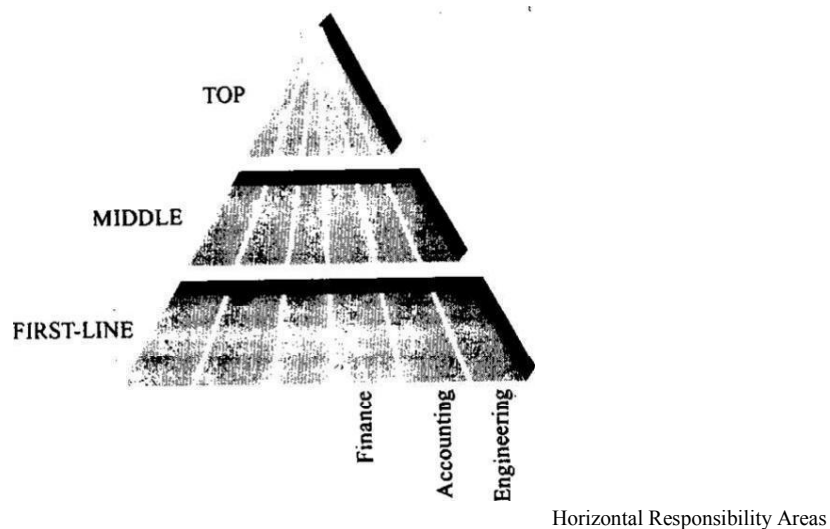


Fig. 5.1: Types of Managers by Hierarchical Level and Responsibility Area.

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

3.2. 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 (See Figure 5.2)

Vertical Levels
of Management

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coc • c ,o • =E^{it} m.0.

a

n e r t a s

cn> 6'

c'4

E o u 0 - a

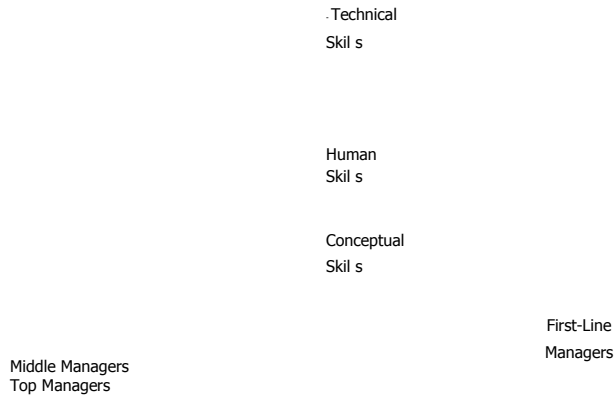


Fig. 5.2 Use of Key Management Skills at Different Hierarchical Levels

Source: Adapted from Bartol K.M. and D.C. Martin (1994) *Management* (2nd Ed.) McGrawHill, Inc. New York.

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Functions of Management

From Figure 5.2, you can see 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 organisation.

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.

Figure 5.2 further shows 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.

Figure 5.2 finally shows that controlling is the management function that is most similar at all three hierarchical levels.

Management skills

Take a cursory look at Figure 5.3. What are your observations? The first noticeable observation is that the three levels of management also differ in the importance attached to the key skills discussed in unit two earlier: technical, human, and conceptual.

Fig. 5.3: Use of Management Functions at Different Hierarchical Levels
 Qnarrar: Adapted from Bartol M.B, and D.C. Martin (1994) *Management* (2nd Ed.) McGraw-Hill, Inc. New York.

Figure 5.3 shows that 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 organisation 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 (identified ten managerial roles (See Table 5.1).

Table 5.1 Mintzeberg's Ten Managerial Roles

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

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.

3.3 Promoting Innovation: The Entrepreneurial Role

Let us explain the differences because of the particular importance of innovation to the success of organisations. 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.

Entrepreneurs: Individuals who engage in entrepreneurial roles inside organisations.

Entrepreneurship. The process of innovating within an existing organisation. Your next concern is to know the involvement of innovation at the three entrepreneurial roles. According to J.R. Galbraith (1982), the innovation process involves individuals at various levels who fulfill 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 organisational 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.

3.4 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.

Functional Managers. These are managers who have responsibility for a specific, specialized area (often called a *functional area*) of the organisation 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.

General Managers. These are managers who have responsibility for a whole organisation or a substantial subunit 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.

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.

3.5 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 leader..

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, (like the MBA you are doing now), organisational training programmes offered in-house. Today, emphasis is being placed on developing individuals' skills in international management both through classroom training and special job assignments.

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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. Herold 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:

- I. *The growing internationalization of business.* One basic fact in the world of business today is that organisations 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 organisations have been adopting *total quality management*. This involves a commitment to improve quality in every aspect of the organisations' operations.
3. *The expanding public concern with managerial ethics.* Robert D. Hof (1992) argues that organisations 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 organisations and their managers is emerging.

4.0 Conclusion

Managerial jobs vary on the basis of two important dimensions: vertical dimension and horizontal

dimension. The vertical dimension' can be grouped into three: first line managers/supervisors, middle managers and top managers.

The three major types of managerial jobs are: functional, general and project.

5.0 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.

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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.

6.0 Reference and Further Reading

Bartol, K.M. and D.C. Martin (1994) *Management* (2nd Ed.) McGraw-Hill, Inc. New York.

7.0 Tutor-Marked Assignment

Question

Identify the major types of managers, and discuss the factors that can promote effectiveness in managers.

UNIT 6: The Evolution of Management Theories

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1.0 Introduction

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Now that you have an idea of what management is, of 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 Unit six of this course, *Management Thought*.

One of the ways to best understand this unit is to ask yourself why you should be concerned with the history of management. Robert N. Lussier (200) provides the answer. According to Lussier, 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.

2.0 Objectives

After completing this unit, you should be able to:

I. Explain why you need to study the history of management.

2. Define a theory.

3. Discuss the usefulness of a theory.

4. Describe the development of each management theory.

3.1 Definition of a Theory?

John 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. -

Why study Management Theory?

Now that you know what a theory is, you need to also know why you have to study management theory. Stoner, Freeman, and Gilbert (2000) provide three reasons for studying management theory:

I. 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 our world.

3.2 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 these schools of thought is **the classical theory** which forms the basis of this section.

3.2.1 Development of Classical Theory

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

The classical theory according to L.F. 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 each of the three streams were developed by separate groups of writers working almost completely independently of each other.

The Emergence of Bureaucratic School

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

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.

- **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 organisation 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 *lame!* organisations. Make sure you follow the similarities and differences in these schools of thought.

The Emergence of Scientific Management School

This is the third major component of 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.

3.3 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 organisations 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 organisations.

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 k 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.

Students Assessment Exercise

- 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.
- 3 Why did the behavioural viewpoint of management emerge?

3.4 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

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three known schools are: **management science**, **operations management**, and **management information systems**.

Management Science (or Operations Research)

According to Larry M. Austin and James R. Burns (1985), Britain at the beginning of **World War 1** **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.

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 organisations maintain quality control and scheduling techniques that **help managers to plan** and track production.

Management Information Systems

Xpu will easily recollect that this is the third stand of the quantitative management school. **The viewpoint** arose because many organisations 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.

3.5 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 organisational environment.

The Systems Theory

The theory rather than dealing separately with the various segments of an organisation, views **the organisation** as a unified, purposeful system composed of interrelated parts. The systems theory

arose to **develop the influence of both internal and external environments on organisations.**

Contingency Theory

The theory is also known as *situational approach*. The need toward a more open systems approach to thinking about organisations 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.

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 marriage 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.

Students Assessment Exercise

1. Distinguish between the historical development of the classical management school of thought and the behavioural school.
2. Describe the quantitative management theory briefly.
3. Why did the emerging management develop?

4.0 Conclusion

Early management theory consisted of different methods of getting to know the problems associated with industrial life in the late 1900s and early 2000s. The best known of such management theories the scientific management, the classical theory, the behavioural school, the management science as well as the quantitative school have been discussed in this unit.

5.0 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.

6.0 References and Further Reading

Stoner, J.A.F., Freeman, R.E. and D.R. Gilbert (2000), *Management* (6th Edition) Prentice-Hall of India Private Limited, New Delhi.

Lussier, R.N. (2000), *Management fundamentals.. Concepts, Applications and Skill Development*. South-Western College Publishing, Canada.

7.0 Tutor-Marked Assignment

Question

What is a theory? Briefly describe the historical evolution of the classical management school of thought.

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UNIT 7: Scientific Management Theory Table

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1.0 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 *preclassical* known as the *contributors*. We will therefore spend some time on these theorists before we take a look at the classical theorists.

2.0 Objectives

After studying this unit, you should be able to:

1. Identify and explain the contributions of preclassical theorists.
2. Discuss the contributions of Taylor, the Gilbreths and Gantt to the scientific management school.
3. Do a critical assessment of the scientific management school.

3.1 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 are Robert Owen, Charles Babbage, and Henry R. Town. Let us take a brief look into their contributions.

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 organisations. 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

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

Henry R. Towne

The last of the pre-classical contributors, Towne, advocated the need to consider management as a separate field of systematic inquiry on a par with engineering. He argued that both engineering skills and business skills are needed to run an organisation effectively. He

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.

/3.2 Scientific Management Theory

- .../ 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 stressed job efficiency through the development of technical skills.

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

I. 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 a 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:

I. Scientifically study each part of a task and develop the best method for performing the task.

2. Carefully select workers and train them to perform the task by using the scientifically developed method.
3. Cooperate fully with workers to ensure that they use the proper method.
4. 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.

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 focussed 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.

- Students Assessment Exercise

- I. Briefly identify the pre-classical theorists and discuss their works.
2. Explain Taylor's work briefly.

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", that is, organisations 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.

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 organisations". Emerson listed twelve principles of efficiency:

- I. Clearly defined objectives
2. Common sense
3. Consultation
4. Discipline
5. Fair deal
6. Reliable, immediate, and adequate records
7. Despatching
8. Standard schedules
9. Standardized conditions
10. Standard operations

Written standard practice
instructions

12. Efficiency reward.

These principles are spelt out below:

I Clearly defined objectives. Managers must know what they want to accomplish and they must eliminak: 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 organisation 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. **Despatching.** Manager should use scientific planning of each function so that the organisation functions smoothly and achieve its goals.

K 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.

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 organisations, he also advocated for the participation of every employee in finding the "one best way".

y 3.5 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 psychosociological factors in fact exert powerful influences on behaviour.
- (b) Attention is focused on efficiency on the factory floor rather than at higher levels within organisations. 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 organised 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 dehumanises 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 mechanised 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 organised 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. One, 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 simplistic 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

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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.

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 organisation 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 organisational theorists till date.

Students Assessment Exercise

Identify the followers of Taylor and discuss their contributions.
What are the weaknesses in Taylor's work?

4.0 Conclusion

Classical theorists are those researchers who focus on the job and management functions to determine the best way to manage in all organisations. The classical theory is made up of three schools: Bureaucracy, Administrative school, and Scientific management. Contributors to this school included among others Taylor, the Gilbreths, Gantt, Harrington and Cooke.

These other theorists - The Gilbreths, Gantt, Harrington Cooke and Emerson were all Taylor's contemporaries, who contributed individually to Scientific Management school. All the contributors to Scientific Management theory were practical people who based their writings on experience from their professional backgrounds.

5.0 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 preclassical 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.

6.0 Reference and Further Reading

Oribabor, R Ehi (2000) "Approach to Organization Theory: Classical and Neoclassical Management Theories.. In O. A. Ogunbameru and P. Ehi Oribabor (ed), *Introduction to Industrial Sociology*, Obafemi Awolowo University Press, Ile-Ife, Nigeria.

7.0 Tutor-Marked Assignment

Q u e s t i o n

What is Scientific management theory?

Explain the major contributions of Taylor and the Gilbreths to the development of the theory.

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1.0 Introduction

Our main focus in Unit eight of this course, is on *the Administrative Management Theory*. The scientific management school called attention to a more efficient organisation, 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: Fayol, Barnard, Urwick, Follet, Mooney and Reiley, Gulick and others. The administrative theorists have some common elements. One, they were interested like Taylor in the process of efficient cooperation. Two, they developed principles and functions of management as the backbone of their theory of organisation. Three, they considered these principles and functions universal. Finally, they made a distinction between the theory or science of organisations 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 organisations.

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.

2.0 Objectives

After studying this unit, you should be able to:

1. Explain the elements and principles of administrative theory.
2. Discuss the weaknesses and benefits of administrative theory.
3. Explain the contribution of the administrative theorists.

3.1 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 disorganisation, 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.

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 own 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 organisational 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 organisations, 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 organisations.

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 organisation's activities.
2. The difference in authority between line and staff encourages the two groups to play disruptive political game when they interact.

Committees

A **Committee** is a formal organisation team, usually relatively long-lived, created to carry out specific organisational tasks. Committees provide an organisational structure in addition to line and staff.

They can contribute to creativity, communication, motivation, co-ordination 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.

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

Students Assessment Exercise

1. Distinguish between line and staff activities.
2. Discuss the advantages and disadvantages of committees.

3.2 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 organisation structure. 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

- I. Division of work. Work should be divided horizontally for more efficiency.
2. Authority and responsibility. Authority is the right to give orders. An organisational member has responsibility to accomplish the organisational objectives of his position.

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3. Discipline. There must be respect for and obedience to the rules and objectives of the organisation.
4. Unity of command. An employee should receive direction from one superior only.
5. Unity of direction. An organisation 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 organisation. 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 organisation 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 organisational hierarchy and is disseminated throughout the organisation by the process of delegation.
12. Equity. Kindliness and justice, based on predetermined conventions, should prevail in the organisation.
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 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 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. One, understand the communication. Two, see the communications as consistent with the purposes of organisation. Three, feel that the actions indicated are in line with their needs and those of the employees. Four, see themselves as mentally and physically able to comply.

3.4 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.

3.5 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.

