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(1) → The classical theory is a past theory and is therefore called the traditional theory of management. The classical viewpoints find ways to manage business organisation effectively. It includes management theories that provide foundation to the study of management. It is the first step towards study of management as a distinct field of study.

In simple, Classical theory refers to ~~traditionally~~ accepted views about the organisation.

The different types of classical theory are :-

- (i) Scientific Management
- (ii) Administrative Management or Management Process
- (iii) Bureaucracy

(i) Scientific Management

Scientific Management was totally revolutionary ways of thinking about the problem of work and ~~org~~ management. In general, it implies :-

- Application of science to the management of a business concern.
- Replacement of ~~traditional technique~~ to Scientific technique.

➤ Principles of Scientific Management

- ~~Scien~~ Science, not rule of thumb
- Harmony not discord
- Corporation not, individualism
- Development of workers to ~~their~~ greatest efficiency

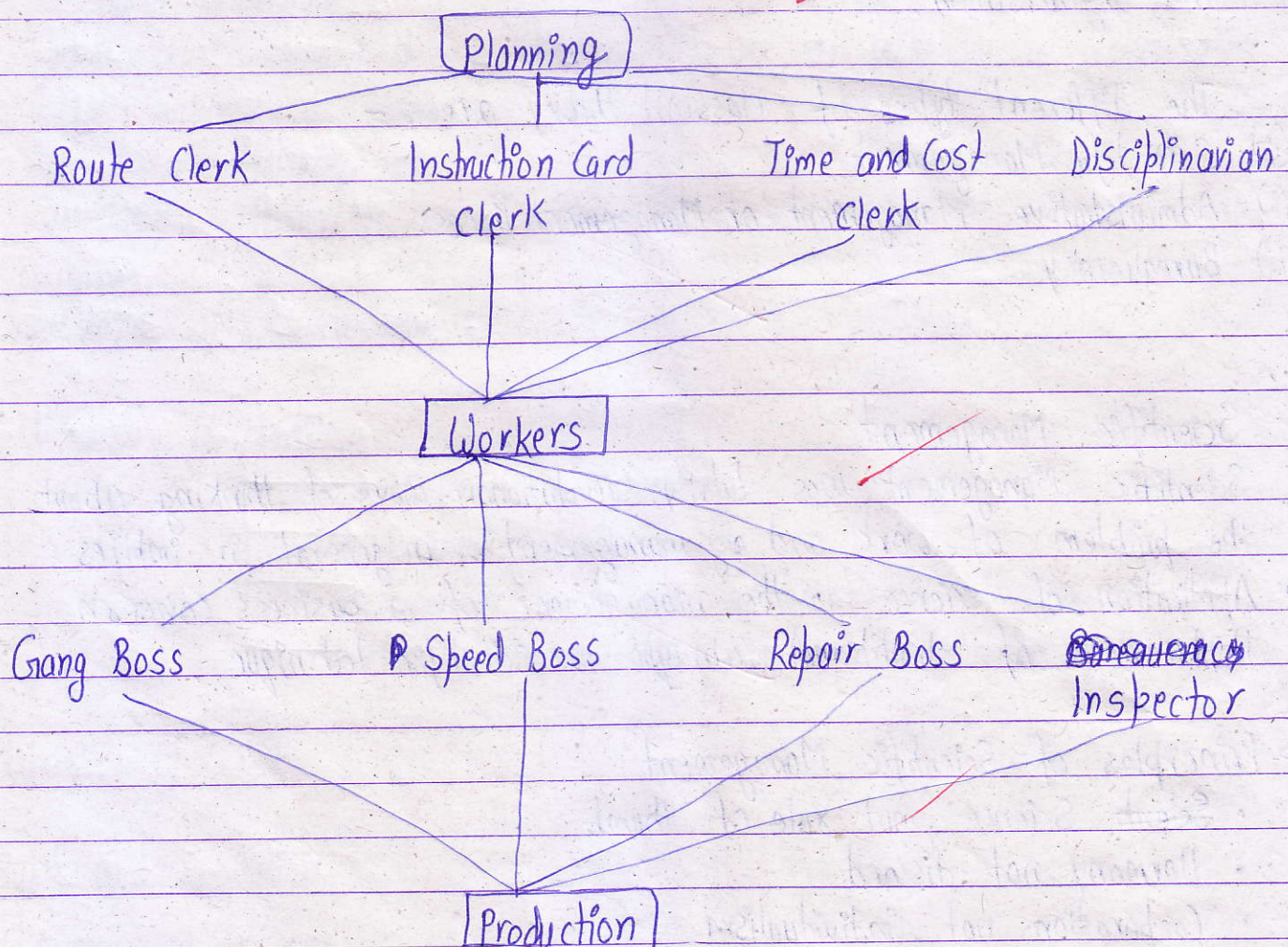
➤ Techniques of Scientific Management

- Scientific Task setting
- Planning the task

- Work Study - It ensures maximum production at minimum cost and getting giving best contribution from every factor :

Fatigue Study + Method Study + Motion Study + Time Study

- Standardisation (Working environment and method)
- Functional ~~formanshi~~ Foremanship



- Differential Piece rate plan

Features of Science

(ii) Administrative Management or Management Process

It also refers to Management Principles. It means the statement of fundamental truth which acts as a guidelines for taking managerial actions and decisions. It is developed by Henry Fayol.

