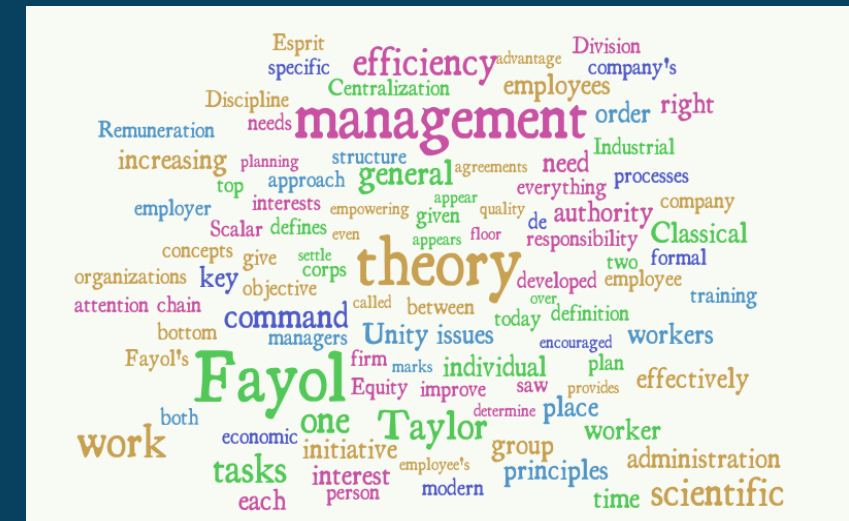


# CLASSICAL MANAGEMENT THEORIES

# PRESENTER

**GEORGINA D. MATTHEWS**  
**NURSING ADMINISTRATION 1**  
**MAN- UPCN**



- ❑ **Management** - is the most important element of any organization. No organization can achieve goals without proper management. Therefore, management is the heart of any organization.
- ❑ It is essential to be aware of management theories for leadership and management success.
- ❑ The organizations should deal with many challenges in modern era. Schools and colleges as typical organizations should be equipped with the science of management and management theories to deal with challenges and use maximum resources and outputs in an efficient and economical manner.
- ❑ Classical management theories are very important among management theories

#### **Classical Management Theory;**

- ❑ Is the traditional theory, wherein more emphasis is on the organization rather than the employees working therein
- ❑ Employees will work harder and be more productive when motivated by monetary rewards.

# Salient Feature of Classical Management Theories

## 1. Chain of Command

**In Classical Management Theories, management is distributed in three levels.**

### Top Level Management:

□ This level of management is generally called administration. It consists on board of directors, general manager in business organizations, president, rectors, vice chancellors and Deans in universities etc. this level of management is responsible to develop long term strategic plans to meet the objectives of the organizations. Other than planning, organizing and directing are the major functions of top level management .

### Middle level management:

□ This level of management falls between the top level and bottom level of management. Its responsibilities are to coordinate the activities of supervisors and to formulate the policies and plans with the line of strategic plans of top level management. In education, Head of department, deputy and assistant directors, deputy and assistant controller exams, deputy registrars, District education officers, assistant education officers and head teachers are included in this category. In business organizations, manager (production manager, office manager, finance managers etc.), deputy and assistant directors are included

### First level management:

❑ This level of management consists of supervisors that are why it is also called supervisory management. Policies and plans are implemented in this phase. Day to day activities are supervised. In education, teachers are included in it while in business unit, Forman, supervisor and shift in charge etc. fall in this category.

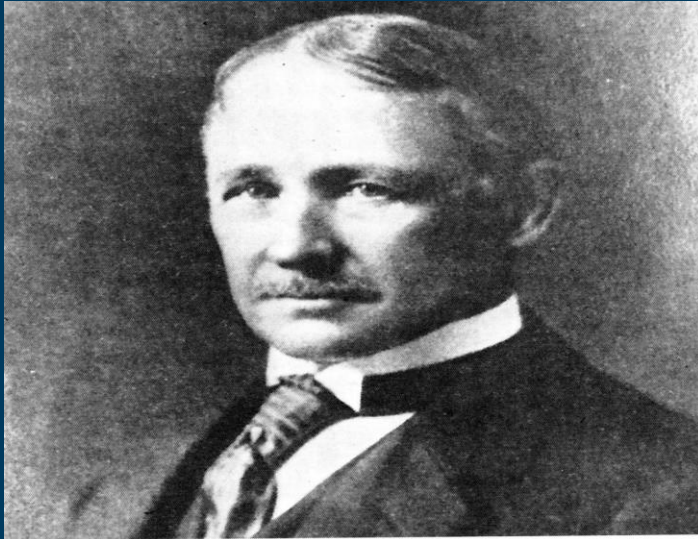
### 2. Division of Labour

❑ Division of labour is second main characteristic of classical management theories. Complex tasks are broken down into many simple tasks which can be easily performed by workers .