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A good example of such contradiction are the "principles" of "centralization" and "decentralization". *Centralization* argues that organisational effectiveness is increased by consolidating decision making in coordinating head. In contrast, *decentralization* suggests that the organisation will benefit from delegating of decision making to subordinate units.

Contributions of Administrative Theory

Though the administrative theory has been severally criticised, 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.

Students Assessment Exercise

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

4.0 Conclusion

The administrative school focuses on principles that can be used by managers to coordinate the internal activities of Organisations. The theory was pioneered by Fayol, a French engineer. Like Taylor, his contemporary, Fayol focused on organisational functions, though he was primarily interested in the total organisation. You will observe that administrative theorists focused on overall, relatively macro aspects of organisations.

5.0 Summary

In this unit you have learned a lot. You have for instance, known that administrative theory is a normatively oriented set of ideas which generate concern about the re-structuring of an organisation. 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 levelled against the administrative theory, it still holds till date, simply because it works.

6.0 Reference and Further Reading

Oribabor, P. Ehi (2000) "Approach to Organization Theory: Classical and Neoclassical Management Theories". In O. A. Ogunbameru, P. Ehi Oribabor *Introduction to Industrial Sociology* (ed), Obafemi Awolowo University, Tutor Press, Ile-Ife, Nigeria.

7.0 Tutor-Marked Assignment,

Question

u) L. -) / -)

Write briefly on the following:

- (i) Line and staff
- (ii) Committees
- (iii) Unity of direction
- (iv) Subordination of individual interest to general interest
- (v) *Espirit de corps*

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UNIT 9: Bureaucracy Table

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1.0 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.

2.0 Objectives

After studying this unit, you should be able to:

1. Define bureaucracy.
2. Explain the elements of bureaucracy.
3. Discuss the contribution of Weber to the theory.
4. Explain the functions and dysfunctions of bureaucracy.
5. Identify the weaknesses and usefulness of the theory.

3.1 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 a management approach that emphasizes a structured organisation 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.

Elements of Ideal Bureaucracy

Weber's work basically comprised the following elements:

1. **Hierarchy.** The organisation 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 organisation 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 organisation in an impersonal fashion.
5. **Impersonality of organisational processes.** Interpersonal relationships are carried out through structure. Extra organisational 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.

Students Assessment Exercise

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

3.2 Functions of Bureaucracy

Bureaucracy provides some functions often referred to as advantages in organisations: 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 to specialize in those areas where he is expert.
2. *Structure.* Bureaucracy provides form to an organisation 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 learned about organisation 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 enable it to provide predictability and stability to an organisation. Bureaucracy also produces certainty and order.
4. *Rationality.* In a bureaucracy, judgements are made according to objective and generally agreed upon criteria - not by whim, caprice, or patronage. According to Weber, a rational organisation 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 organisation* is one free from personal caprice and favouritism.

What do you think is unique in a rational organisation? The uniqueness of a rational organisation 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.

3.3 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 are: rigidity, impersonality, displacement of objectives, limitations of categorization, self-perpetuation and empire building, cost of controls, and anxiety.

Victor A. Thompson (1961) characterized these dysfunctions as *bureaupathology*, 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.

- (1) *Rigidity.* Bureaucracy is criticized for being rigid, static, and inflexible. It is nonadaptive 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 organisation often fails to see innovation as a necessary life-giving element to an evolving, adaptive organisation.

- (2) *Impersonality.* You will recall that one of the elements of bureaucracy earlier mentioned in this unit is impersonality of organisational processes. Due to its emphasis on order predictability, and rationality, bureaucracy is being referred to as a "sterile machine model" of organisations. The consequence is that bureaucracy ignores persons - the basic element in an organisation. Some critics even refer to it as "organisation without persons". Relationship in a bureaucracy are secondary, contractive 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 subunit of the organisation, 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) *Selfperpetuation 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 organisation 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 organisation. Another source of anxiety is poor performance. This is well demonstrated by Walter R. 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 organisation.

3.4 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' organisation, Weber seems to have considered only one half of the problem.

3.5 Assessment of Bureaucracy

What contribution has bureaucracy made to management theory? Weber's work had a dramatic effect on organisation theory. Weber's work on management and organisation 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 organisations.
- (b) It does not explain the reasons for the existence of organisations.
- (c) It implies that centralised organisation is superior to decentralised organisational 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.

Students Assessment Exercise

1. Explain the main advantages of bureaucracy. 2. List the main dysfunctions of bureaucracy.

4.0 Conclusion

Bureaucracy was developed mostly by sociologists who, took a scholarly, detached, and descriptive point of view. Max Weber a pioneer writer on bureaucracy considered it from an ideal perspective. Human organisations without structure, stability and order will be chaotic. Man created bureaucracy in order to overcome what otherwise would have tamed to confusion in organisation. Bureaucracy emphasizes the need for organisations to operate in a rational manner rather than relying on the arbitrary whims of owners and managers.

5.0 Summary

In this unit you have learned that bureaucracy is a normative model of organisation which emphasizes the structure of an organisation. 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.

6.0 References and Further Reading

Brown, W. B. and D. J. Moberg (1980) *Organisation Theory and Management: A Macro Approach*. John Wiley and Sons, New York.

Bartol, K. M. and D. C. Martin (1994), *Management* (2nd Ed.) McGraw-Hill Inc. New York.

7.0 Tutor-Marked Assignment

Question

What is bureaucracy? Discuss Weber's ideal bureaucracy.

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1.0 Introduction

Initially, you will remember that you were introduced to the historical development of management theory. The areas broadly covered in the unit are: preclassical contributors, classical theory, behavioural theory, quantitative and contemporary theories. Units seven, eight and nine, were devoted to discussions on scientific management theory, administrative theory, and bureaucracy.

In this Unit ten, 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 ten will introduce you to the early behaviourists such as Hugo 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.

2.0 Objectives

After studying this unit, you should be able to:

1. Identify the causes and elements of the neoclassical theory.
2. Explain the contributions of early behaviourists to the neoclassical theory.
3. Explain the Hawthorne studies.
4. Discuss the findings and implications of the Hawthorne studies.

3.1 Development of the Neoclassical Theory

You will recollect 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.

You will recollect that the classical theory focuses on structure, order, the formal organisation, economic factors, and objective reality. Neoclassical theory, in contrast, focused on social factors at work (or the informal organisation) 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.

Causes of the Movement

According to Saul W. 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.

Elements of Neoclassical Theory

In the preceding three chapters, you learned that the classical theories emphasize 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 new classical theory submits that every person is different.

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

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.

Work Group

The other major element of neoclassical theory is the emphasis upon the informal groups. The work group or informal "shadow" organisation within the structure of the formal organisation 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.

3.2 Early Behaviourists

The *behavioural theorists* focus on people to determine the best way to manage in all organisations. 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 organisations. You can observe that the behavioural approach to management stressed the need for human skills.

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*.

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 writer. 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 organisations should operate on the principle of "power with" rather than "power over". She 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 organisation would operate as functional whole, with the various interrelated part 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.

Students Assessment Exercise

1. Explain the differences between the classical theory of management and the neoclassical theory.
2. Identify and discuss the works of the early behaviourists.

3.3 Hawthorne Studies

In paragraph 3.2 of this unit, you learned about Munsterberg's contribution to the neoclassical theory, where he emphasized individual differences in organisations, as well as the effect of outside social and cultural factors on the organisation.

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.

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 pre-eminence of the individual over the social conditions of systems which take into account collective and solidaristic 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:

- I. 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 this ability.

These ideas according to Pascal 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 recommendation 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 this are:

1. 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 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 researcher refused to accept defeat for the confusing results obtained from the Philadelphia Spinning Mill and Illumination experiments. Three other experiments known as the *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.

Hawthorne

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*.

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. Frances J. Milliken (1987).

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 chiselers" and those who violated the norms were disciplined by ridicule or ostracism.

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.

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 individual 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.

3.4 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.

- Students Assessment

Exercise

1. Describe in details the pre-Hawthorne studies.
2. Explain the main findings of the Hawthorne studies.

3.5 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 R. 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 signalled the importance of interpersonal and group relationships within an organisation.

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.

4.0 Conclusion

The neoclassical theory, especially the behavioural movement is an improvement on the classical school. You can observe that the behavioural management model was concerned with the nature and impact of individual and group behaviour within the organisation. The unit also shows you that one of the earliest contributors to this model was Munsterberge, followed by the Hawthorne studies researchers.

You will also have observed that the Hawthorne studies involved three management experts: Elton Mayo, F. J. Roethlisberger and William J. Dickson.

Finally, you can conclude from this unit that the neoclassical movement has made enduring contributions by relaxing the rigid and impersonal structures of classical theory and considering each person as an individual with feelings and social influences that affect his job performance.

5.0 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

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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 organisations continues as a major contributor to modern management and organizational theory.

6.0 References and Further Reading

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7.0 Tutor-Marked Assignment

Questions

Describe in details the Hawthorn

studies? What were the major

findings of the study?

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1.0 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 behaviorists, 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, *human relations movement* is a management perspective that views employees as responding to the interpersonal processes.

2.0 Objectives

After studying this unit, you should be able to:

1. Explain the Human Relations Movement.
2. Identify the contributions of Maslow to the movement.
3. Evaluate Maslow's work.
4. Evaluate McGregor's contribution to the movement.
5. Explain the relationships between Maslow and McGregor.

3.1 Contribution from Abraham Maslow

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 organisation. 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 11.1)

Hierarchy of Needs Theories

Fig. 11.1 Maslow's Hierarchy of Needs

Source: Hick H.G and C.R. Gullett (1981), *Organisations: Theory and Behaviour* McGraw-Hill, Inc. Tokyo.

Self-actualization needs

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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. The interdependence of the needs are shown in Figure 11.2

Fig. 11.2: Interdependence of Need Levels

Source:

Adapted from Hicks, I.L.G and C.R. Gullet (1981) *Organization: Theory and Behaviour*

McGraw Hill, Inc. Tokyo,

Figure 11.2 shows that when the peak of a need is passed, that need ceases to be the primary motivator of behavior. 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.

You can observe from Fig 11.2 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.

You need to know about these needs. So follow the discussion that follows attentively.

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 when frustrated. There is a Yoruba proverb that aptly describes the potency of Physiological needs, especially food: *Bi ehi ha ti kuro in mu ise, abuse ti buse* or another one which says: *Etti ti ebi npa ko gbo ya go*. Literally translated, the first one means that, once the issue of hunger is settled all other

Social Self-actualization

Esteem

Physiology

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man's problems become insignificant. The second one translates to is — An hungry man cannot hear "get out" of the way. What all these translate to mean — An individual who lacks food, safety, love and esteem would probably seek food more strongly than anything else.

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

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

Safety Needs. The needs that pertain to the desire to feel safe, secured and free from threats of existence. These are the needs expressed as desire for belonging, association, acceptance for peers, as well as giving and receiving friendship and love.

Esteem Needs. These are needs desired to have a positive self-image and to have our 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.

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.

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 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

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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 to Maslow's theory to the work situation. 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 organisation to a more highly paid and higher status position, but with less job security, in a different organisation.
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.

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 organisations to meet individual needs.

I. 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. •Students Assessment Exercise

- I. Explain what you understand by the human relations movement.
2. Discuss Maslow's hierarchy of needs theory.

3.2 Contribution from Douglas McGregor

In this unit, you need to know that motivation in organisation encompasses forces both within (internal) and external to the individual worker. *Internal motivation* refers to the needs, wants and desires

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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.

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. **The Assumptions of Theory Y**

Theory Y assumptions are believed could lead to greater motivation and increased fulfilment 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* is the establishment of an environment in which employees can best achieve their own goals by committing themselves to the organisation'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.

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.

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

3.3 Relationships of the Theories of Maslow and McGregor

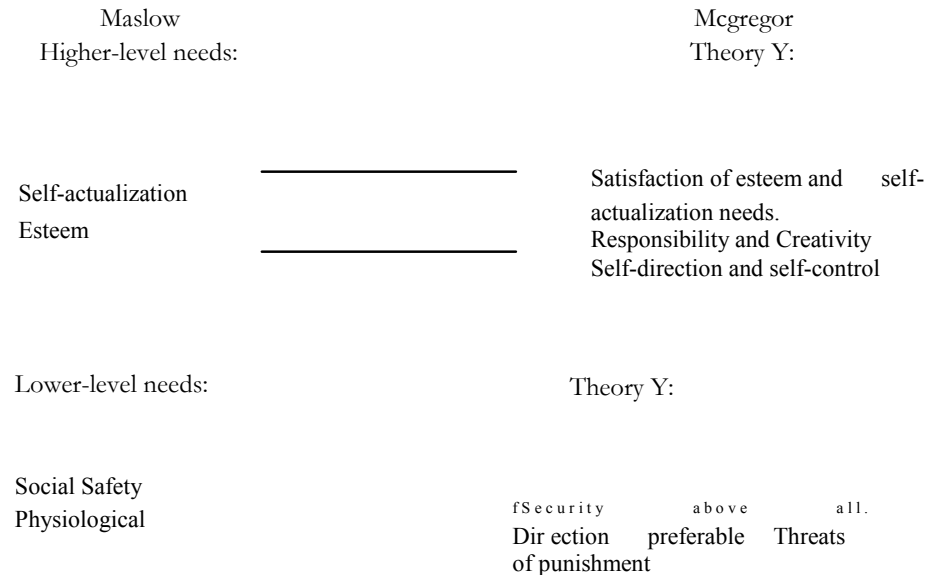


Fig. 11.3: The Relationship of the Theories of Maslow and McGregor

Source: Adapted from Hicks, H. G and C. R. Gullet (19991) *Organisations: Theory and Behaviour*. McGraw-Hill Inc. Tokyo.

"[his unit shows that although the theories of Maslow and McGregor all seem to approach motivation from a different perspective, the two theories as shown in Fig. 11.3 emphasize similar sets of relationships. Take note of the followings:

- I. 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.