> Features of ~~the~~ Administrative Management

- Prospective : Managerial level
- Efficiency : Improved by observing certain principles
- Orientation : Managerial function
- Result : Personal experience converted into universal truth
- Human Element : Regard to human aspect (stability of tenure, scalar chain)

> Principles of Management (Administrative Management)

- ~~Principle of~~ Division of Work (Specialisation)
- Authority and Responsibility
- Discipline
- Unity of Command
- Unity of Direction
- Subordination of Individual Interest to General Interest
- Order
- Remuneration
- Scalar Chain
- Stability of Tenure
- Equity
- Centralisation and Decentralisation

- Initiative
- Espirit de Corps

(iii) Bureaucracy

It can be defined as administrative system designed to accomplish large scale administrative tasks by systematically coordinating the work of many individuals.

Weber has developed 3 types of power of authority in organisation:

- Legal-Rational or Bureaucracy Authority
- Traditional Authority
- Charismatic Authority

Features

➤ ~~Functions~~ of Bureaucracy :

• Hierarchy of position

- Hierarchy of authority
- Descending Scale
- Superior-subordinate relationship
- Line of communication and delegation of authority

• Division of Work

• Rules and Regulation

• Interpersonal Relation

• Official Records

• Long-term employment

- Technical Competence

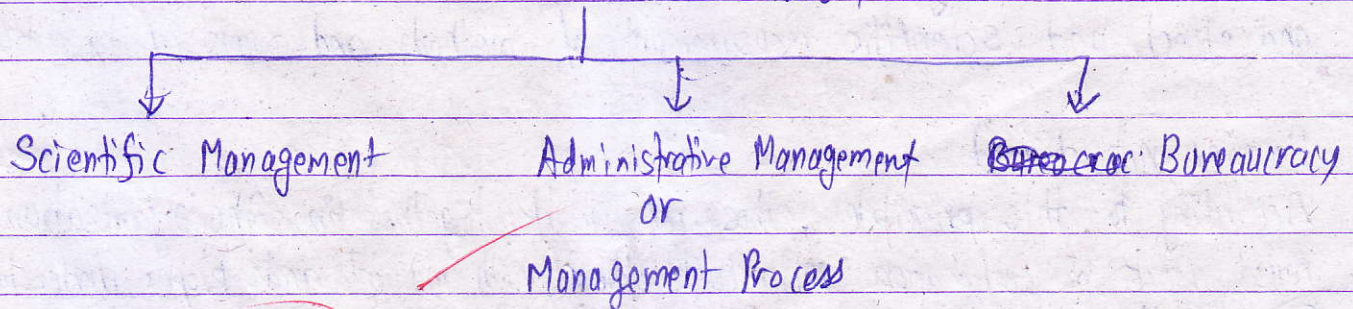
- Administrative Class

- People are paid and whole time employees
- Salary and other perquisites based on their positions
- No proprietary in the organisation
- Selected on the basis of competence
- Tenure is determined by rules and regulations

➤ Benefits of Bureaucracy

- Proper delegation of authority on the basis of competence
- Because of rules and regulation all actions are taken very carefully.
- Behaviour of employees is rational and predictable.
- Bureaucracy leads to efficiency in the organisation.

Types OF Classical Theory



② → Scientific Management theory ~~is~~ was totally a revolutionary way of thinking about the problem of work and management. In general, it implies:

- Application of Science to the management of a business concern
- Replacement of traditional technique to scientific technique.

➤ Features of Scientific Management

- Prospective : Shop floor level
- Efficiency : Improved by work, standardisation and specialisation.
- Orientation : ~~and~~ Production and Engineering
- Result : : Scientific Observation
- Human Element : More stress on increasing ~~production~~ rather than human aspects.

➤ Principles of Scientific Management

- Science, not rule of thumb

According to this principle, Taylor insists that all jobs performed in the organisation must be based on Scientific enquiry not on intuition, experience and hit and miss method. He says that there must be thinking before doing which is not in case of Rule of Thumb. Rule of thumb means dictatorship of management whereas scientific decisions are based on cause and effect and scientific measurement of methods and ways of production.

- Harmony, not discord

According to this principle, those who work together in the organisation must work in corporation with each other, with mutual and proper understanding. Generally, there are 2 people working in organisation — workers and manager. They both are rival to each other. So, Taylor insists on mental revolution means complete change in attitude of both and outlook for each other.