### 3. Unidirectional Downward Influence.

❑ There is one way communication in classical management theories. Decisions are made at top level and forwarded to downward. No any suggestions are taken from bottom side.

# THREE (3) PRIMARY CLASSICAL THEORIES



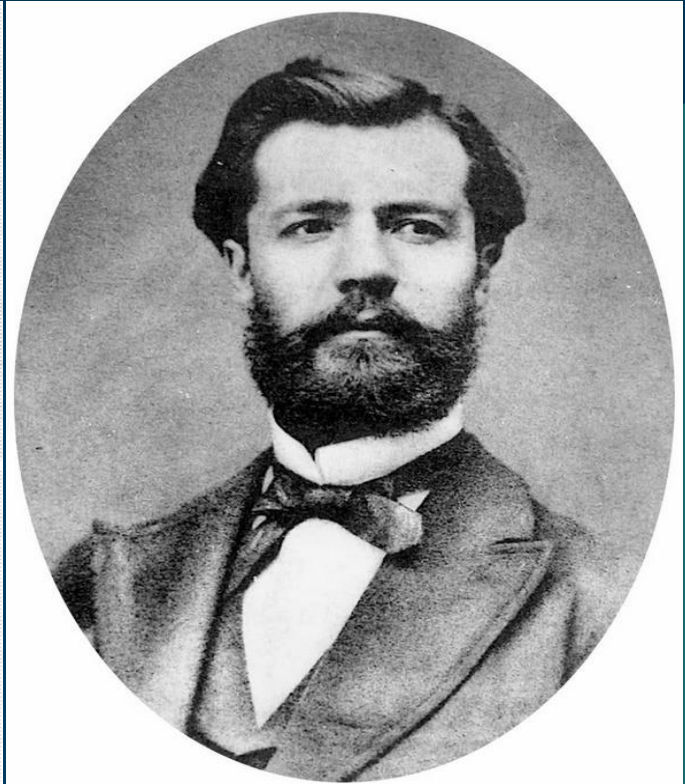
*Fred. W. Taylor*

**SCIENTIFIC THEORY**



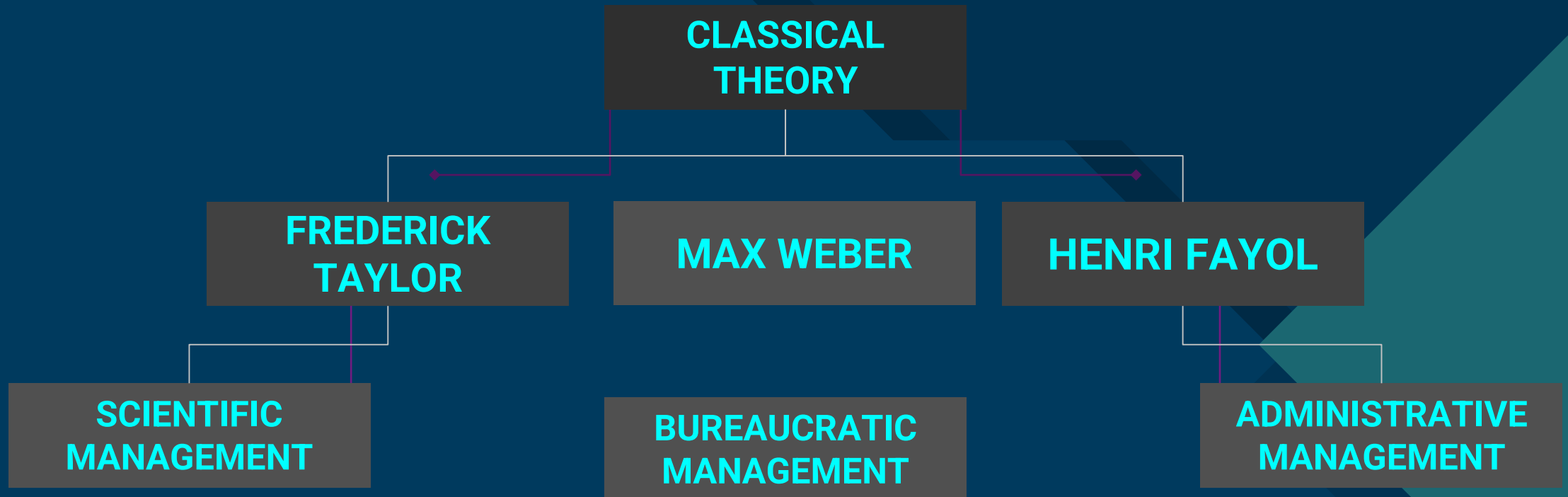
Max Weber jun. 1884

**BUREAUCRATIC THEORY**



**ADMINISTRATIVE  
THEORY**

# DEVELOPMENT OF MANAGEMENT THEORY





# FREDERICK TAYLOR

## Father of Principles of Scientific Management

- **Emphasis on scientific management determination in finding the “one best way “ for workers to fulfill the jobs assigned to them**
- **Job motion study (analysis of tasks in terms of physical motions).**
- **Careful selection and training of workers (scientific or proper procedures for recruitment and training)**
- **Aimed for worker’s productivity**
- **Limited focus on organizations.**

# SCIENTIFIC MANAGEMENT



- FREDERICK TAYLOR
- 1910S
- THE MORE YOU WORK, THE MORE YOU EARN
- DIVISION OF LABOUR AND SPECIALISATION
- WORKERS SELECTED SCIENTIFICALLY
- APPLICABLE TO JOBS WITH QUANTIFIABLE OUTPUT
- DOESN'T WORK WHEN MONEY ISN'T A MOTIVATOR

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## TAYLOR

### PRINCIPLES



SCIENCE NOT  
RULE OF  
THUMB



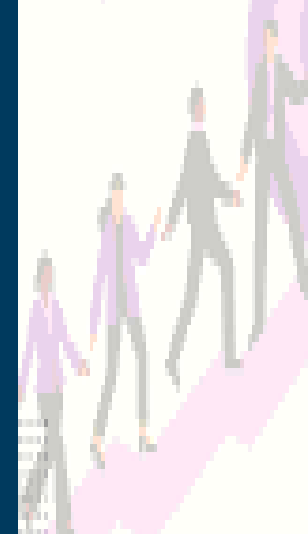
HARMONY  
NOT  
DISCORD



COOPERATION  
NOT  
INDIVIDUALISM



Development of  
each and every  
person





- *F.W Taylor was an American mechanical engineer who started his career as a mechanic and rose to the position of chief engineer in Bethlehem Steel Company, USA.*
- *He found that the main cause of inefficiency and wastage in factories was ignorance on the part of both workers and management. Traditional, unscientific and rule of thumb methods were used without finding facts and without conducting experiments.*
- *Taylor defined management as "the art of knowing exactly what you want men to do and seeing that they do it in the best and cheapest way." He stated that the best management was a true science based upon certain defined laws, rules, and principles.*



## a) Scientific Management Theory

(Fredrick W. Taylor)

- Fredrick W. Taylor (1856 – 1915) is considered as the father of scientific management movement. He systematically studied work in industries when industries in Western countries were becoming complex.
- He was an industrial engineer at the Midvale Steel Company between 1879 – 1889 during which he interacted with workers and the industry to develop 'principles' of scientific management.

## *The Principles of Scientific Management*



**Frederick Winslow Taylor**

A green rectangular sign with the word "Management" in white, bold, sans-serif font, tilted at an angle against a blue sky background.