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2. The three lower-level needs in Maslow's hierarchy of needs theory, physiological, safety and social 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.

- Students Assessment Exercise
 1. Contrast Maslow's and McGregor's works on motivation.
 2. Explain briefly, McGregor's contribution to motivation.

3.4 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 behavior 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.

3.5 Criticisms of the Human Relations Approach

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

Organisational 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 organisational structure on individual behaviour.
- 2. views organisations 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 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.

4.0 Conclusion

Human relations movement, a stream of behavioural approach has two main proponents: Maslow and McGregor. It is a management theory that views employees as responding to the interpersonal processes within the work unit. The Hawthorne studies, inspite of its controversies brought about a shift in the course of management theory toward the search for a better understanding of human relations. The *human relation movement* that evolved from the thinking of the Hawthorne studies sees employee behaviour as responsive to the interpersonal processes within the work unit.

5.0 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 organisations 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, social 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 organisation which will always be present within the formal structure. This informal organisation according to Mullins will influence 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 organisation and the importance of the groups and group values and norms in influencing individual work behaviour

6.0 References and Further Reading

Brown, W. B and D. J. Moberg (1980), *Organisation Theory and Managetment*. John Wiley and Sons. New York.

Hicks, H. G. and C. R. Gullet (1981), *Organisations: Theory and Behaviour*. Tokyo.

Mullins, L. J. (1996), *Management and Organisational Behaviour* (4th Ed.) Pitman Publishing, London.

7.0 Tutor Marked Assignment

Questions

Explain what you understand by the human relations movement. Discuss Maslow's hierarchy of needs theory.

A Macro Approach.

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UNIT 12: The Behavioural Science Approach

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1.0 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 organisations 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.

You will recollect 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 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 organisations. These two new dimension are well documented by Stoner, J. A. F; Freeman, R. E and D. R. Gilbert (2000). One, the behavioural scientists advanced on 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

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scientists applied the methods of scientific investigation to the study of how people behaved in-organisations as whole entities. This is well documented in the work of March and Simon.

2.0 Objectives

After studying this unit, you should be able to:

- I. Explain the scientific research approach to management.
2. Discuss the role of motivation in management.
3. Explain the contribution of March and Simon to behavioural science approach.
4. Explain organizational behaviour.

3.1 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 farfetched. There are generally three main reasons why managers should know about motivation. These are:

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

3.2 The Motivation Aspect of Goal Setting

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

- I. of a goal you recently set for yourself; and
2. of your organizational goal for the year 2004.

A *goal* can be defined as a future target or end result that an organisation wishes to achieve. There

are
times when some managers use the terms goal and objective interchangeably. 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 organisation 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 organisation from others of its type. According to Laura Hahs
(1988), a mission statement serves different purposes for shareholders in an organisation. 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 organisation's value and future direction.

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

One, goals can *increase performance*. Research findings have shown that when challenging
goals are set, increase performance frequently range from 10 to 25%, and at times higher.

Two, goals help *clarify expectation*. When goals are set, organisation members usually have a
clear idea of the major outcomes that they are expected to achieve. Without goals, the
members lack direction.

Three, goals *facilitate the controlling function*, because they provide benchmarks against
which progress can be assessed so that corrective action can be taken as needed.

Four, 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: goal content, goal
commitments, work behaviour, and feedback aspects. This is shown in Figure 12.1

Fig: 12.1: How Goals Facilitate Performance

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

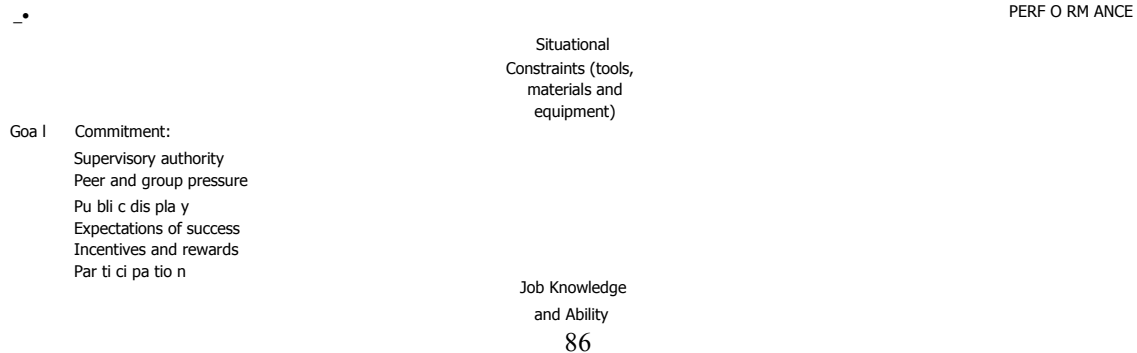
Goal Content:

Challenging
Attainable
Specific and measurable
Time-limited
Relevant

Work Behaviour:

Direction
Effort

Persistence
Planning
Task Complexity



Goal Content.

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.

- Challenging.** Challenging and difficult goals lead to higher performance.
- 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.
- 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.
- Time-Limited.** There should be a defined period of time within which a goal must be accomplished.
- Relevant.** Goals are more likely to elicit support when they are clearly relevant to the major work of the organisation 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 displacing of commitment, expectations of success, incentives and rewards, and participation:

- 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.
- 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.

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- i *Effort*: Individuals are likely to put forth more effort when goals are difficult than when they are easy.
- iii *Persistence*: Persistence involves maintaining direction and effort on behalf of a goal until it is reached.
- iv *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.

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 effect an individual's work behaviour and prospects for reaching goals even when there is strong commitment.

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

Students Assessment Exercise

1. What is motivation and what role(s) does it perform in an organisation?
2. Distinguish between a goal and a plan.

3.3 Organisational Behaviour

You will remember that in the introduction to this unit, we said that you will also learn about organisational behaviour. According to F. Luthans (1992), *Organisational behaviour* involves the understanding, prediction and control of human behavior and the factors, which interfere with the performance of people as members of an organisation.

It is natural to ask the question-why do you have to learn organizational behavior under management theory? The answer is simple, and that is, that there is close relation between organizational behavior and management theory and practice. In fact, there are times when some writers use the terms organizational behavior 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 behavioral 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 organisation context in which the process of management takes places.
4. Organisational processes and the execution of work.
5. Interactions with the external environment of which the organisation is a part.

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3.4 The 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 organisations, and underpin the field of organizational behaviour.

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

- Students Assessment Exercise
 1. Define the organizational behaviour.
 2. Explain the importance of the behavioural science approach to management.

4.0 Conclusion

The behavioural school evolved in part because the classical approach did not achieve sufficient production efficiency and workplace harmony. The human relations approach was also criticized for being unscientific and for providing theoretical ideas rather than practical ones. The behavioural science approach has succeeded in developing further the role of motivation in management. You will see that this is an improvement over the previous management theories because it emphasizes scientific research as the basis for developing theories about human behaviour in organisations that can be used to establish practical

guidelines for managers.

5.0 Summary

In this Unit twelve, *The Behavioural Science Approach*, you have learnt how it 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 organisations. 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 organisation. 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.

6.0 References and Further Reading

Bartol, K. M. and D. L. Martin (1994) *Management* (2nd Ed.) McGraw-Hill, Inc. New York.

Mullins L. J (1994) *Management and Organizational Behaviour* (4th Ed.) Pitman Publishing, London.

7.0 Tutor-Marked Assignment

Questions

- (a) What do you understand by motivation?
- (b) Distinguish between a goal and a plan.
- (c) Define organizational behaviour.
- (d) Explain the importance of the behavioural science approach to management.

UNIT 13: Operations Research (Management Science) Table of Contents

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1.0 Introduction

We have now come to the second stream of the quantitative view point of management theory — *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 this unit relevant things like the nature, techniques and features of operations research. Also, the properties and different phases of operation research are explained in this study.

2.0 Objectives

After reading this unit, you should be able to:

1. Define and explain the growth of operations research.
2. Explain the nature, features and techniques of operations research.
3. Classify the models of operations research.
4. Explain the advantages and limitations of operations research.

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

The term, *Operations Research*, was first coined in 1940 by McCloskey and Trefthen Bowdsey of the United Kingdom. This new science came into existence in military context. How did this happen? This should be the next question agitating your mind. According to Kanti, S; Gupta, P. K; and M. 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 of 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, 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.

3.2 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.

Nature of O. R

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' refers to an organized process of seeking out facts about the same.

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 shall rely on two definitions provided by two writers in this unit:

1. Morse, P. M. and G. E. Kinball define O. R as "a scientific method of providing executive departments with a quantitative basis for decisions under their control.
2. Bartol, K.M. and D.C. Martin 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, I do not think there is anything wrong 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"

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) design in g, s e l e c t i n g a n d l o c a t i n g s i t e s ;
 - (i i) d e t e r m i n i n g t h e n u m b e r a n d s i z e ;
 - (iii)scheduling and sequencing the production runs by proper allocation of machines; and
 - (i v) c a l c u l a t i n g t h e o p t i m u m p r o d u c t m i x .
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;
 - (i i i) m i n i m u m p e r u n i t s a l e p r i c e ;
 - (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) t h e c h o i c e o f d i f f e r e n t m e d i a o f a d v e r t i s i n g .
4. O. R. is useful to the Personnel Administrator in finding out:
 - (i) s k i l l e d p e r s o n s a t a m i n i m u m c o s t ; a n d
 - (ii) the optimum manner of sequencing personnel to a variety of jobs.
5. O. R. is useful to the Financial Controller to :
 - (i) f i n d o u t a p r o f i t p l a n f o r t h e c o m p a n y ;
 - (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.

3.3 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:

- I. 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.*

Features of O.R

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

1. O.R. is the inter-disciplinary team approach to find 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.

3.4 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 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 analysed 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.

3.5 Models and Classification of O.R. Models

What is your own 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., a model is a 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 exist 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.

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 are '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
running could be used as a parallel of understanding the distribution of electric currents.
Graphs and maps are various analogue models, in which different colours correspond to
different characteristic.
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 'stimulate' 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".

Students Assessment Exercise

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

3.6 Properties, Phases and Advantages of a Model

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

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

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. 13.1)

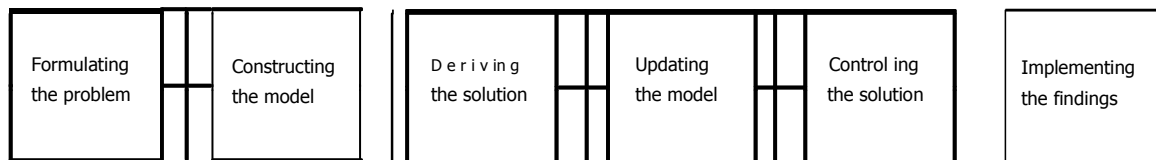


Fig 13.1: Phases of O.R

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*- concern 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 objective 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.

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1.0 Introduction

In this unit — *Operations Management*, you will learn about what is meant by operations management. The unit will also explain the different strategic role stages that govern the role of operation management in strategy development. In this unit, *Operations* is *Management*

taken to mean the management approach that uses quantitative methods to improve the productivity and increase the efficiency of goods or services production.

One other important thing you will learn in this Unit is the distinction between

manufacturing and service organisations. In this unit, you will also learn about ways of increasing productivity. You will also learn from this unit that many organisations, particularly manufacturers, use operations management techniques such as inventory management and network modelling to improve decision making about distribution and operational problems.

2.0 Objectives

After studying this unit, you should be able to:

1. Explain what is meant by operations management.
2. Discuss the relationship between operations management and productivity.
3. Distinguish between manufacturing and service organisations.
4. Explain the operations management process.
5. Explain how productivity can be improved in organisations.

3.1 Operations Management

In this unit, it is explained that the operations management function is carried out by the part of the organisation directly involved in producing the primary goods and services.

The operations management functions in the manufacturing organisation include the following:

plant managers, inventory control managers, quality assurance managers, and line supervisors. In contrast, the operations management functions in a service industry like an hotel include the following: hotel managers and the various managers who work in the hotels.

The Relationship Between Productivity and Operations Management

This unit has already introduced you to what operations management is. You need now to know the

relationship between productivity and operations management. A good understanding of this relationship

starts with a conceptual classification of productivity.

Productivity is an efficiency concept that gauges the ratio of outputs relative to inputs into a productive process. Can you still recollect what we said about organizational effectiveness and efficiency?

Let us refresh our memory on this. Effectiveness relates to the extent to which performance

reaches organizational goals. *Efficiency* on the other hand addresses the resource usage(inputs) involved in achieving outcomes (output). From these classifications you will observe that productivity is aimed at assessing the efficiency aspect of organizational performance-the ratio of output relative to input. What can you say about productivity level in an organization? Productivity can be said to be a useful tool for managers because it helps them track progress towards the more efficient use of resources in producing goods and services.

3.7 General Limitations of Operations Research

Like the previous management theories already treated, O.R. has some limitations. These limitations are listed below:

- (a) *Practical application.* Formulation of an industrial problem to an O.R. programme is a difficult task.
- (b) *Reliability of the proposed solution.* Anon-linear relationship is changed to linear for fitting the problem to linear programming pattern. This may disturb the solution.
- (c) *Money and time cost.* Particularly when the basic data is subject to frequent changes, the cost of changing programmes manually is a costly affair.
- (d) *Combining two or more objective functions.* Very frequently maximum profit does not come from manufacturing the maximum quantum of the most profitable product at the most convenient machine and at the minimum cost.

The objective is not to sub-optimize. It is, therefore, necessary to have a single objective function, which can cover objective functions at the same time.

O.R. is a very powerful tool and an analytical process that offers the presentation of an optimum solution in spite of its few limitations.