- Corporation, not individualism

This principle is the extension of harmony not discord. Here, Taylor says that work must be carried on proper understanding and corporation with each other. Workers and managers must work in corporation. Before setting any objective or target for workers managers must take in confidence of employees hence they contribute maximum. On the other hand, workers should not go on strikes and make unreasonable demand.

There must be Open communication, there must be Paternistic Style as in case of Japanese company.

- Development of workers to their greatest efficiency and prosperity

Industrial efficiency depends upon the efficiency of ^{workers} ~~employees~~. Workers efficiency depends upon the proper training and selection. Taylor insists that due care must be taken while selecting employees for jobs ~~so~~ and once Selected they must be given job according to their qualification. Employees must be sent for training time to time. This leads to greatest efficiency and prosperity for ~~both organisation and employees~~.

Criticism of Scientific Management are :-

- ① Mechanistic and Impersonal approach
- ② Greater emphasis to production management
- ③ Monopoly and boring jobs
- ④ Money treated as factor of motivation
- ⑤ Violates the principles of Unity of Command
- ⑥ Resistance by trade unions

~~(a) Mechanistic and Impersonal approach.~~

(a) Mechanistic and Impersonal approach

It is the criticism of Scientific management. It includes more stress on increasing productivity rather than human element and people have feelings, emotions, and sentiment so it is criticised impersonal approach.

(b) Greater emphasis to production management.

It more stresses on production or increasing production as it includes development of workers to their greatest efficiency and prosperity. It also includes work study (i.e. fatigue study, time, motion, method etc).

(c) Monopoly and boring job

It is a boring job as work is based on scientific enquiry not on experience, hit and miss methods etc. So, it leads to boring jobs for employee.

(d) Money treated as a factor of motivation

Here, scientific management reward money as a factor of motivation because employees in the organisation put their maximum contribution due to the money or economy provided to them.

(e) Violates the principles of unity of command.

It says that ~~every~~ division of specialisation or experts ~~will~~ will be there for every employees to bring specialisation in production. So, it insists on 8 bases for ~~ex~~ employees.

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③ → Fourteen principle of Henry Fayol :—

- (i) Division of Work
- (ii) Authority and Responsibility
- (iii) Discipline
- (iv) Unity of Command
- (v) Unity of direction
- (vi) Subordination of individual interest to General Interest
- (vii) Order
- (viii) Remuneration
- (ix) Scalar Chain
- (x) Stability of Tenure
- (xi) Equity
- (xii) Centralisation and Decentralisation
- (xiii) Initiative
- (xiv) Esprit de Corps

(i) Division of Work

According to this principle, whole work must be divided into smaller tasks or units and instead of assigning the whole work to one employee, whole work must be divided into smaller units and assigned to employees according to their qualification, experience and capability of employees. If a person is performing unit of job again and again it leads to Specialisation.

(ii) Authority and Responsibility

Authority means power to take decision. Responsibility means obligation to complete the job assigned on time. There must be parity between both.

Excess of authority without matching responsibility will bring negative result and excess of responsibility without matching authority will not allow the workers to complete the job on time. So, balance of both is required.

(iii) Discipline

Discipline means general rules and regulation necessary to carry the jobs systematically. Discipline does not mean ~~only~~ only rules but it means developing commitment of ~~the~~ the employees in the organisation towards organisation as well as towards each other. Disciplinary rules is required not ~~only~~ only at subordinate level but it also requires at the superior level.

(iv) Unity of Command

Here, ~~Fayol~~ Fayol says that an employee must receive orders from one boss only because if he is receiving orders from more than one boss he will get confused and will not be able to understand whose boss order will be executed first. Besides, he will get chance to make excuse by saying that he is busy ~~in~~ with other boss order. So, to remove confusion and excuses an employee must receive order from one boss.

(v) Unity of Direction

According to this principle, "one unit means one plan" that is the effort of all members and ~~an~~ employees of the organisation must be directed towards one direction that is the achievement of organisational goal. If this principle is applied it leads to ~~Coordination~~.

(vi) Subordination of Individual Interest to General Interest

Here, interest of organisation must supersede the interest of individual. Every employee in the organisation works with some objective and every

organisation is having some objective. If the objective of both are in one direction then there is no problem but if are in opposite direction ~~organis~~-managers must try to reconcile the ~~int~~ interest of organisation to the objective of individual.

(vii) Order

Here, order does not mean command. But, it ~~refers~~ to orderly arrangement of men and material. It means there must be fixed place for material and fixed seats or cabins for person so that there is no delay in search of men and material.