# Management

## **DEFINITION**

**Scientific management is a management theory where the workflows are analyzed and synthesized. Its main objective is improving economic efficiency, especially labour productivity ( Taylor,1919)**

**Scientific Management is sometimes known as “Taylorism”  
(Eyr,20210)**

# PPRINCIPLES OF SCIENTIFIC MANAGEMENT

## 1. Science not Rule of Thumb:

Taylor focused on the scientific study and analysis of each and every element of a work to replace the old rule of thumb method or hit and trial method. Rule of thumb is not based on science or exact measurement. Scientific method is based on cause and effect, whereas rule of thumb was based solely on the discretion of managerial decisions. Taylor focused that managers should scientifically analyze each and every component of work.

## 2. Harmony, Not Discord:

- Taylor recognized the class conflict that existed between the workers and managers. He emphasized that there should be no conflict between the workers and managers. Both of them should realize the importance of each other and should work together for organizational goals. In order to achieve this harmonious relation, he focused on 'Mental Revolution', which means that workers and managers should transform their thinking. In such a situation, management aims at providing better working environment for the employees, and sharing the gains of the company, etc., and workers should avoid going on strikes and work hard to the best of their ability. This principle is clearly visible in the case of Japanese work culture. There is complete openness between the workers and management. If workers are not satisfied with the management, they wear a black badge and work for more than the normal working hours.

### 3. Cooperation, Not Individualism:

According to this, there should be cooperation between management and workers instead of individualism. This principle is an extension of Principle 'Harmony, Not Discord'. Both management and workers should realize that they need each other. There should be cooperation between them, and competition should be replaced by cooperation. For achieving this principle, management should welcome the constructive ideas and suggestions of the workers. The workers should be praised and rewarded for the suggestions given if their suggestions were helpful. Workers should be taken into consideration while taking important decisions. On the other hand, workers should avoid unreasonable demands and strikes and should work effectively and efficiently to achieve organizational goals

### 4. Development of workers to their greatest efficiency and prosperity:

Taylor focused on the efficiency of workers. According to him, every organization should follow the scientific method of selection of workers, and each worker should be scientifically selected. Then they should be assigned work according to their mental, physical and intellectual capabilities. To increase efficiency, training should be provided. This increase in efficiency will be beneficial for both workers and management.

## Taylor suggested the following techniques:

### 1. Functional Foremanship:

According to this technique, the work of supervision is divided into several specialized foremen. Taylor believes that one foreman is not an expert in all aspects of work. Therefore, each worker should be supervised by several foremen. Taylor suggested that 8 specialists out of these 4 will be responsible for looking after the planning work, and the other four will be responsible to supervise and executing of work.

### 2. Standardization and simplification of work:

Standardization means fixing standards for everything. To attain standard production, the standard of performance is established for the workers. Standardization of work means standard set for material, machine method, and condition of work. Simplification refers to eliminating unnecessary varieties, sizes, and grades of the product. It aims at eliminating unnecessary varieties, sizes and dimensions.



### 3. Work-study:

Work-study means systematic and critical assessment of all the operational functions in the organization. The main objective of the work-study is to improve efficiency by making optimum utilization of resources.

#### Method Study:

- It is a concern with finding 'one best way' of doing a job. The main aim of this technique is to improve work methods to minimize the cost of products and maximize the satisfaction of customers.

#### Motion Study:

This study refers to making a thorough analysis of various motions being performed by a worker while he is doing a particular job. The main purpose of motion study is to detect and eliminate unnecessary movement, and to find out the best method of doing a particular job.

### Time Study:

- It is the technique that is used to determine the standard time taken by a worker. It helps in determining how much work an employee should be able to do in a given period.

### Fatigue Study:

- It refers to determining the amount and frequency of rest intervals required in completing a work. Taylor suggested that a person gets tired when he works continuously without a break. So, he must be provided with a rest interval to regain his lost stamina.

#### 4. Differential Price Wage System:

This is a system in which efficient and inefficient workers are paid at different rates. According to Taylor, financial incentives act as a motivator. So, Taylor developed the concept of a differential piece wage system. In this technique, incentives are directly linked with productivity.