Advantages of Operations Research

√ O.R. also has a number of advantages. These are also listed below:

- (i) *Optimum use of production factors.* Linear programming techniques indicate how a manager can most effectively employ his production factors by more efficiently selecting and distributing these elements.
- OD *Improved quality of decision.* The computation table gives a clear picture of the happenings within the basic restrictions and the possibilities of compound behaviour of the elements involved in the problem. The effect on the profitability due to changes in the production pattern will be clearly indicated in the table, e.g., Simplex Table.
- (iii) *Preparation of future managers.* These methods substitute a means for improving the knowledge and skill of young managers.
- (iv) *Modification of mathematical solution.* O.R. presents a possible practical solution when one exists but it is always a responsibility of the manager to accept or modify the solution before its use. The effect of the modifications may be evaluated from the computational steps and tables.
- (v) *Alternative solutions.* O.R. techniques will suggest all the alternative solutions available for the same profit so that management may decide on the basis of its strategies.

Students Assessment Exercise

1. Define a model and discuss its advantages.
2. Explain the limitations and advantages of O.R.

4.0 Conclusion

Operations Research is one of the quantitative viewpoints of management. It is mainly concerned with the techniques of applying scientific knowledge, besides the development of science. Another name commonly used for O.R. is management science. It provides 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.

5.0 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.

6.0 References and Further Reading

Kant, S; Gupta P. K; and Mohan (1981) *Operations Research*. Suttan Chand Sons Publishers, New Delhi.

Bartol, K. M and D. C. Martin (1994) *Management* (2nd Ed.) McGraw-Hill, Inc. New York.

7.0 Tutor-Marked Assignment

Questions

Explain the main models of Operations Research.

Discuss the limitations and advantages of Operations Research.

$$\text{Productivity} = \frac{\text{Goods and services produced (output)}}{\text{Labour + capitals + energy + technology + materials (inputs)}}$$

This approach is called total-factor productivity because it considers all the inputs involved in producing outputs. There are times when managers use an alternative approach called partial-factor productivity because it considers the total output relative to a specific input, such as carbon. The equation for partial-factor productivity is this:

$$\text{Productivity} = \frac{\text{Goods and services produced (output)}}{\text{Labour hours (labour inputs)}}$$

3.2 Manufacturing Versus Service Organisations: Differences

If you go through different text books on operations, you will discover as said earlier that the concept is used rather vaguely. Do you know for instance, that in the early history of operations management and until the mid-twentieth century, the focus was on manufacturing organisations, hence it was called industrial management. Service organisations for a long time were neglected because they performed almost at handicraft levels. But today, managers apply concepts of process analysis to both manufacturing and service organisations.

In this unit, attempt is now made to distinguish between manufacturing and services. This first

section

is devoted to the differences between the two. The eight differences are shown in Figure 14.1.

Fig. 14.1: Differences Between Manufacturing and Services

Physical, durable product	Output can be inventoried	Low customer contact	Long response time
Regional, national, or International markets	Large facility		
Capital intensive			
Intangible, perishable product	Output cannot be inventoried		
High customer contact			
Short response time			
Local markets			
Small facilities			
Labour intensive			
Quality not easily measured			

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These differences are explained below:

1. **The physical nature of product.** Manufactured goods are physical, durable products. Services are intangible, perishable products.
2. **Still on the physical nature of the product.** Manufactured goods are output that can be produced, stored, and transported in anticipation of future demand. Services can't be reproduced, because they do not have the luxury of using finished goods inventories as a cushion against erratic customer demand.
3. **Customer contact.** Most customers for manufactured products have little or no contact with the production system, since customer contact is left to distributors and retailers. In many service organisations the customer themselves are inputs.
4. **Response time to customer demand.** Manufacturers generally have days or weeks to meet customers demand, but many services must be offered within minutes of customer arrival.

5. **Location of operation.** Manufacturing facilities often serve regional, national, international markets, services can't be shipped to distant locations.
6. **Size of operation.** Manufacturing requires larger facilities and greater capital investment than for service facilities.
7. **Quality** Since manufacturing systems have tangible products and less customer contact, the quality of service is very easy to measure. Service systems which generally produce intangible, is harder to measure.

Similarities Between Manufacturing and Services

We have just explained the differences between the two operations. We now want to explain how service operations and manufacturing operations are similar. The three similarities are thus explained:

1. Manufacturers do not just offer products, service organisations do not just offer services.
2. Although service products can't inventory their outputs, they nevertheless must inventory the inputs for their products.
3. In relation to customer contact, many service operations have little outside customer contact, such as the bank-room operations of a bank.

From our discussion so far in this unit, you must have noticed that operations management is relevant to both manufacturing and service operations. Consequently, managers must know about operations management, regardless of the type of the organisation they work in.

Students Assessment Exercise

1. What do you understand by operations management?
2. Distinguish between manufacturing and service organisations.

Process Management

A **process** involves the use of organisation's resource to provide something of value. It is not possible to make product or provide service without a process, and no process can exist without a product or service.

You will observe that this definition has two relevant implications:

1. Processes underlie all work Activity and are in all organisations and in all functions of an organisation. For instance, Human Resources uses various processes to administer benefits, recruit new employees and conduct training programmes.

2. Processes are nested within other processes along an organisation's supply chain.

Process management is the selection of the inputs, operations, work flows, and methods that transform inputs into outputs. Process decisions deal with a few things:

1. The selection of inputs begins by deciding which processes are to be done in-house and those to be done outside.
2. The proper mix of human skills and equipment and which parts of the processes are to be performed by each.

In this unit, you should note that there are five common process decisions: process choice, vertical integration, resource flexibility, customer involvement and capital intensity. Let us briefly explain them:

Process choice. *Processchoice* determines whether resources are organized around products or processes in order to implement the flow strategy.

Vertical integration. This refers to the degree to which a firm's own production system handles the entire supply chain.

Resource flexibility. Refers to the ease with which employees and equipment can handle a wide variety of products.

Customer involvement. This reflects the ways in which customers become part of the production process and the extent of their participation.

Capital intensity. Refers to the mix of equipment and human skills in a production process.

3.3 Operations Management Process

Richard B. Chase and Eric L. Prentis (1987) present the several major elements involved in the process of transforming inputs into goods and services. These are shown in Figure 14.2.

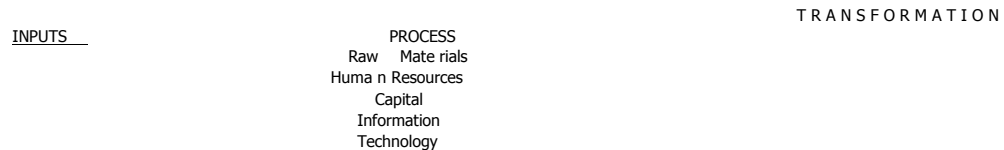
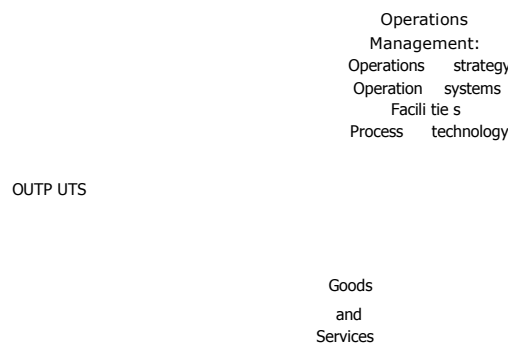


Fig. 14.2: Operations Management Process

Source: Adapted from Barton, K.M. and D.O. Martin (1994) Management (2nd Ed.) McGraw Hill, Inc, New York.



The four operations management processes are: operations strategy, operating systems, facilities and process technology (see Fig: 14.2 again). You will observe later in unit sixteen denoted to the explanation of systems theory that both operations management process and the systems approach to management have a lot of similarities. The four management processes are hereby explained:

Operations Strategy

A *strategy* refers to large-scale action plan for interacting with the environment in order to achieve long-term goals. Operation's strategy refers to the role played by operations management in both formulating and implementing strategies to achieve organisational goals.

Formulating operations strategy you will observe in this section has four stages (See Fig. 14_3)

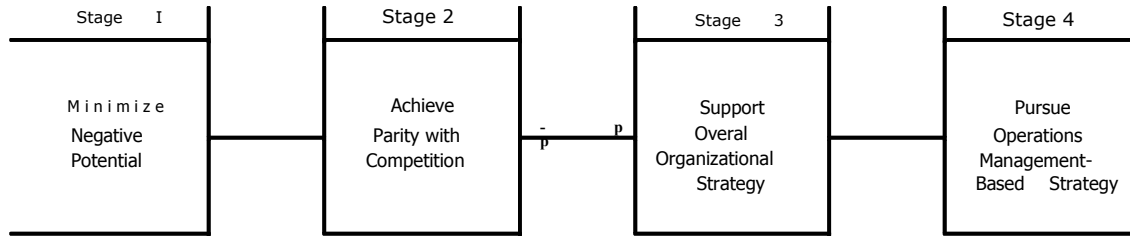


Fig.14.3: Four Stages of formulating Operations Strategy

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

Stage 1: *Minimize negative potential.* Here top managers try to neutralize any negative impact that internal operations may have on the organisation. How is this achieved? This can be achieved by using detailed measures and controls to ensure that the operations function does not veer too far before some corrective actions are taken.

Stage 2: *Achieve parity with competition.* Attempt is made at this stage to have operations management maintain parity, or stay even, with the competition. How is this done? This is done by adopting industry practices related to work-force matters - labour upgrades of capacity. This can also be done by avoiding destructive changes.

Stage 3: *Support overall organisational strategy* This is to ensure that operations management functions support and strengthen the organisation's overall strategy. How is this done? This is done by managers by gaining a thorough understanding of the organisation strategy formulated by top management and to consider innovations that will help implement that strategy effectively.

Stage 4: *Pursue operations management-based strategy.* This involves using strong strategic resources as a basis for strategy development. How is this done? This is done by developing process and formulating a strategy that depends to a significant degree on operations capabilities. For instance, operations managers can anticipate potential technological advances that could affect operations, and attempt to gain the necessary internal expertise well before the implications are obvious.

Developing and Implementing Operating Systems

This is the second operations management process. To successfully carry out an operations strategy requires the design and implementation of well-conceived operating systems. You should at this level know that operating systems used in operations management are six in number: forecasting, capacity planning, aggregate production planning, scheduling, materials requirements planning, and purchasing. All these are briefly explained below:

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1. *Forecasting.* This refers to the process of making predictions about changing conditions and future events that may significantly affect the business of an organisation. Forecasting efforts are aimed primarily at predicting goods and services demand.
2. *Capacity planning.* This refers to the process of determining the people, machines and major physical resources, such as buildings, that will be necessary to meet the production objectives of the organisation. What do you understand by capacity? Capacity refers to the maximum output capability of a productive unit within a given period of time.
3. *Aggregate production planning* This is the process of planning how to match supply with product or service demand over a time horizon of about a year.
4. *Scheduling.* It is the aggregate planning that lays the rough ground work for creating the

master production schedule. The *master production schedule* is a schedule that translates the aggregate plan into a formalized production plan encompassing specific products to be produced or services to be offered and specific capacity requirements over a designated time period.

Materials requirement planning. This is a computer based inventory system that develops materials requirements for the goods and services specified in the master schedule and initiates the actions necessary to acquire the materials when needed.

Purchasing. Purchasing refers to the process of acquiring necessary goods or services in exchanging for funds or other remuneration.

Designing and utilizing facilities

Facilities in operations management perspective refer to the land, building, equipment, and other major physical inputs that substantially determine productive capacity, require time to order, and involve significant capital investments. Three facilities issues confronting managers are: expansion and contraction decisions, facilities location and facilities layout.

Expansion and contraction decision. The facilities decision process involves four steps: One, managers use forecasts to determine the probable future demand for products or services. Two, managers compare current capacity with projected future demand. Three, managers generate and then evaluate alternatives, when there is either insufficient or excess capacity. Four, managers carefully consider the risks and decide on a plan that includes timing of capacity expansion or contraction.

Facilities location. The location of plants, warehouses, and service facilities is an important aspect of facilities decisions.

Facilities layout. This refers to the configuration of processing components- departments, workstations, and equipment, that make up the production sequence.

Promoting Innovation: Process Technology

Process technology is defined by R.G. Schweder as the technology used in transforming inputs into goods and services. It includes the tools, methods, procedures, equipment and various steps involved in the production process. Since the next unit is on Management Information System, we will not say much about computers here to avoid repetition.

3.4 Improving Productivity

You will still remember that our focus since we started learning about management and management theories has been how to effectively increase or improve productivity. In this last section of this unit on operations management, attempt is made to explain the various ways of improving productivity. According to Bartol and Martin (1994), attempts within organisations to improve productivity, that is to generate more output from the same or few inputs- depend on the five step processes described below:

Establish a point against which to access future improvements. The important thing to do here is to focus on important aspects of productivity for the particular organisation or work unit.

Set goals to establish the desired productivity level

Review methods for increasing productivity. Managers may consider such means as aggregate planning, master production scheduling, and related system, well-thought-out purchasing programmes, appropriate facilities layout, and new process technologies. You may go back to paragraph 3.3 to refresh your memory on these means.

Select a method and implement

Measure result and modify as necessary. One best way that managers can meet productivity challenge is through judicious use of information technology, our subject matter in the next unit.

Students Assessment Exercise

1. Explain process management.
2. To successfully carry out an operation management system requires the design and implementation of well conceived operating system. Discuss.
3. How do you think managers can assist their organisations in improving productivity?

4.0 Conclusion

Operation management is simply the management of productive processes that convert input into goods and services. We have defined productivity as an efficiency that gauges the ratio of outputs relative to inputs into productive process.

Operation management is a useful perspective in playing various roles in determining strategy.

The strategies used include: minimizing negative potential, achieving parity with competition, supporting overall organizational strategy, and pursuing operations management based strategy.

5.0 Summary

In this unit we explained what is meant by operation management. The influence of operations management on productivity has also been discussed in this unit.

