INTRODUCTION

This essay discusses classical management and behavioural viewpoint, their limitations, and argues that their incompatibilities can be reconciled by systems and contingency theories.

The first part of this essay gives a brief overview of classical management and the second on behavioural viewpoint. The third and fourth compare the two approaches to find the similarities/compatibilities and dissimilarities/incompatibilities between them. The next two parts explain systems and contingency theories and how they reconcile the points of dissimilarity/incompatibility between these approaches. The final part contains some concluding remarks.

CLASSICAL VIEWPOINT
A BRIEF OVERVIEW

Classical management theory was based on the work experiences of certain key individuals in the early twentieth century, which collectively came to be known as the classical management school (Buchanan & Huczynski, 1997, p.393). The theory is called *classical* because it attempted to offer simple principles, which claimed a general application (Baker, 1972; Buchanan & Huczynski, 1997, p.393). There are three major approaches within the classical viewpoint: scientific, bureaucratic, and administrative (Bartol *et al.*, 2005, pp.34-8).

The pioneers of the classical viewpoint include the "Father of Scientific Management" (Merkle, 1980, p.10) Frederick Winslow Taylor, Max Weber, Henri Fayol, and Lyndall Urwick (Buchanan & Huczynski, 1997, pp.332-413).

BEHAVIOURAL VIEWPOINT
A BRIEF OVERVIEW

Behavioural or human relations management emerged after the classical approach, bringing even newer and more challenging concepts, including a philosophical approach to managerial "oughtness". This new approach represented a further move from purely mechanistic thinking to the realm of value and value judgments. It posted new concepts of organization and applied new emphasis on group dynamics (George, 1972, p.132).

Among the pioneers of the behavioural viewpoint are the "Father of Industrial Psychology" (George, 1972; Landy, 1977; Bartol *et al.*, 2005, p.40) Hugo Münsterberg, Mary Parker Follett, Elton Mayo, Douglas McGregor, and Abraham Maslow (Bartol *et al.*, 2005, pp.40-4).

SIMILARITY/COMPATIBILITY

1. **Classical management and behavioural viewpoint were both seeking to improve the efficiency[1] of the organization:**

Taylor developed new duties for managers which, combined with the initiative of workmen, made scientific management "so much more efficient than the old plan" (Taylor, 1911, pp36-7). According to Urwick, 'structural universalism[2]' was a way of achieving organizational efficiency (Urwick, 1947, p.49; Buchanan & Huczynski, 1997, p.394).

Behaviourist Münsterberg believed psychologists could study jobs and identify individuals best suited to particular jobs; identify psychological conditions where people tend to do their best work; and develop strategies to

---

[1] The ability to use available resources best in achieving goals (Bartol *et al.*, 2005, p.11).
[2] How to allocate tasks, control the work being done, and motivate and reward those doing it (Urwick, 1947, p.49; Buchanan & Huczynski, 1997, p.394).

influence employees to behave in ways that fit with management's interests (Bartol *et al.*, 2005, p.40). Hiring employees based on their abilities, giving them the conditions that would have the optimal effect on productivity, and motivating them correctly would improve efficiency in organizations.

2. Both were simplistic and did not make allowance for unpredictability:
While classical management sought to create a structure which most efficiently achieved management goals (Buchanan & Huczynski, 1997, p.393), it ignored uncertainty, and this fact prevented its prescriptions being implemented (Spender, 1989; Buchanan & Huczynski, 1997, p.405).

Human relations management was also too simple and formulated. It did not consider the unpredictability of human behaviour. There are two main problems with Maslow's hierarchy of needs: The first is the difficulty in predicting behaviour. The amount of satisfaction that has to be achieved before one may progress from one step to the next in the hierarchy is difficult to define and measure. The second is that although there is evidence that some people pursue these needs, they do not necessarily pursue them in the order that Maslow suggested, and it is unclear whether the 'highest order' needs are innate or learned (Buchanan & Huczynski, 1997, pp.77-8).

DISSIMILARITY/INCOMPATIBILITY

1. View towards employees:
Classical management theory considers employees as inert tools who carry out assigned tasks. Their motivations are considered significant to the extent that they lead them to do their job properly (Buchanan & Huczynski, 1997, p.393). To Taylor (1911), workers were economic animals who responded directly to financial incentives and exerted effort in proportion to the rewards. Taylor regarded workers as machines fuelled only by money; shovel in more money and, given the right methods and working environment, they go faster (Buchanan & Huczynski, 1997, p.340). McGregor (1966) stated that the

conventional (classical) conception of management about workers were that they "would be passive – even restraint – to organizational needs. They must therefore be persuaded, rewarded, punished, controlled – their activities must be directed". This McGregor called the "Theory X".