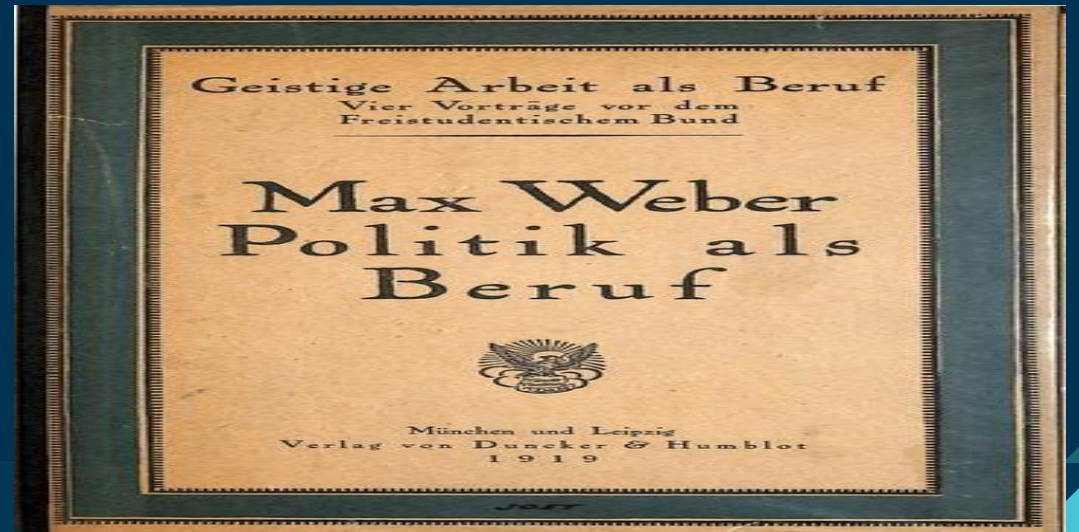
#### 5. Mental Resolution:

It means a total change in the attitude of workers and management towards one another from competition to cooperation. It requires that management should create suitable working conditions, and they should do their work with full devotion.

- In this theory, the focus is on the goal and productivity.
- The organization is viewed as a machine to be run efficiently to increase the productivity of the organization.
- Manager must closely supervise the work to ensure maximum efficiency. The worker must have proper tool and equipments.
- The use of observation, measurement, experimentation, analysis, rationality and reasoning are the chief instrument for developing managerial system.

## b) Bureaucratic Theory

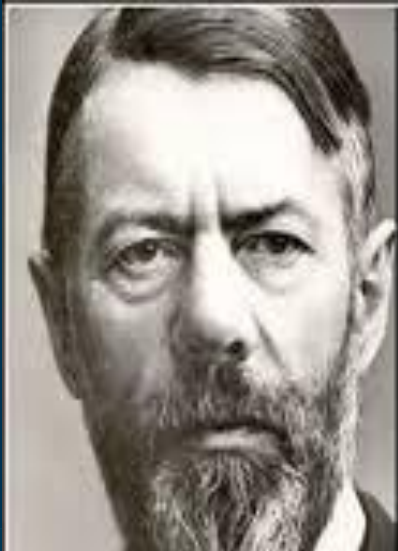
- Max Weber(1864-1920) is known as the father bureaucracy
- Bureaucracy emerged from problems associated with big business enterprises and increasing complexity of government operations.
- According to Weber, bureaucracy is an approach to management by office or position rather than a person, and it is the best method of achieving group endeavours.





# Six Principles of Max Weber's Bureaucracy

- **H**ierarchy of Authority
- **D**ivision of Labor (Specialization)
- **C**learly Defined Rules and Regulations
- **I**mpersonal Relationships
- **F**ormal Selection of Employees
- **C**areer Development



The great virtue of bureaucracy - indeed, perhaps its defining characteristic - was that it was an institutional method for applying general rules to specific cases, thereby making the actions of government fair and predictable.

— Max Weber —



## Bureaucracy

[byu-'rā-kra-sē]

A complex structure with multiple layers and procedures.

Investopedia

## BUREAUCRACY

Bureaucracy is a system of government in which power is divided among different departments and officials.

### PROS AND CONS

#### Benefit of Bureaucracies

Bureaucracy is supposed to make an organization more efficient by dividing up work into areas of specialty. It also acts as a quality assurance mechanism.

#### Weaknesses of Bureaucracies

In practice, bureaucracy often leads to delays and red tape as decisions have to be made by a large number of officials.