You will recollect that in this unit we took time to distinguish between manufacturing and service operations. We also discussed the operations management processes. Finally, in this unit we learned about the five different steps by which managers can use operations management to improve productivity. The five-steps processes are:

- (1) Establishing a base point against which assess future improvements.
- (2) Setting goals to establish the desired productivity level.
- (3) Reviewing methods for increasing productivity.
- (4) Selecting a method and implementing it.
- (5) Measuring results and modifying as necessary.

6.0 Reference and Further Reading

Bartol, K.M. and D.C. Martin (1994) *Management* (2nd Ed.) McGraw-Hill, Inc. New York.

7.0 Tutor-Marked Assignment

Question

Distinguish between manufacturing and service organisations. How can managers assist their organisations to improve productivity? The three similarities between manufacturing and services should also be mentioned. The six ways by which managers can promote productivity should be explained.

UNIT 15: Management Information Systems

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1.0 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 15 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.

2.0 Objectives

After studying this unit, you should be able to:

1. Define management information systems.
2. Explain the nature of information systems.
3. Discuss the various types of information systems.
4. Explain how to develop computer-based information systems.
5. Analyze the impact of information systems on organisations.

3.1 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 organisations. The rapid growth in personal computer offers increasing opportunities for managers to have more and better information at their fingertips.

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.

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 conceit now. The systems view is comprehensively discussed in Unit 16. For the meantime, know that to obtain the information needed for various purposes, organisations 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 an information system, data are the *inputs*. **The data undergo**

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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.

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.

Characteristics of Useful Information

Lee, L. Gremillon and Philip J. Pyburn (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.

3.2 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 organisation'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.

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Facsimile transmission. A means of sending documents by telephone that arrive in printed form at the receiving location.

Groupware. Software designed to facilitate meetings by coordinating simultaneous computer messages from group members.

Graphics. A means of creating charts and diagrams.

3.3 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.

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

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 organisation.

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.
- (m) Essentially, executive support systems are information systems tailored to fit the needs of executives working in particular situations.

3.4 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.

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 three distinct stages: definition, physical design and implementation and operation (See Figure 15.1)

Fig. 15.1: The Systems Development Life Cycle

- I. *Definition stage*. This stage is aimed at evaluating the proposed idea and defining system

parameters. If the initial project idea is vague, it may be difficult to reliably assess feasibility and to identify all the important functions and outputs of the proposed system at this early stage.

2. *Physical Design Stage.* This stage carries the project from concept to reality. It includes developing a detailed system design, carrying out the necessary programming, and planning the implementation.



Definition stage

Physical Design Stage

Perceived Business Problem

Implementation and operation stage

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3. *Implementation and Operation stage.* Once the physical design stage is ready the system is said to exit physically, meaning the hardware and software are ready for implementation. The implementation and operation stage is made up of implementing the system, evaluating its effectiveness, and maintaining its effective operation.

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.

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.

3.5 Impacts of Information Technology on Organisations

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

Organisation Structure: Computer-based information systems influence the overall structures of organisations. 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 organisations decentralizing decision making.

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.

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.

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2. **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.

3. **Location of work.** Computer technology has introduced tele-commuting. *Telecommuting* 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*.

Organizational Risks

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

1. *Errors.* With complex software, errors and problems occur.

2. *Physical calamities.* An organisation'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 underutilization.* 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 underutilization.

3.6 Assessing the Quantitative Management Perspective

The behavioural management you will recollect focused more on the human aspect of the organisation. 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

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

- **Students Assessment Exercise**
 1. Discuss the implications of management information technology on organisations.
 2. List and discuss the problems associated with computer technology.

4.0 Conclusion

We defined information system as a set of procedures designed to collect, retrieve, process, store, and disseminate information to support planning, decision making, coordination, and control. Computer components have two categories of information systems: *hardware*- the physical equipment and *software*- the set of programmes, documents, procedures, and routines associated with the operation of a computer system. Information system exists in the following forms: transaction-processing systems, office automation systems.

Information technology has both advantages and disadvantages to organisations at large and to individuals in particular.

5.0 Summary

We have come to the end of Unit fifteen. In the 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 organisations.

6.0 References and Further Reading

Bartol, K. M. and D.C. Martin (1994), *Management*. McGraw-Hill, Inc. New York

Gremillion, Lee L. and Philip, J. Pyburn (1988) *Computers and Information Systems in Business: An Introduction*. McGraw-Hill, Inc. New York.

7.0 Tutor-Marked Assignment

Question

Explain the systems development life cycle. List and discuss the problems associated with computer technology.

UNIT 16: Contemporary Management Perspective Table of

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1.0 Introduction

Remember that at the beginning of Unit 15, you assured me that you have been enjoying this course. Let us move to another perspective entirely. I still wish you a good understanding.

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 sixteen is devoted to the *systems theory*. The other two theories- contingency and emerging views will be treated in Units seventeen and eighteen respectively.

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.

2.0 Objectives

After studying this unit, you should be able to :

1. Define systems theory.
2. Explain the works of contributors to the theory.
3. Differentiate between open and closed systems.
4. Explain the major components of systems theory.
5. Assess the systems theory of management.

3.1 Systems Theory of Management: An Overview

The *systems theory* of management views the organisation as a verified, purposeful system composed of interrelated parts. The theory draws on work 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 organisation (a system) interact with each other and are therefore dependent on each other.

The system theory also emphasizes that most organisations are open systems, that is, the organisation (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.

3.2 Contributors to Systems Theory

• Alfred Korzybski

One early contributor to modern 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, he focused on problems of language and communication. His topics included: abstracting, inferences,

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language, inflexibility, environment of communication, the nature of words and the importance of perception.

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.

Weiner's work gave the first clear view of an organisation as a system consisting generally of output, process, outputs, feedback and environment (See Figure 16.1).

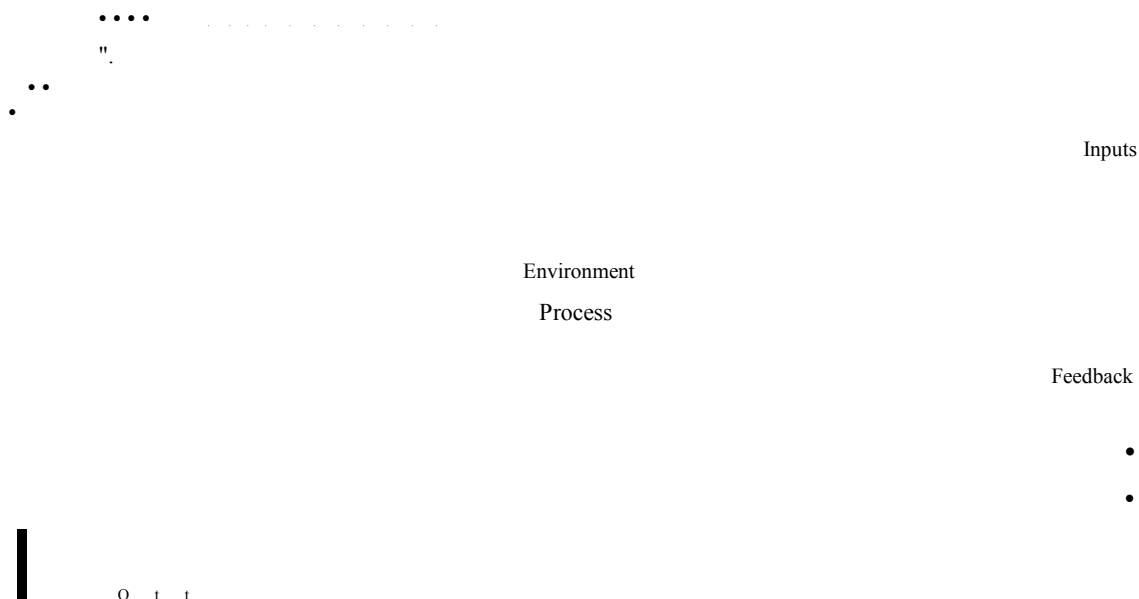


Fig. 16.1: An Organisation as a System

Source: Adapted from Hicks, H. G and C. R. Gullet (1981) *Organisations: Theory and Behaviour*, McGraw-Hill. Inc. Tokyo.

Ludwig Von Bertalanffy

The most important contributor to modern theory was Bertalanffy, a biologist, who developed a general systems theory. He saw organisation 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.

3.3 Major Components of Systems Theory

The Systems Theory as you will discover in this unit submits that an organizational system has four components (See figure 16.2)

Resources	Managerial and Technological Abilities	Outcome
*Human	*Planning	*Product and services
*Materials	*Organizing	*Profits and losses
*Equipment	*Leading	*Employee growth and satisfaction
*Financial	*Controlling	

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TRANSFORMATION PROCESSES

FEEDBACK FROM ENVIRONMENT

Information about:
Results
Organisation Status

Fig. 16.2

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

The four parts as can be seen in Figure 16.2 are. inputs, transformation processes, outputs and feedback. This is similar to Weiner's component shown earlier in Figure 16.1.

Inputs. Inputs are the various human, material, financial, equipment, and informational resources required to produce goods and services.

Transformation processes. Are the organisation'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 organisation.

Feedback It refers to the information about results and organizational status relative to the environment.

Students Assessment Exercise

1. Define systems theory management.
2. Discuss the 5 main characteristics of the open systems.

3.4 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.

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 worlds.

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(1)

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 organisations 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 organisations, 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. Organisation 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. Organisational 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.

3.5 Systems Theory Assessed

In this section of Unit sixteen, attempt is made to discuss the strengths (usefulness) and weaknesses (limitations) of systems theory. Let us start with the strengths.

Strengths of Systems Theory

1. the systems theory is useful because it helps managers envision the boundaries of their organisations 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 organisations 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 organisations 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 organisation to accomplish its goals. Put in another form: people who band together to form an organisation can accomplish more than they could work by themselves. This is similar to Fayol's *Esprit de corps* treated in Unit 8.

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5. Systems theory argues that most organisations are open systems — that is, the organisation (system) depends for its inputs (money, materials, employees) on other system. This enables managers to know that an organisation cannot for example solve the problem of production without considering whether other systems will ship necessary materials on time or at the right price.

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 underemphasis 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 organisation. He argued, that the notion of "survival" derived from the biological organism, which underlies the system — environment relation cannot be legitimately extended to the socio-cultural level.
6. Organisational systems consist of and are run by people. Accordingly, interpersonal relations might be more important than particular input/output structures and organisational 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 system.
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 follows from the adoption of a holistic perspective: hence the desire to concentrate decision making at the apex of the organisation.

Despite the foregoing limitations, do you know that the systems thinking has remained influential to date, as organisational perspective. This is so because thinking in terms of systems has been very fruitful as a frame-work for organizing and understanding the patterns of social relations and social action observable in organisations.

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Students Assessment Exercise

1. Discuss the limitations of the systems theory.
2. List the characteristics of the open systems.

4.0 Conclusion

The systems theory — a brand of contemporary management viewpoint is more dynamic and includes many more variables than the older theories. You will also have observed that the systems approach has a number of characteristics: inputs, transformation processes, outputs, feedback, entropy, differentiation and synergy.

In spite of its limitations, the systems approach is still relevant because it helps managers envision the boundaries of their organisations and the ways in which subsystems, the various systems within a systems, interact with each other.

5.0 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 organisations 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 organisation as a unified, purposeful system composed of interrelated parts rather than dealing separately with the various segments of an organisation.

6.0 References and Further Reading

Brown, W. B and 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.

7.011 Tutor-Marked Assignment

Question

Define the systems theory of management and discuss its main characteristics.

UNIT 17: Contingency Theory

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1.0 Introduction

We have gone a bit far in this course -*Management Theory*. You are welcome to the seventeenth 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 sixteen 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 or better *still situational theory* is a management theory emphasizing that appropriate management behaviour that should be adapted to the unique circumstances of the organisation 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. This is shown in Figure 17.1.

Fig. 17.1: Contingency View

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

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.

Contingency View:

Appropriate managerial action depends on the situation

Situation 3

Situation 2

Universal View: Same managerial Principles apply to every situation

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2.0 Objectives

After studying this unit, you should be able to:

1. Define contingency theory.
2. Explain its growth.
3. Discuss the factors influencing contingency theory.
4. Explain contingency approaches to leadership and management behaviour.

3.1 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 were 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. Details will be provided shortly. Woodward, argues that complex organisations function as open systems, and in order to reduce the uncertainties caused by the external environments organisations endeavour to protect their technical core. The underlying assumption is that organisations and subunits 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 submits 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 organisation?
3. What happens within the internal unit of the organisation?

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 Lorsch (1967) who developed their model around the same time with Thompson developed it around environmental uncertainties. They classified environment into three subsystems which interact with the external sub-environment: research and science, sales and

market production, and technical and economic.

On his part Perrow (1970), emphasizes technology as the major determinant of organisational 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 organisation structure. However, they found that a structural configuration that seemed to work for one organisation was a deterrent to effectiveness in another. Subsequently, contingency theory began to develop.

3.2 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 organisation: technology, size, and environment.

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Technology.

Technology refers to the knowledge, tools, equipment, and work techniques used by an organisation in delivering its product size. Louis W. Fry (1982) identified two critical aspects of technology: complexity and interdependence.

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 organisations 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 organisations 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 organisations 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 organisation.

- **Size.**

The question to ask is - what has size got to do with the goings-on in *an* organisation? **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 organisation 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:

- I. With growth in size, organisations may add more departments and levels, **thamby** making structures more complex.
2. With growth in size, organisations 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 organisations grow larger, they tend to become more decentralized.

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• 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. Tom Bums and GM. Stalker (1961) did some studies on the effects of environment on organisation 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 organic. 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 characteristics, see Table 17.1.