In contrast, McGregor's "Theory Y", which is "based on more adequate assumptions about human nature and human motivation" (behavioural viewpoint), states that people are *not* by nature passive or resistant to organizational needs (McGregor, 1966, p.15). Follett believed that organizational members are always influenced by groups within which they operate (Parker, 1984; Bartol *et al.*, 2005, p.40) and groups could control themselves and their own activities (Bartol *et al.*, 2005, p.41). Mayo's Hawthorne Studies affirmed these views, which found that workers are motivated by more than pay and conditions alone, and work is a group activity, where groups exercise strong controls over the work habits and attitudes of individual group members (Buchanan & Huczynski, 1997, p.186).

2. Different approaches in achieving efficiency and organizational goals:

Classical management tried to achieve the above by identifying key processes, functions and skills. Taylor's four principles of scientific management were aimed to standardise and simplify the job so that it was broken down into its elements, which could then be distributed to workers based on the fitness for the job. He also introduced the piecework incentive system[3] to maximise the output of the worker (Buchanan & Huczynski, 1997, p.335). Fayol identified the fourteen principles of management, which includes centralisation[4] and

---

[3] The more pieces the worker produced, the higher the pay he received (Buchanan & Huczynski, 1997, p.336).

[4] Extent to which power and authority are retained at top organizational levels (Bartol *et al.*, 2005, p.680).

unity of command[5], and said that, 'Without principles one is in darkness and chaos' (Buchanan & Huczynski, 1997, pp.398-9).

Human relations management tried to do the same by providing insights into individual, interpersonal, and group processes and encouraging managers to take these factors into account. Maslow identified the employees' needs and that they did not respond to monetary pay alone (Bartol *et al.*, 2005, p.43). Mayo's Hawthorne Studies showed managers that workers are motivated by more than pay and conditions alone, and that managers had to be aware of these needs in order to align these to achieve organizational objectives and efficiency (Buchanan & Huczynski, 1997, p.186).

SYSTEMS THEORY

Systems theory views the organizations as systems (Kast & Rosenzweig, 1972; Bartol *et al.*, 2005, p.46). The four major components of a system are inputs, transformation processes, outputs and feedback (Bartol *et al.*, 2005, p.46).

There are two types of systems: open systems and closed systems[6] (Bartol *et al.*, 2005, p.47). Open systems import resources[7], and transform them into goods and services. They then export these products back into the environment (Rice, 1963; Miller and Rice, 1967; Buchanan & Huczynski, 1997, pp.566-67). Two major open system characteristics are synergy[8] and

---

[5] An individual must receive orders from only one hierarchical superior (Buchanan & Huczynski, 1997, p.400).
[6] Which few organizations are, as they need the environmental feedback to sustain their operations (Bartol *et al.*, 2005, p.47).
[7] Such as people, materials, equipment, information and money (Rice, 1963; Miller and Rice, 1967; Buchanan & Huczynski, 1997, pp.566-67).
[8] A cohesive group has the ability to outperform even its best individual member (Buchanan & Huczynski, 1997, p.276).

negative entropy[9] (Kast & Rosenweig, 1972; Katz & Kahn, 1978; Bartol *et al.*, 2005, p.47).

Systems theory can reconcile the dissimilarities between classical management and behavioural viewpoint by representing reality more fully and more adequately than the conventional picture of the formal organization. It provides a better basis for understanding what goes on rather than what ought to go on, and enlarges and enriches the possibility of understanding the many complex cause-effect relationships constituting an organization (Davis & Newstrom, 1985, p.348). Systems theory provides managers with information about what is happening in the organization rather than telling them *how* to manage. The information can then be used to determine the best method to motivate employees and achieve efficiency in organizations. If the workers are motivated by monetary pay, managers should then reward them accordingly, and *vice versa*. The best way of achieving efficiency and goals in organizations can also be inferred by applying systems theory. Feedback[10] plays an important part here. It supplies managers with the knowledge they need to realise goals and improve efficiency.