### EXAMPLES

- 1) Post Office
- 2) Military
- 3) Education system
- 4) Police force
- 5) Healthcare industry
- 6) Tax agency
- 7) Home insurance industry
- 8) Social security administrations

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## MAX WEBER

### The father of Principles of Management

- ❑ German sociologist , He formulates the theory 1967
- ❑ He focuses on dividing organization into hierarchies and establishing strong lines and control
- ❑ He suggests that organization should develop comprehensive and detailed standard operating procedure to perform pre-planned tasks.

## BUREAUCRACY

- Defines,,as a system for controlling or managing country or nation, organization or company.

Means- TRANSFORM THE WORLD..

## CHARACTERISTICS OF BUREAUCRACY

- **Prescribed Selection ( Formal Selection)**
  - all members of the organization are selected on the basis of technical qualifications such as training and of education.
- **Division of labour.**
  - In a bureaucratic system, complicated tasks are split into relatively simple and manageable parts and an individual person assigned to manage such a task. Specialization is emphasized to increase efficiency and achieve organizational goals.
- **Impersonality.**
  - Organizational decisions are made based upon facts rather than personal feelings and emotions.
  - Rules and regulations are applied uniformly to avoid personal bias.

## CHARACTERISTICS OF BUREAUCRACY (cont...)

- **Hierachial Structure**
  - Refers to office arrangement in vertical order in which each lower hierarchy is supervised by higher order.
  - The hierarchy of authority is represented in form of a chart
- **Formal rules and regulation.**
  - Rules in bureaucratic system are used to promote efficiency and ensure continuity of organizational functions.
  - As a result order, rational and equal treatment of all employees is practiced.
- **Career Orientation.**
  - Managers are professionals and promotion is based profession,experience or seniority.

- This theory has played a key role in establishing standards and procedures that are at the core of most organizations today.
- This theory uses rational and impersonal management process.
- There is a use of merit and skill as the basis for promotion and rewards.

## THE BUREAUCRATIC THEORY IS CHARACTERIZED BY:

- Assigned activities to individual as fixed duties
- A hierarchy of authority and chain of command running throughout the organization.
- Administration through well-defined rules
- Decision making on rational and objective criteria.
- Employment and promotion based on demonstrated competence.
- Fixed salary based on status or rank rather on work performed and a guaranteed pension on superannuation.
- It is a centralized approach where most of the power of taking decision is vested in the top levels.

## ADVANTAGES OF BUREAUCRACY

The development of bureaucratic system has contributed a lot in managing huge organizations.

**1.Efficiency.** Bureaucracy serves a large of people in systematic manner. Besides this individuals who have been involved in bureaucracy are trained and knowledgeable.

All tasks that are performed at every echelon are supervise.

Therefore bureaucracy is efficient in utilizing resources and effective in task performance.

**2.Predictability.**Bureaucracy operates on the basis of rules and regulations. Decisions are made on the basis of the set policies. As a result, activities are predictable and can be forecasted in advance

**3.Impersonality.**Since bureaucracy functions on the basis of rules and policies, it sets clear boundaries for each position to minimize personal bias and duplication of efforts.



## DISADVANTAGES OF BUREAUCRACY

- Over conformity. Bureaucracy is too rigid. It overemphasizes adherence to rules and regulations. It does not encourage change.
- Bureaucracy does not encourage two way communication. Orders are often from top. It is difficult for subordinates to communicate to the top management.
- Bureaucratic organizations are slow in decision making. The search for rationality may contribute to the delay in decision-making activities.

# APPLICATION OF BUREAUCRACY IN EDUCATIONAL ORGANIZATIONS

Schools as formal organizations have many similarities and characteristics.

- Hierarchical structure
- Appointments and promotions
- Staff specialization
- Rules and regulations
- Responsibilities and authorities as well as division of labour.

## c) Administrative Management

- Henri Fayol (1841-1925) is famous for his theory called Administrative Management.
- He proposed five “basic elements of administration”. These were planning, organizing, commanding, coordinating and controlling.
- He is remembered mainly because of his book called “General and Industrial Management” in which he proposed the 14 principles of management.