Table 17.1: Characteristics of Mechanistic and Organic Organisations	
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 organisation and obedience to superiors.	Emphasis is on commitment to organisational goals and possession of needed expertise.
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Source: Adapted from Bartol, K. M. and D. C. Martin (1994) *Management* (2nd Ed.) McGraw-Hill, Inc. New York.

Students Assessment Exercise

1. What is contingency model?
2. Distinguish between mechanistic and organic organisations.

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Differentiation and Integration

Paul R. Lawrence and Jay W. 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 organisation. 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.

3.3 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. the *leader* Where the leader and his group get along, the leader has greater influence than where he is disliked. the extent to which the leader is accepted by the group.
2. the *task structure*, the degree to which the task is structured or unstructured. The more the task is structured, the easier it is for the manager to lead and get compliance from his group. In contrast, unstructured task calls for more creative leaders and make leading much more difficult.
3. the *leader's position power*, i.e., the leader's formal power provided for that position by the formal organisation. The more power a manager has to reward or punish, the more influence he will equally have. Lorsch and Lawrence concluded thus: Rather than searching for the panacea of the one best way to organize under all conditions, investigators have more tended to examine the functioning of organisations in relation to the needs of their particular members and the external pressures facing them.

Contribution from Robert Tannenbaum and Warren I. 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.

3.4 Contingency Theory: An Appraisal

- 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:

- I. *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.

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2. *Organizational structure.* Contingency model argues that there is a fit among components of the organisation and situation variables is related to maximizing organisational performance. But organisational 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 organisation is open to question. An organisation may influence their environment through advertising or political pressure groups.
4. *Multiple contingencies.* Organisations 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.* Organisation 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 organisational 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.

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 organisation structure.

- Students Assessment Exercise

- I. Explain Fiedler's contribution to contingency theory.

2. What are the limitations and strengths of the contingency theory?

4.0 Conclusion

The notion of *contingency theory*, you would have noted is closely related to the systems theme. However, contingency model is more embracing. It has three important variables - size, technology, and environment that impact on organisation structure. The size of an organisation has obvious implications for the design of its structure. Small organisations require little formal structure, but with increasing size, and the associated problems, organisations may be divided into semi-autonomous units or departments.

On technology, Woodward and others submitted "that industrial organisations which design their

formal organisational structures to fit the type of production technology they employ are likely to be commercially successful".

Different structures are useful for organisations to survive in their environments. The *mechanistic systems*, which is a more rigid structure can be more appropriate to stable conditions. The *organic system*, which is a more fluid structure is appropriate to changing conditions.

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5.0 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 organisations. You also have noticed that its focus is more with differences among organisations than with similarities.

This unit has equally taught you the three contingency factors, size, technology and environment which affect organisation structure, leadership and management behaviour.

6.0 References and Further Reading

- Bartol, K. M. and D. C. Martin (1994) *Management* (2nd Ed.) McGraw-Hill, Inc. New York.
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7.0 Tutor-Marked Assignment

Question

What are the characteristics of mechanistic and organic organisations? Discuss the limitations and strengths of the contingency model.

UNIT 18: The Emerging Views

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1.0 Introduction

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1.0 Introduction

You have now come to the last strand of the contemporary management viewpoint. You will recollect that the first two strands, systems theory and contingency theory were discussed in Units 16 and 17 respectively. This unit discusses the *Emerging Views*. Because of the complexity involved in management, innovative approaches are required to advance the knowledge base.

Our discussion in this unit covers the following areas: The American type usually called Type A, the Japanese model usually called type J, and the modified American model called Type Z.

2.0 Objectives

After studying this unit, you should be able to:

1. Explain what is meant by the emerging views of management thought.
2. Discuss the main types of emerging views.

3.1 American Type: Theory A

This is an idealized management perspective that views, the United States management of organisations as characterized by short-term employment, individual responsibility and individual decision making among others. (See Figure 18.1).

Characteristics of Type A Organisations (American)

I. Short-term employment

2. Individual decision making
3. Individual responsibility
4. Rapid evaluation and promotion
5. Explicit, formalized control
6. Specialized career path
7. Segmented concern

Characteristics of Type J Organisations (Japanese) I. Lifetime employment

2. Consensual decision making
3. Collective responsibility
4. Slow evaluation and promotion
5. Implicit, informal control
6. Non-specialized career path
7. Holistic concern

Characteristics of Type Z Organisations
(Modified American)

I. Lifetime employment

2. Consensual decision making
3. Collective responsibility
4. Slow evaluation and promotion
5. Implicit, formalized control

6. Nonspecialised career path
7. Holistic concern

Fig. 18:1: OUCHI'S Theory

Source: Bovee, C. L. [et.al.](#) (1993) *Management*. McGraw-Hill, Inc. New York.
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3.2 Japanese Type: Type J

This is an idealized management perspective that views Japanese Management of organisation as characterized by life time employment, collective responsibility, and consensual decision making (See Figure 18,1)

3.3 Modified American - Japanese Type: Type Z

This is an idealized blend of the United States and Japanese management approaches characterized by long-term employment, individual responsibility and consensual decision making (See Figure 18.1).

Ouchi (1978) conducted some studies, on both American and Japanese management approaches, where he outlined theory Z. Theory Z combines positive aspects of American and Japanese management into a modified approach aimed at increasing U.S. managerial effectiveness while remaining compatible with the norms and values of American society and culture.

Ouchi described one management approach as Theory A (for "America") because it typified the American management approach. He described a second management approach as Theory J (for Japan) because it represented the typical Japanese management approach. His theory Z is a hybrid, idealized approach that draws from both Japanese and U.S. management techniques, combining a commitment to long-term employment with individual responsibility and consensual decision making.

What specifically can you gain from Ouchi? Ouchi's relevance becomes apparent when compared against the backgrounds of earlier theories. In contrast to the traditional more bureaucratic American organisational environment, Ouchi recommends a Japanese type - 'Theory Z' environment.

According to Ouchi:

The problem of productivity in the U.S. will not be solved with monetary policy nor through more investment in research and more investment in research and development. It will only be remedied when we learn how to manage in such a way that they can work together more effectively. Theory Z offers several such ways.

The following are the characteristics of theory Z organisation as described by Ouchi:

1. Long-term employment, often for a life time;
2. Consensual decision making;
3. Individual responsibility;
4. Slow evaluation and promotion;
5. Implicit, informal control with explicit, formalized measures;
6. Moderately specialized career path;
7. Broad concern for the welfare of subordinates and co-workers as a natural part of a working relationship; and informal relationships among people.

Ouchi distinguished Japanese organisations from American ones. These differences in

organisational characteristics are associated with differences in managerial behaviour. Although there are wide variations in how individual Japanese managers act, yet there are a number of ways in which the average Japanese manager appears to differ from the average American manager. Japanese managers are more concerned with the longer-term implications of their decisions and actions and more willing to make current sacrifices for future benefits. They also encourage subordinates to participate in decision making and to welcome and acknowledge suggestions from subordinates. Consequently, they are less likely to make quick, unilateral decisions. Communication between managers and subordinates is more direct and subtle than in the U.S. In addition, Japanese managers avoid embarrassing co-workers in public or in private.

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In the view of Ouchi, "the Theory Z approach to management suggests that involved workers are the key to increased productivity.

- **Students Assessment Exercise**
Explain Ouchi's Theory Z of management.

3.4 Emerging Views: An Appraisal

One of the appeals of Theory Z is the idea that global managers can successfully borrow good ideas from managers in other parts of the world, and Ouchi's research is one of many studies that show the power of adapting good ideas regardless of origin.

On its limitations, critics have argued that although Ouchi's studies put the spotlight on Japanese and U.S. management approaches, the theory has been challenged. The challenge is that the theory has not been supported by sufficient research to prove their value in improving employee productivity.

Another limitation is that theory Z is too new to be fairly evaluated and only additional research and examination will prove its long-term worth. Other critics have warned that Japanese management practice is not a panacea for management ills but is only one of many approaches that can be studied and adapted.

While some observers doubt that management is the key to the success of "Japan Inc.", others have challenged the "one big happy family" image of Japanese success and argue that employees' fear of punishment is a major factor in Japanese success. Some even point out the restricted nature of some of the supposed employee benefits in Japanese firms. A good example, "lifetime employment" is essentially restricted to males, since it is assumed that women will work for a few years, get married, and then leave the company. Furthermore, guaranteed life time employment terminates at age 55.

One methodological limitation is that what most people refer to as "Japanese management practices" are drawn from a selected group of companies, responsible for perhaps as little as one-third of employment within Japan.

3.5 A General Theory of Management: Is it Visible?

You have now come to the last part of this unit. Two major issues need to be addressed here: How relevant are management theory and research? And second, is there a general theory of Management? It is no longer a secret that knowledge about management theory and research

comes from the field of management itself and from other fields of study as well. Those interested in advancing the practice of management have used the research of organisational psychologists, social psychologists, organisational sociologists, a few social anthropologists, and political scientists and some economists: Those interested in quantitative management tools have benefitted from the work of engineers, statisticians, and mathematicians.

It may interest you to know that despite the great feat achieved by management theory and research, many people are still not happy with the present status of management theory and practice. Why is this so you may want to ask? Leonard Sayles (1970) provides an answer. Sayles argues that the present status of management theory and practice is pedestrian and not well developed. If you reflect on the various limitations of the theories treated so far in this course, you will agree with Sayles to some extent that the status is still not well developed. Others like William Ryan (1977) believes it fails to focus on matters central to the interests and uses of most managers.

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The second leg of paragraph 3.5 of this unit is - Is there a general theory of organisations and management? The answer to the above question is not only inconclusive, but conflicting. While some persons have argued that there will be a general theory of organisations and management, others, have strongly argued that such a general theory will never come. Take a look at Figure 18.2 below:

Fig. 18.2: Approaches to Organisations and Management

Source: Adapted from Mullins, L. J. (1996) *Management and Organisational Behaviours* (4th Ed.) Pitman Publishing House, London.

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CLASSICAL

(including scientific management). Emphasis on formal structure, technical requirements and sets of principles.

Bureaucracy

The organisation in terms of specialization, hierarchy of authority, system of rules, and impersonality.

Structuralism 41.

Technology •

r HUMAN RELATIONS

Attention to the informal organisation, and to

psychological and social needs of people at work.

Neo-human relations
 Personal adjustment of the
 individual within the work
 organisation, group relationships and styles of leadership

SYSTEMS

Decision-making 4111,

111. Management science 4

Integration of the formal and informal approaches.

A socio-technical approach. The organisation as an open system interacting with environment.

Social action

Organisation as viewed by the individual members and their interpretation of the work situation.

CONTINGENCY

Form of structure and management system dependent upon the situational variable

1.

A SCIENTIFIC VALUE APPROACH?

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Reflect back on all the theories treated in this course, you will observe that Figure 18.2 is a pictorial summary of all the theories.

A cursory look at the existing literature has failed to reveal an adequate description of the nature of general theory in any field. However, John A. Beckett (1971) once stated that a general theory should "have general applicability to the behaviour of different types of organisations and individuals in different cultural settings". There also seems to be a consensus that a general theory should be comprehensive, covering all phenomena of the subject.

Maybe there is an attempt to have a general theory. Some characteristics of modern theories covered in this course show some characteristics of a general theory. This general theory is an integrative synthesis of classical, neoclassical, and modern concepts. The general theory has borrowed extensively from the systems theory, because systems theory seeks to describe certain features of what may be a general theory.

- Students Assessment Exercise
 Is a general theory of Management possible?

4.0 Conclusion

There is an emerging management perspective. It encompasses the management practices of America (Type A) on the one hand, and of Japan (Type J) on the other hand. A blend of the American - Japan Practice (Type Z) is now in vogue. The American Type A you will still remember has a number of characteristics: short-term employment, individual decision making, individual responsibility, segmented concern among others. On the other hand, the Japanese (Type J) has 'among others the following characteristics, consensual decision making, collective responsibility and holistic concern.

The integrative American/Japanese type (Type Z) has the following characteristics: Long-term employment, consensual decision making, individual responsibility, slow evaluation and promotion, implicit, informal control with explicit, formalized measures, moderately specialized career path, and holistic concern including family.

5.0 Summary

In this unit, you have studied the last strand of the emerging management perspective which is on the management practice in America, Japan and American - Japan mixed type. In the unit we also did an assessment of the emerging perspective on management.

Finally, in this unit we addressed two salient issues: the issue of how relevant management theories are, and the issue of whether it is possible to have a general theory of management and organisations.

6.0 Reference and Further Reading

Mullins, J. J. (1996) *Management and Organizational Behaviour* (4th Ed.) Pitman Publishing House, London.

7.0 Tutor-Marked Assignment

Question

Discuss Ouchi's Theory Z of management.

UNIT 19: Management In Nigeria

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1.0 Introduction

You may want to query the sense in learning about Management in Nigeria towards the tail end of this course. You have every right to raise this query more so with the adage that says that 'charity begins at home'. I submit that this is the best place to treat this unit. For one, management practice in Nigeria is an imported phenomenon. And you already have been told in Unit six that a river that forgets its source will get dry. Having said this, let me welcome you to this equally important unit of this course Management in Nigeria.

This unit explains to you the emergence of management practice in Nigeria. It traces its history to its global emergence in Western - Europe. The role of management as well as the Nigerian situation will be covered in this unit. The Nigerian work attitudes are covered in this unit.

2.0 Objectives

After studying this unit, you should be able to:

- I. Explain the growth and role of management in Nigeria.
2. Explain the relevance of management theory in Nigeria.
- 3 Explain the Nigerian work attitude

3.1 The Growth of Management in Nigeria

To properly situate the growth of management in Nigeria involves a brief discussion of management

post world War II in Western Europe. There is also the need to take a cursory look at the history of industrialization in Nigeria.

Peter F. Drucker (1974), that world acclaimed management scholar submits that after the world War II, management became a crucial factor in economic and social development.

According to Drucker, savings and capital investment do not produce management and economic development, and with it savings and capital investment. Ducker even cited a popular

slogan in Latin America - "the developing countries are not underdeveloped, they are undermanaged".