CONTINGENCY THEORY

Instead of universal principles, contingency theory identifies actions to take depending on situational characteristics (Luthans 1973; Bartol *et al.*, 2005, p.48). Contingency theory can reconcile the dissimilarities between classical management and behavioural viewpoint by assuming that there is no 'one best way' to manage (Bartol *et al.*, 2005, p.47). 'It depends' is the answer to most questions asked of contingency researchers. Employee behaviour is too

---

[9] The ability to delay or arrest the tendency of systems to decay over time by bringing in new environmental energy in the form of inputs and feedback (Bartol, *et al.*, 2005, p.47).

[10] Information on results and organizational status relative to the environment (Ramaprasad, 1983; Bartol *et al.*, 2005, p.46).

complex to be explained by only a few simple and straightforward principles (Vecchio *et al*., 1996, pp.22-3).

When the environment is simple and unchanging, managers should implement classical management as it is designed to deal with structured, uncomplicated situations. In these environments, managers can assume that workers are motivated solely by money, and should adopt universality in managing organizations to achieve goals and efficiency. Concepts like centralisation should be used.

In complicated, dynamic environments, managers should apply behavioural viewpoint to suit the instability of the environment, as behavioural viewpoint considers human behaviour and urges managers to consider it. In these situations, managers should assume that workers have needs beyond physiological and safety, and concepts like delegation[11] and decentralisation[12] should be used to accomplish goals and efficiency.

CONCLUSION

Both systems and contingency theories stress the importance of considering the environment in making managerial decisions. They recognise the interdependency of situational factors and managerial decisions. Their reluctance to implement universality, and their ability to reconcile the incompatibilities between classical and human relations management theories provide managers who use them with better prediction and control of the organization.

---

[11] Assignment of part of a manager's work to others, along with both responsibility and authority necessary to achieve expected results (Bartol *et al*., 2005, p.682).
[12] Extent to which power and authority are delegated to lower levels (Bartol *et al*., 2005, p.682).

REFERENCES:

Baker, R.J.S. (1972), *Administrative Theory and Public Administration*, Hutchinson, London.

Bartol. K., Tein, M., Matthews, G., Martin, D. (2005) *Management: A Pacific Rim Focus* (4th Edition), McGraw-Hill Irwin.

Buchanan, D., Huczynski, A. (1997) *organizational behaviour: an introduction text* (3rd Edition), Prentice Hall Europe.

Davis, K., Newstrom, J.W. (1985) *Organizational Behaviour: Readings and Exercises* (7th Edition), McGraw-Hill Book Company.

George, C. S. JR. (1972) *The History of Management Thought*, Prentice Hall: Englewood Cliffs, New Jersey.

Kast, F.E. and Rosenzweig, J.E. (1972) General system theory: Applications for organization and management, *Academy of Management Journal*, 15, pp.447-65.

Katz, D., and Kahn, R.L. (1978), *The Social Psychology of Organizations*, Wiley, New York.

Landy, F.J. (1992) Hugo MŸnsterberg: Victim or visionary, *Journal of Applied Psychology*, 77, pp.787-802.

Luthans, F., The Contingency Theory of Management: A Path Out of the Jungle, *Business Horizons*, Vol. 16 No. 3, pp.67-72.

McGregor, D. (1966) *Leadership and Motivation: Essays of Douglas McGregor*, The M.I.T. Press, Massachusetts Institute of Technology Cambridge, Massachusetts, and London, England.

Merkle, J. A. (1980) *Management and Ideology: The Legacy of the International Scientific Management Movement*, University of California Press.

Miller, E.J. and Rice, A.K. (1967) *Systems of Organization: The Control of Task and Sentient Boundaries*, Tavistock Publications, London

Parker, L.D. (1984) Control in organizational life: The contribution of Mary Parker Follett, *Academy of management review*, 9, pp.736-45.

Ramaprasad, A. (1983), On the definition of feedback, *Behavioural Science*, Jan., pp 4-13.

Rice, A.K. (1963) *The Enterprise and its Environment*, Tavistock Publications, London

Spender, J-C. (1989) *Industry Recipes*, Blackwell, Oxford.

Taylor, F.W. (1911) *The Principles of Scientific Management*, Harper & Brothers Publishers, New York and London

Vecchio, R.P., Hearn, G., Southey, G. (1996) *Organisational Behaviour* (2nd Edition), Harcourt Brace & Company, Australia.