- **HENRI FAYOL**

- Father of the general principle of management, *Henry Fayol* was a French industrialist. He joined a French mining company in 1860 as an engineer and rose to the position of its managing director in 1888.
- At that time, his company was at the stage of bank insolvency. With broad administrative experience, 'Fayol' contributed a lot to his company. When he retired in the year 1918, the company was in excellent condition.
- Henri Fayol recognized the need for principles of management. He identified 14 Principles of Management. These principles are:

- **He believed that leader had five main functions:**

- to forecast
- to plan
- to coordinate
- to command
- to control

- He suggested that principles should not be too rigid but it should be left up to the manager to determine how they use them to manage efficiently and effectively.
- He also focuses on the managerial qualities and training and experience. It is mainly concerned with the optimal approach for administration to achieve economic efficiency.

# 14 Principles of Management by Henri Fayol

1		Division of work
2		Authority and Responsibility
3		Discipline
4		Unity of Command
5		Unity of Direction
6		Subordination of Individual Interest
7		Remuneration

8		The Degree of Centralization
9		Scalar Chain
10		Order
11		Equity
12		Stability of Tenure of Personnel
13		Initiative
14		Esprit de Corps

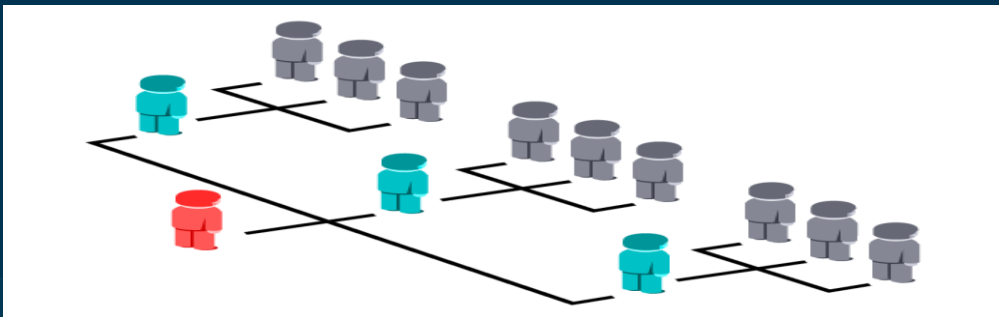


# 14 PRINCIPLES OF ADMINISTRATIVE MANAGEMENT THEORY

## 1.Division of work.

It refers to dividing the work into different individuals. Fayol recommended that work of all kinds must be divided and allocated as per competence, qualification, and experience of individuals.

According to Fayol, "Division of work intends to produce more and better work for the same effort. Specialization is the most efficient way to use human effort."



## 2.Authority and responsibility

According to this principle, there should be a proper balance between authority and responsibility. Authority is the duty, which a subordinate is expected to perform. Authority and responsibility go hand in hand. Authority without responsibility leads to irresponsible behavior, while responsibility without authority will make a person ineffective.

According to Fayol, "Authority is the right to give orders and obtain obedience, and responsibility is the corollary of authority. The two types of authority are official authority, which is the authority to command, and personal authority, which is the authority of the individual manager."

### 3. Discipline

Discipline refers to obedience to the rules and regulations of the organization. Discipline requires good supervision at all levels of management. According to Fayol, good supervision at all levels, clear and fair rules, and a built-in system of penalties will help to maintain discipline. It is a must for all levels of management.

For example, employees must be disciplined to work effectively and efficiently to meet their promises of bonuses, increments, and promotions. Its smoothness systemizes the functioning of an organization by providing better relations between management and employees.

### 4. Unity of command

According to this principle, each subordinate should receive orders and be accountable to only the superior. No person can serve several masters at the same time.

If an employee gets orders from two superiors at the same time, then the principle of unity of command is violated, and he will find it very difficult to decide who he has to obey first. So, to avoid confusion, employees should receive an order from one superior.

## 5.Unity of direction

It implies that there should be one head and one person for proof of activities having the same objectives. According to this principle, all the activities should be carried under the direction of one head, and there should be effective coordination in all the activities.

This principle ensures unity of action and avoids unnecessary duplication of work.

## 6.Subordination

According to this principle, the interest of the organization as a whole must prevail over the interest of the individual. It must be the interest of the organization that should be placed above the interest of employees.

It is the duty of the manager to reconcile them. If reconciliation is impossible, then general interest must supersede individual interest. A manager must sacrifice his interest. Manager can achieve their objectives when the organization recovers from financial crises.