(viii) Remuneration

Here, Fayol insists that they must be given fair and ~~per~~ adequate salary to employees. If they are paying inadequate salary then they will become unsatisfied and unsatisfied customers will never contribute their maximum. Dissatisfaction will also leads increase in ~~employee~~ turnover.

(ix) Scalar chain

Scalar chain refers to line of authority or chain of superior from highest to lowest rank. Fayol insists that this chain must be strictly follow in the management. Every information must be pass through every key and no skipping of key should be allowed.

(x) Stability of Tenure

It refers to no frequent transfer or termination. Frequent transfer leads to increase in turnover employees. Management must provide security of job so that they contribute their maximum. Besides, no termination process should also be happen.

(x) Equity

Equity refers to just, kind and fair treatment with employees. Employees must be treated with kindness and fair treatment so that they contribute their best. Manager should not bias with employees as it leads to dissatisfaction of employees and results in employees turnover.

(xi) Centralisation and Decentralisation

Centralisation refers to concentration of power in few hand i.e. at top level. Decentralisation means concentration of authority at every level of management. In small organisation, employees can be managed by centralisation and in large organisation, decentralisation is required as employees are well trained and equipped.

(xii) Initiative

Initiative refers to chalking out plan and implementing the same. Employers must welcome suggestion of employees and if their suggestion is in positive they must be rewarded and once decision taken employees should not go against of it.

(xiv) Espirit de corps

It means union is strength. Fayol says that every employee in the organisation must consider himself as a part or team of organisation and work to achieve goal as team contribution is always better than individual contribution.

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④ → Bureaucracy theory may be defined as administrative system designed to accomplish large scale administrative tasks by systematically coordinating the work of many individuals.

Weber has developed 3 types of power of authority in organisation :-

- Legal - Rational
- Traditional Authority
- Charismatic Authority

➤ Features :-

- Hierarchy of position

- Hierarchy of authority
- Descending Scale
- Superior - Subordinate relationship
- Line of communication and delegation of authority

- Division of work

- Rules and regulation

- Interpersonal Relation

- Official Records

- Long-term employment

- Technical Competence

- Administrative class

- People are paid and whole time employees

- Salary and other perquisites based on their positions
- No proprietary in the organisation
- Selected on the basis of Competence
- Tenure is determined by rules and regulations

➤ Benefits :-

- Proper delegation of authority on the basis of competence
- ~~Peace~~ Because of rules and regulation all actions are taken very carefully.
- Behaviour of employees is rational and predictable
- ~~Bureaucracy~~ leads to efficiency in the organisation.

Criticism of Bureaucracy

(i) Invalidity of bureaucratic assumption

- too much emphasis on rules and their misuse
- rigid organisational structure
- Impersonal approach (because people have feelings, emotions, sentiments)

(ii) Goal displacement

(iii) Unintended Consequences

- Excessive Specialisation
- Conflict between profession and bureaucrate
- Conflict between individual and Organisation.

(iv) Inhuman Organisation

(v) Closed System Perspective

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⑤ → Comparative analysis of classical theory :-

Basis	Scientific Management	Administrative Management	Bureaucracy
Meaning Concern	It was a totally revolutionary way of thinking about the the problem of work and management.	It refers Management Principles. It means the statement of fundamental truth which acts as a guidelines for taking managerial actions and decisions.	It is administrative system designed to accomplish large scale administrative tasks by systematically coordinating the work of many individuals.
Developed Introduced	It was developed by F.W. Taylor	It was developed by Henry Fayol.	It was developed by Weber.
Concern	Taylor techniques and principle was concerned with workers efficiency	Fayol principle was concerned with management efficiency.	Weber was concerned with administrative efficiency.
Perspective	Shop floor level	Managerial level	Administrative level.
Efficiency	Improved by work, standardisation and specialisation	Improved by observing certain principles.	Improved by systematically coordinating the work of many individuals.
Orientation	Production and Engineering	Managerial function	Hierarchy of Position. Technical Competence

Focus	It laid g focus on eliminating wasteful activities and saving energy of employees. It focuses on increasing productivity.	It focus on development of principles of management. It also focuses on research improving overall achieve station.	It focus on increasing line of communication and superior-subordinate relationship.
Expression	Taylor technique and principles are expressed as Scientific management.	Fayol's principles are expressed as general theory of management.	Weber expressed as Legal Rational , Charismatic and traditional authority.
Major Contribution	His major contribution was technique and principle of management.	His major contribution was in principles of management.	His major contribution was 3 types of power on authority i.e. Bureaucratic, traditional and Charismatic.
Unity of Command	Does not follow the Unity of command.	Follows the unity of Command	Does not follow
Human Element	More stress on increasing productivity rather than human.	Regard to human aspect (Stability of tenure, scalar chain)	Regard to human aspect (coordinating the work of individuals)
Result	Scientific observation.	Personal experience converted into universal truth.	Hierarchy positive, technical competence, interpersonal relation.