One observation is that whenever rapid economic and social development took place after the World

War II, it occurred as a result of systematic and purposeful work on developing managers and management.

There are two other things you need to know in this unit in relation to management in post World War II and its growth in the developing countries of which Nigeria is one. One, after World War II, it became increasingly clear, that the development of management and managers in most developing countries was not proceeding fast enough to generate adequate development, especially in view of the explosive growth of population. Two, it also became clear that it was not known how to transfer the knowledge of management, its discipline, its vision, and its values, to new and different societies and cultures.

The one transfer mechanism which according to Drucker effectively channels management competence into developing countries - the multinational corporations proved ambiguous and controversial. Multinational corporations were companies that were making and selling goods in many countries. The multinational corporation Drucker argues further is the foremost non-nationalist institution in a world torn asunder by paroxysms of nationalist fever and an organ of integration of political fusion. This also brought about some difficulties and problems. This is because the multinationals are mere "international agents", they are for the most part, coordinating, rule-making, or research organisation rather than actors and performers.

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Nigeria like most other developing countries needed away to acquire skills - managerial skills, and entrepreneurial sk. among others in order to generate their own capital and manage their organisations.

To a very large extent the existence of multinational subsidiaries in the newly independent countries (Nigeria inclusive) according to Nwagbo Eze (1995) created a situation in which these countries quickly developed a need for rapid industrialization and development. Based on this, the governments of developing countries started to employ foreign management experts to act as consultants on the techniques, practices, methods and procedures used by business organisations in the West. This also led to the establishment of management training institutions in Nigeria.

To date in Nigeria, the successive governments have worked hard to create competent indigenous management that can initiate development and industrialization. These include:

1. Government management institutes - Industrial Training Fund (ITE), 1971, the Nigeria Council for Management Education and Training and Centre for Management Development (CMD) 1992, and the Administrative Staff College of Nigeria (ASCON) 1973.
2. Professional organizations - the Nigerian Institute of management (NIM), the Institute of personnel management (IPM) among others.
3. Private training and consultancy organisations - management and investment Consultancies (MAIC), Associated Management Investment and Technological Consultancy Services (AMIT) and the Institute of Supervisory Management (ISM).

- **Industrialisation in Nigeria**

Aina B. (2000) explains the entire period of the Nigerian industrial development and came up with five phases:

1. The precolonial period and the early colonial period - marked by economic stagnation. Economic activities were restricted to the production of subsistence goods for local consumption.
2. The period between 1900-1949- a period of pronounced economic expansion, stimulated by agricultural exports.
3. Period between 1950-1965 - a period of renewed economic expansion. Large scale production industry started with initiation coming from metropolitan state (Britain).
4. The Civil War period to the period of Oil Boom (1967 - 1980).
5. Industrial planning and the state. At this phase many factors geared the movement from subsistence to cash crops, and commercialization of agricultural products.

3.2 The Role of Management in Nigeria

You have learned about the growth of management in Nigeria, especially the roles played by the multinational corporations and industrialization to stimulate the need for management skills. Let us now discuss the role of management in Nigeria. According to Ejiofor (1987), managers play a vital role in the economic and social development of the present day Nigeria.

He listed the roles as:

- a. Effecting a smooth change - over from a foreign to an indigenous economy;
- b. Maintenance of the steady state of organisations;
- c. Pioneering innovation of managing the environments and;
- d. Accelerating the growth of the Nigerian economy.

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3.3 The Pitfalls of the Manpower Development Efforts in Nigeria

Ejiofor further listed six pitfalls of the manpower efforts that affected indigenization in Nigeria. These are:

1. The problem of planning without facts i.e., inadequate supply of manpower statistics.
2. Top-Heavy concentration of effort - the country's manpower training effort is lopsided in favour of "management". That is, little effort is devoted to junior or intermediate levels.
3. A levelling - down policy - some educationally - advanced states did not have universities while some that have cannot find students to enrol, suggests that this policy of levelling - down policy was being pursued. A levelling-down policy slows down the pace of manpower build - up.
4. Following the path of least Resistance - That third National plan's criticism of vocational education applies equally to institutions, 'namely that "courses continue to be established or expanded not in response to any known demand but due to the ease with which such courses could be mounted.
5. Protection of Educational cartels.
6. Imbalance in manpower and financial support.

- **Students Assessment Exercise**

1. Briefly explain the growth of management in Nigeria.
2. List the major roles of management in Nigeria.

3.4 Problems of Management in Nigeria

The issue we want to address here is whether it is possible to transfer the 'philosophy' of Western Management practice to Nigeria. Answer the question yourself. Is it possible or not?

If you have any

difficulty in answering this questions, then follow our discussion in the next two or three minutes. Let us consider what Ahiazu (1980) and Aluko (2000) have to say on this, These two scholars agree that "it is becoming increasingly widely accepted among social scientists, especially managers and organizational/management theorists that the patterns of management and employee behaviour in the work place are largely culture - bound". That is, there is no culture-free context of management principles.

Once you realize that management philosophy is culture - bound, it means there are certain problems

that may militate against the transfer of Western Management Philosophy' to Nigeria. Eze (1995) listed some of these factors. They include:

1. The nature of African culture. The existing literature shows that the cultural background of managers affect their managerial values, beliefs, attitudes, practices and philosophy. In Africa in general, and Nigeria in particular, such factors as ethnicity, cultural heterogeneity, excessive religiosity, superstitious beliefs, poverty, extended family background among others affect management practice.
2. Inability to change Attitude. The factors listed above serve as stumbling blocks against management practice in Nigeria. And quite unfortunately, most Nigerian managers and leaders do not seem to be willing to undergo appropriate attitudinal changes which are prerequisites to successful adaptation of foreign ideas, principles and techniques, whether they are those of management, science, technology, or education.
3. Inability to effect Adaptation. Adaptation in this unit refers to the true psychological transformation of the individual or society, as well as the time attitudinal, mental, and intellectual revolution that occurs in a society. The problem with Nigeria is that such a transformation and revolution do not take place in a corrupt society with foreign - dependent and foreign - controlled economy, whose members are marked by extreme selfishness, indiscipline, graft, nepotism and excessive

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religiosity. The transformation and revolution can only occur in a highly patriotic, stable and disciplined nation with effective and patriotic leadership.

4. Effects of Colonialism and New-Colonialism. The consequences of the Colonial training of Nigerian managers have been devastating, because such training include the emergence of Colonial/foreign loyalist management with lack of managerial initiative.
5. Ethnicity and use of Ethnic Languages. Ethnicity is a major obstacle to efficient management in Nigeria. This has more often than not led to putting square pus in round holes in human resource utilization, which isa major source of tmanagerial inefficiency,
6. Weaknesses of management Training Institutes. Many Nigerian managers are over relying on Western management principles and techniques without considering their adaptability to erianal milieu. Many management development institutes in Nigeria often neglect the socio-cultural variables peculiar to the nation. More of in the Seetrem management principles are forced down our throats not minding the applicability: to the Nigerian situation.

3.5 The Nigerian Work Attitude

In this last section of this unit, you will learn about the factors influencing the attitude of Nigerian workers towards work. The first point of call is to be able to define work attitude.

Work attitude is the predisposition to work, arising from concepts, feelings, beliefs, habits and motives. Work attitude can be positive or negative. The early Western Literature portrayed the Nigerian worker from the negative

side. Dig, Nigerian worker was considered a 'target' worker who would cease to work as soon as Rgt enough to feed and clothe himself. He is also portrayed as indolent, naturally lazy and hostile to factory work, uncommitted to industrial work, and also prone to high labour turn over.

Ejiofor, listed some factors influencing the attitude of Nigerians toward work. He came up with five factors:

I. Historical factors. Nigerians traditionally value hard work. The traditional work system was based on the dignity of labour. This view is supported by Aluko (2000).

The modern work system, arising from colonial days, was based on a wrong philosophy and on Western objectives not clear to the Nigerian worker. Some of the 'foreign' things introduced were:

(a) Review system. This was in the traditional system commensurate with

productivity. In contemporary modern system it is no longer commensurate with productivity, rather, it is more related to seniority paper qualification and other extraneous factors.

(b) Philosophical orientation. The Nigerian worker identified himself with work in the traditional setting. But in the modern day bureaucratic world, work is characterized by impersonality and anonymity. You still can recollect what Weber said about his ideal characteristics of bureaucracy in Unit nine.

(c) Differences in organizational arrangements. The other factor that affected work attitude negatively was the differences in organizational arrangements. While the traditional system emphasized work by se-grade, the modern system emphasizes salary. experience and academic stratification

2. Socio-cultural factors. I hope you have not forgotten that we are discussing the Nigerian attitude to work. The second factor listed by Ejiofor *The socio-cultural factor*, also affect work attitudes. In the first instance the worker sees himself as working for the members of the extended family rather than his own nuclear family. It is the second place favouritism that manifests itself in local and ethnic loyalty, nepotism, bribery, corruption, and other undue influences. In the third place, a confers extra recognition and authority in the family. Today, age is considered irrelevant.

3. Economic factors. When a worker sees his job as the main instrument through which he can

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achieve his personal objectives, work attitude becomes positively affected. But societal pressures with emphasis on economic achievement seems to outweigh this consideration. Today, hardly can the salary of most civil servants feed them well. At times, the salary of the average worker is not regularly paid. This has at times forced civil servants to do 'unprofessional things' to earn more money.

4. Political factors. The spirit of nationalism enables the Nigerian worker to execute his functions and efficiently but, today, nationalism has been replaced by such negative

factors as ethnocentrism, statism, sectionalism, and self-centeredness.

5. Infrastructural factors. Another factor that affects the attitude of the Nigerian worker can be referred to as infrastructural factors. Good communication network, transport facilities, regular supply of electricity and water lead to high morale, commitment and productivity. But it is a known fact that these things hardly work in Nigeria. Take electricity for example, the organisation responsible for its supply - National Electricity Power Authority (NEPA) has now earned a bad reputation of 'Never Expect Power Always' (NEPA).

Students Assessment Exercise

- 1: Discuss the problems of management in Nigeria.
2. Explain the factors affecting the attitude of the Nigerian worker to work.

4.0 Conclusion

Management is a universal concept dealing with the use of people to achieve organizational goals. The Western Management philosophy imported to Nigeria is not well rooted in the country because of the peculiar socio-cultural factors prevailing in Nigeria. More often, the Western philosophy of management remains 'foreign' and unsuitable to the Nigerian situation. Because of the foreign nature and the inapplicability of Western philosophy of management, Western European scholars and writers tend to see the average Nigerian worker as being unsuitable, and uncommitted to the factory work

5.0 Summary

You have learned a lot of things in this unit. You have learned about the growth of management in Nigeria through the multinational corporations and industrialization. You have in addition learned about the role of management and the pitfalls of manpower development efforts. The problems of management in Nigeria and the Nigerian attitude to work are also covered in this unit.

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7.0 Tutor-Marked Assignment

Question

List the major roles of management and discuss its problems in Nigeria.

UNIT 20: Management of Change Table

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1.0 Introduction

You are welcome to the last Unit of this course-Management of Change. Without doubt, you still can recollect that this course is on *Management Theory*. Wait a minute. Let us for the sake of exercise, remind ourselves of what management is, and what a theory is. The term *Management* as defined in Unit1, refers to the process of coordinating work activities so that they are completed efficiently and effectively with and through other people.

A *Theory* as defined in Unit six is a coherent group of assumptions put forth to explain the relationship between two or more observable facts.

We have also covered in this course the various theories of management largely ranging from classical to behavioural, to quantitative, and finally to contemporary views. All the theories focused on ways by which management can achieve productivity, efficiently and effectively. When we talk about productivity, we should not forget that things change a lot, hence the study need change and its management.

To date, according to John P. Kotter (1996) major change efforts have helped some organisation adapt significantly to shifting conditions; have improved the competitive standing of others; and have positioned a few for a far better future. But in too many situations, the improvements have been disappointing and the carnage has been appalling, with wasted resources and burned-out, scared, or frustrated employees.

To some degree, the downside of change is inevitable. For instance, whenever human communities are forced to adjust to shifting conditions, pain is ever present.

In this Unit therefore, you will learn about what change is. You will also learn about the sources of change, the management of change, resistance to change and management of resistance.

2.0 Objectives

After studying this unit, you should be able to:

1. Define change.
2. Discuss the sources of change.
3. Explain the management of change.
4. Explain the factors militating against change.
5. Discuss the implication of change on management.

3.1 the Concept of Change

Change is an ever-present reality of organisational life. Among other things, managers are agents of change. And given the pace of change existing in most organisations today, being a change agent is a big part of every manager's job, so says A. Toffler (1970).

Simply put, *change* is any alteration of the status quo. Our orientation and emphasis in this unit is on planned change. This does not however mean that an organisation cannot change without planning. In this unit a *planned change* is defined as any alteration in the environment, technology, structure, management process, or decision process designed to help achieve organizational goals.

3.2 The Sources of Change

Change normally originates with the identification of a problem or opportunity. Such problems and opportunities may exist inside or outside the organisation or both.

In the past, most environmental stimuli to change centered on competitors, the internal stimuli involved difficulties with growth. Today, the impetus for change comes from all sides.

Let us consider those very important sources of change: environment, technology, structure, manager, process and decision process.

Environment. General environmental conditions (economic, technological, legal-political and socio-cultural) interrelate and cycle freely between tranquility and crisis. Environment can cause stresses or strains on other parts of the organizational system, for example, if the growing uncertainty in the environment outstrips the capacity of an existing organizational structure to handle such conditions.

Technology. This is an obvious source of organizational change. The knowledge, methods, and machinery used in producing goods and services provide both problems and opportunities. For example, with new technologies the problems are also new, such as the maintenance problems on a new type of engine, or the management problems that arise when a company introduces a new data processing system.