## 7. Remuneration

According to this principle, remuneration should be fair and satisfactory to both employees and the organization. This principle leads to harmonious relations in the organization.

Fair remuneration should be determined based on government rules related to wages, financial position of the organization, nature of work, and cost of living. Employees should be paid reasonable wages for their service, which should provide them with a moderate standard of living.

## 8. Centralization and Decentralization

Centralization refers to the concentration of authority at the top level, and decentralization means distribution at all levels of management. According to this principle, there should be a proper balance between centralization and decentralization.

The degree of centralization and decentralization depends on various factors, such as experience of the employees, ability of subordinates, size of the organization, etc. Too much centralization lead to loss of control of top management. Therefore an optimum balance should be maintained according to the need of the organization.

## 9. Scalar chain

According to this principle, there is a scalar chain of authority and communication that moves in a straight line from the superior to the lowest subordinate.

Henri Fayol permitted a shortcut of chain in case of urgency known as *gang plank*. Gang plank allows direct communication between two employees of the same level.

## 10. Order

According to this principle, there should be a proper place for everything and everyone. Henri Fayol emphasized on two types of order: material order and social order. In material order, there must be a plan for everything.

It ensures fix a place for various material tools. Whereas in social order, there must be an appointed place for every employee, which ensures a proper and fixed place/cabin for each employee.

## 11. Equity

According to this principle, there should not be any discrimination amongst employees based on religion, caste, language, or nationality. Equity ensures coordinated relations between superiors and subordinates.

It leads to the smooth and successful working of the enterprise. It improves satisfaction and motivation of the employee, creating relation between manager and employees.

## 12. Stability of personnel

According to this principle, there should be proper effort to achieve stability and continuity of employment. Fayol said that employees should be kept in their position for a reasonable time to show result stability creates a sense of belonging, and workers are encouraged to improve their quality of work.

This will increase the efficiency of employees, and it will also increase the reputation of the organization. Unnecessary labor turnover creates an atmosphere of disbelief. Continuous changes in employees disturb the working environment.

### <sup>b</sup> 13. Initiative

According to this principle, workers should encourage and should be given an opportunity to take initiative in making and executing the plan. Henri Fayol suggested that employees at all levels should be encouraged to take initiative in work. It motivates employees to work better and to take more interest in the organization.

The initiative is a powerful motivator of human behavior and a source of strength for the organization. This increases the mental growth and feeling of belongingness in employees. It increases the commitment of employees toward the organization. Lack of initiatives may create an atmosphere of non-cooperation.

### 14. Esprit de corps

According to this principle, management should take reasonable steps to develop a sense of belongingness and a feeling of team spirit amongst employees. In order to achieve the best possible result, individual and group efforts need to be integrated.

Production is a teamwork and it requires the full support of all members. For this purpose, a manager should replace 'I' with 'We' in his conversations to bring a team spirit among the employees. This will develop an atmosphere of mutual trust. It will help in achieving group goals, leading to cordial relations between management and workers.



## Functions of Management

- Directing
- Planning
- Organizing
- Staffing
- Controlling





Fig. 1.13 : The management process

## PRINCIPLES EXPLAINED

### FAYOL and The Principles



*Whatever task he delegates to the band,  
he must make sure that the task has been completed*

## SUMMARY AND CONCLUSION

- ❑ **Classical theories enhance the management abilities to predict and control the behavior of the workers. These theories are designed to predict and control behavior in organization. These theories consider the tasks functions of communication in the organization and ignore the human relational and maintenance functions of communication. These are applied in simple, small and stable organizations while these are not applicable in big, complex and aggressive organizations of today**
- ❑ **Theorist has a great contributions in all aspects of nursing arena, Based on their concepts and ideas wherein certain rules, regulations and policies made for the maintaining and improving situation in one organization or institutions.**
- ❑ **Nurse managers are responsible for managing human and financial resources; ensuring patient and staff satisfaction.**

# Relevance of Theories in Management

Provide general explanations of phenomenon.

- Theory provides mental framework to help in understanding the nature and effects of practice.

Guide Decisions.

- Theory serves to provide a rationale for decision-making. Managerial activity is enhanced by an explicit awareness of the theoretical framework underpinning practice.







Thank  
You

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