Structure. You still can remember what we said in Unit 6 about structure. Let us remind ourselves. It is that one of the attributes of structure is that it defines relationships that persist over time. Note however, that these variables can lead to problems and opportunities. One basic problem is that although structures bring orderliness to human affairs, they can place severe constraints on behaviours.

You should also note that stresses and strains exist between structures and other organizational factors all the time.

stimulate two types of changes: **Management Process.** This is another source of change. Management activities can

- (i) Goals, plans, reward systems, control standards, grievance systems, and staffing policies are all the result of management processes that are themselves sources of change.
- (ii) The second type is stimulated by the process itself. Management processes by their very nature respond to problems and opportunities.

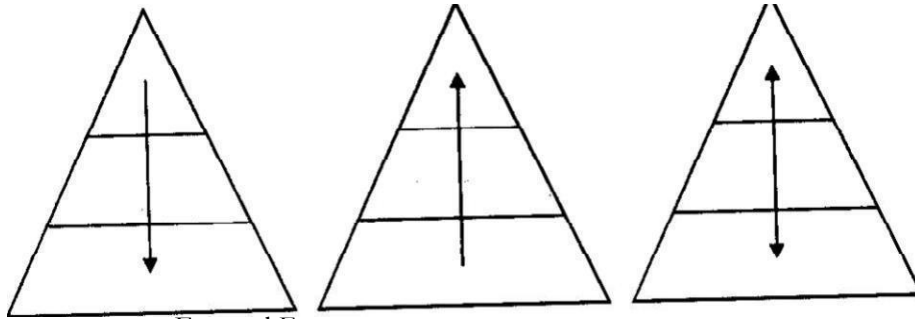
Decision Processes. This is the last source of change. The part of decision process that involves the search for solutions and surveillance for opportunities also stimulate change.

Students Assessment Exercise

1. What is planned change?
2. Explain the main sources of change that you know:

L3 Forces for Change

You should know that changes do not just occur arbitrary. There are a variety of forces influencing change in organisations. Some are external forces while others are internal. They are explained below:



External Forces

External Forces on organisations frequently create a need for change. They include the following:

- (i) Changes in demand for the organisation's products or services,
- (ii) Threatening tactics of competition (e.g. by aggressively cutting price/producing an advantageous enhancement to a product or service,
- (iii) Arrival of a new corner with a competing product or service,
- (iv) Take over of the business by a more powerful enterprise,
- (v) Merger.
- (vi) Failure of a key supplier to meet the organisation's requirements,
- (vii) Inability to attract sufficient number of skilled employees, (viii) Development of new technologies,
- (ix) Political changes.

Internal Forces

Below are the internal forces that can bring about change:

- (i) Planned changes in strategy as a result of revised mission or goals,
- (ii) Efforts to introduce cultural changes (eg. Management style)
- (iii) Need to improve productive efficiency,
- (iv) Need to improve the quality of product,
- (v) Need to respond to the development of potential new product
- (vi) Need to improve standard, and
- (vii) Need to deploy people (the human resources).

3.4 The Management of Change

What you want to learn here is about how to translate the stimuli for change with effective actual

change. Note that this is a complex task, hence managers often specialize in the type of changes for

which they are responsible. However, there are three ways by which change can be initiated: at the

top of the structure, at the middle and at lower levels.

In early management thought, a top-down perspective was emphasized, that is, it was assumed that change is initiated at the top of the structure and then it filters downward. But take a look at figure 20.1, you will notice that changes may also originate at the bottom or middle of the structure.

Middle Outward

Institutional level

Managerial level

Technical core

Top Down

Bottom Up

Fig. 20.1: Three Patterns of Change initiation

Source: Adapted from Brown, W.B. and D.J. Mobert (1980). *Organisation Theory and Management A Macro Approach*. John Wiley & Sons. New York.

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Let us briefly review these three types:

Initiation Patterns

Top-Down Initiation Patterns

Top-level executives focus much of their attention on the organizational environment; consequently, many of these changes are directed at environmental problems and opportunities. What are some examples of such change? They include:

- (i) Changes in overall strategy
- (ii) Changes in structure designed to accommodate environmental need, and
- (iii) Changes in the sizes and scale of the operation.

Middle-Outward Initiation Patterns

Some changes begin with managerial level members. They can either be line or staff employees, however, more changes begin with staff officials.

Bottom-Up Initiation Patterns

There are also times when planned change can be initiated by people at the technical core.

Note that

often of a technical nature. employees here are generally more aware of internal organizational problems and opportunities,

One more point to know. By far the biggest mistake people make when trying to change organizations is to plunge ahead without establishing a high sense of urgency in fellow managers and employees. Consequently, the two common rules for effective change management are:

- (1) Top management support and commitment to the change is necessary, and
- (2) Those who are expected to change their behaviour must also be committed to change.

Managing the Change Process

From whatever level the change is made-top, middle or bottom, the change process itself must be carefully

managed. Kurt Lewin (1947) identified some basic requirements for the effective implementation of planned change (See Figure 20.2).

Defining the need for change

Implementing the change

Stabilizing the change

Analyzing the situation and choosing from among alternative changes

Fig. 20.2: The Planned Change Process

Source: Adapted from Brown, W.B and D.J. Moberg (1980) *Organisation Theory and Management*. John Wiley & Sons. New York.

I. Defining the Need for Change

The first thing you need to know about the planned change process is that the process begins with the identification of a problem or opportunity. Individuals only become committed to a change when they

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believe that there is a perceived need to change. This is known as *unfreezing* of old patterns or behaviour.

2. **Analyzing the situation and choosing among the change alternatives.** Change alternatives differ in terms of scope, depth, and target. The range of alternatives is generally bound by the organisation's capacity for mobilizing resources, by the significance of the problem, or by the opportunity that stimulated the change.

Let us spend some minutes to understand these processes.

The *scope of a planned change* refers to the number of individuals and units affected by the change. Examples are the replacement of a top manager, or a major technological change.

The *depth of a planned change* refers to the number of behaviours that need to change and the importance of these changes to the individuals involved.

Targets of Change is the final dimension of planned organizational change to be considered in the change target. Planned organizational change can focus on any of the levels of the analysis we have discussed previously in this unit:

Changes in the environment. Organisations can change their environment in a number of ways by:

- (i) redefining their relevant environment;
- (ii) stimulating a response by an environmental unit, or
- (iii) eliciting a cooperative response by some environmental unit.

Change in Technology. The introduction of computers, the implementation of a new type of **workflow**, or the automation of the entire operation are examples of changes in

technology.

Changes in Structure. It is quite common for a manager to respond to a problem or opportunity by redesigning jobs, establishing new coordination mechanism, re-arranging assignments, or changing a span of control.

Changes in Management Process: Changes can be made in the organisation's goals, plans or **controls, as** well as in the process of establishing them.

Changes in decision process. With regard to decision-making activities, planned change generally emphasizes greater rationality. This may involve additional training, but improvements in rationality can also be accomplished by changing patterns of information flow, or by improving interpersonal communication.

Implementing the Change

Changes can be made in the organisation's goals, plans or controls, as well as in the processes of establishing them.

At some point the proposed change has to be put into effect. If the change is initiated from the bottom to the top of an organisation, the implementation requires considerable skill. One crucial decision in this regard is whether to use a *power strategy* or a *collaborative strategy*.

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Power Strategies require significant cooperation within the initiating group. They are most appropriate when the change target is unfrozen, when time is not a crucial factor, and when power is relatively equal between advocate and target.

4. Stabilizing the Change. The final step in a planned organizational change is the stabilization of the change. Generally called *refreezing*, this process involves reinforcing and routinizing the change.

3.5 Managing Resistance to Change

The two major issues we want to treat in this section are: reasons for resistance to change and managing resistance to change. Let us start with the reasons for resistance to change.

Reasons for Resistance to change

From your own personal experience, you will realize that there are times when people oppose a change even when it appears to others that the change is in the best interest of those affected. Let us now consider why individuals still resist change. Although there are several reasons for resisting changes, there are some reasons that stand out. There are:

I Self-interest. The natural question that comes to mind when a change is being proposed is — "How

will this change affect me"? If the change is perceived to be "adverse", effort may be made to resist it.

- 2 *Misunderstanding and lack of trust.* It is natural for people to be against change if they don't understand it. In addition to misunderstanding, lack of trust between managers and employees (which are common in organisations) contribute to the possibility that misunderstanding may occur. Have you ever noticed something almost "funny" in your organisation, that is, have you noticed in your organisation **that** it is not always the employees who resist change? Managers (you must **have experienced**), who mistrust employees and fear loss of power often oppose efforts to involve employees in decisions about their work.
- 3 *Different Assessments.* Resistance also results from *different assessments* of the virtues of the change. Differential assessment is a prime reason for lack of support for innovations.
- 4 *Low tolerance for change.* Individuals differ in their ability to adjust **to new situations, with** some individuals having a *low tolerance for change*. **Consequently, they sometimes resist a change because they fear that they will not be able to learn the new skills and behaviours it entails.**
- 5 **A sunk cost.** Resistance may be due to something called **a sunk cost**. **That is, change threatens the investments** that individuals or groups have made in their **experience**. **Simply put we often get** more resistance from those who have invested much in the status quo.

Managing Resistance to Change

The second leg of this section deals with how resistance to change can be **managed**. **John P. Kotter and**

Leonard A. Schlesinger (1979) discussed several ways by which resistance to change can be managed (See Table 20:1).

Table 20.1: Methods of Overcoming Resistance to Change

Drawbacks

Approach

Education + Communication

Participation + Involvement

Commonly Used in Situations

Where there is a lack of information or inaccurate Information and analysis.

Where the initiators do not have all the information they need to design the change, and where others have considerable power to resist.

Advantages

Once persuaded, people will often help with the implementation of the change.

People who participate will be committed to implementing change, and any relevant information they have will be integrated into the change plan.

Can be very time-consuming if lots of people /are involved.

Can be very time-consuming if participators design an
i n change.

Facilitation + Support

Negotiation + Agreement

Manipulation + Co-operation

Explicit + Implicit coercion

Where people are resisting because of adjustment problems.

Where someone or some group will clearly lose out in a change, and where that group has considerable power to resist.

Where other tactics will not work or are too expensive.

Where speed is essential and the change initiators possess considerable power.

No other approach works as well with adjustment problems.

Sometimes it is a relatively easy way to avoid major resistance.

It can be a relatively quick and inexpensive solution to resistance problems.

It is speedy and can overcome any kind of resistance.

Can be time-consuming and expensive and still fail.

Can be too expensive in many cases if it alerts other to negotiate for compliance.

Can lead to future problems of people feel manipulated.

Can be risky if it leaves people mad at the initiators.

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

Let us briefly explain these methods. The advantages and disadvantages of each method are

shown in Table 20.1

- 1 **Education and communication.** This involves providing adequate information and making sure that the change is clearly communicated to those it will affect.

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- 2 **Participation and involvement** Resistance tends to be less pronounced when the individuals who will be affected by a change are allowed to participate in planning and implementing it.

3 Facilitation and support. When people are motivated and encouraged to change, their fear and anxiety, and

encouragement and help from the manager often reduces their resistance.

- 4 **Negotiation and agreement.** Negotiation can be a particularly important *strategy* when one group perceives that it will be hurt by the change and is in position to cause the change effort to fail.

5 Manipulation and co-optation. Manipulation is a subtle way of persuading people about a change so that it appears more attractive or necessary to potential resisters. In co-optation, the potential resisters are given a seemingly desirable role in the change process in order to gain cooperation.

about a change so that it appears more attractive or necessary to potential resisters. In co-optation, the potential resisters are given a seemingly desirable role in the change process in order to gain cooperation.

- 6 **Explicit and implicit coercion.** This strategy involves the direct or indirect use of power to *pressure* change resisters to conform.

Forced-Field Analysis

Also note that managers sometimes *use forcefield analysis* to overcome resistance to change.

Forced-field analysis, developed by Lewin Kurt refers to a method that involves analyzing the two types of forces,

driving and restraining forces that influence any proposed change and then assessing

What are driving forces? *Driving forces* are those factors that pressure for a particular change, whereas *restraining forces* are those factors that pressure against change. Note that at *any* given point in time, the two types of forces push in opposite direction; leading to an equilibrium that defies current conditions, or the status quo. To change the status quo to the desired condition, it is therefore necessary to increase the driving forces, to decrease the restraining forces, or do both.

- Students Assessment Exercise
 - 1 Explain the three initiation patterns of change known to you.
 - 2 List the factors responsible for resistance to change.
 - 3 Explain the ways by which management can overcome resistance to change.

4.0 Conclusion

The strong local and foreign competition during the past decade has led to a new emphasis on change in organisations. During this period, many organisations had embarked on re-engineering, restructuring, downsizing, merger among other forms of change in Nigeria. Change is simply any alteration of the status quo. The forces for change can be

external or internal. Change is often accompanied by pain, hence it is often resisted. Resistance cannot be allowed to remain for too long, hence management can embark on a number of ways to overcome resistance: education and communication, participation

Top-down, involvement, and participation, negotiation and agreement, manipulation and

5.0 Summary

In this last unit —*Management of Change*, you have learned a lot of things — definition of change and

planned change (environment technology, structure management

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You have also learned in this unit the factors that may make individuals resist change — self interest, misunderstanding and lack of trust, different assessment, low tolerance, and a sunk cost. You have equally learned in the study the six major ways by which management can overcome resistance.

6.0 References and Further Reading

Brown, W.B and D.J. Mobergo (1980) *Organisation Theory and Management: A Macro Approach*:

John Wiley and Sons. New York.

Bartol, K.M. and D.C. Muring (1994) *Management* (2nd Ed.) McGraw-Hill, Inc. New York.

7.0 Tutor-Marked Assignment

Questions

Define planned change.

List the Phases involved in managing the planned change process. How can resistance to change be managed?

