

MODELS OF MANAGEMENT

Abstract:

There are still new conceptions and theories of management created and their authors goal is to make the best use of human predispositions.

INTRODUCTION

One of the first industrialists to have paid attention to the role of management was Robert Owen. He, Charles Babbage'a and Andrew Ure'a were linked by a very crucial factor which was striving for creation of scientific foundations of organization and management. Their works explain how, from what elements of knowledge and what stages those foundations underwent. Today they are a traditional part of our scientific achievements of the organisation and management.

At the beginning of our century from the initial conceptions, a new classical view of the problem of management appeared. It includes the scientific approach represented by Federick Taylor and administrative approach represented by Henry Faol.

Scientific management dealt with the case of effectiveness of an individual employee. As Peter Drucker states, 'the most important and unusual of management in 20th century was the fifty times efficiency growth of the blue collar workers'. The authors of scientific management take a share credit for it. However, can we still today use Gilbert and Taylors methods or they remain only an important step on the way to the current methods and nothing more?

MODELS OF MANAGEMENT

Nowadays in the developed countries the superior goal is not the increase of physical efficiency at work. The means leading to it have been known from the works of Taylor's and others. Today the challenge is the increased efficiency of the white collar workers. They constitute the fastest growing professional group of 40% workers in the USA. The future of economy depends largely on the white collar workers and their efficiency. In this field new opportunities are open now for innovative applications of scientific management¹. It can be said that if it comes to the scientific research into the efficiency of white collar workers we are at the same point today at the beginning of 21st century where we were at the beginning of 20th century doing research into the efficiency of blue collar workers².

Thus, it is just in the companies with substantial share of employment of white collar workers where there is an opportunity for applications of updated theories of management. It still finds its place in a career management, training programmes and

¹ P.F.Drucker, *Zarządzanie w XXI wieku*. Muza, Warszawa 2000 s. 147.

² Ibidem, s. 148

in hiring workers³. Drucker prophesies that 'in 50 years if not earlier the leadership of the world economy will be taken over by those countries or branches of industry that will be increasing, with the greatest effectiveness and regularity, the efficiency of white collar workers'⁴.

The possibilities of utilising the Taylor's methods are great. Besides the already mentioned cases these theories should be used in the developing countries with a great number of young and low qualified inexperienced people and where manual work in the production branch decides about the development of the economy and society⁵. The other trend of a classic attitude is the administrative outlook. It focuses on finding such an organizational structure which will lead to the increased efficiency and effectiveness. Henri Fayola and Max Weber are thought to have been its authors. Despite the distant time horizon their works are still being adjusted to present conditions. For example Fayola's interest into the relations between the efficiency and payment has become the base of the contemporary theory of the motivation and leadership. Similarly, the growing interests in the interdepartmental teams and in the issue of increasing powers of workers are the problems that managers tried to challenge 100 years ago⁶.

The conception of an organisation as a superior creation proves correct only in the case of reforming conservative, nearly 'family businesses' in which the role of an employee has been set up in advance what resulted in killing the employee's creativity and the security of employment resulted in killing motivation. The changes in Eastman Kodak in the 80s are a good example of it. This company established in 1901 seemed to take more care of particular employees than of financial results. The changes introduced in the 80s enforced divisions of the giant into four sub departments and resulted in massive lay offs. The goal of the changes was to shift responsibility further down in hierarchy. The changes brought about higher creativeness of the first line managers and new ideas of cutting costs.

The employees' initiative was increased the company's hierarchy was sorted out which was the fulfilment of the rules of Fayola's theory on the effective management⁷.

The problem of hierarchy has not changed for years. Fayola's theories prove effective in each situation when an organisation faces any threat. In emergency, only centralised authority makes it possible to counteract effectively the threat effects. A critical situation requires a quick response such as taking immediate decisions, giving clear orders rather than together discussing strategies⁸. Similarly the classic's theories become useful at so called Fayola's 'functional organisation' which can be exemplified by a medical team. A surgeon, nurses, technicians despite different duties pursue the same task together. All the before mentioned persons create a team in an organisation, the hospital. The particular members of the team apply the way of task performance according to the slightest changes during the whole course of the surgical

³ R. M. Murphy, *Manging Strategic Change: AnExecutive Overwiev of Management*. s. 8

⁴ P. F. Drucker: *Zarządzanie ...op.cit.*, s. 165.

⁵ Ibidem, s. 147

⁶ *Twórcy naukowych podstaw organizacji*. Praca zbiorowa pod redakcją Jerzego Kurnala, PWE, Warszawa 1972 s. 43.

⁷ Ibidem, s. 56.

⁸ P.F. Drucker: *Zarządzanie ...op.cit.*, s. 11.

operation⁹. From this point there is only a short way to the contemporary applications of Max Weber's bureaucratic theory which idea comes down to formalizing of the organisation system in order to increase effectiveness and efficiency. The bureaucratic theory proves especially useful in organizations where decisions can not be questioned and where simple flow of information is required. Model examples of it are the Army or the Police. Another Weber's requirement being used currently is the existence of unwritten rules concerning behaviour in certain situations. The companies like McDonald or Wal Mart have worked out the rules and procedures which describe what kind of behaviour is expected from their employees [always smiling welcome for the client]¹⁰.

To sum up the classical view one can say that it performs not only a historical role. In the recent years, again, the interest in this trend as a tool for improving work performance and cost reduction has been noticed¹¹. Moreover; some elements of classics' assumptions have been used for years in organisations the examples of which were described above.

In the first half of 20th century attention was focused on the behaviour of managers with regard to the ways they used to motivate and encourage their employees to high standards of work. It was the beginning of the behavioural model of management. It put a lot of emphasis on an individual approach and behaviour as well as group processes. A prominent theoretician of this school of management was Mary Parker Follet. Her theories prove useful till today in the case of interdependent teams where people of different qualifications share joint responsibility in for realisation of a given project. Managers of different departments should communicate directly in order to speed up the decision taking process and employees should feel indispensable which was to be achieved by treating them as specialists. Wherever the possibility of rewarding an employee's knowledge by pointing out his contribution in the project a manager should only take on a role of a 'team coach'. In such cases Follet's behavioural model appears very useful. It becomes especially useful in the need of employing a specialist from outside whose operational skills and expertise excel his superior. Moreover, Follet claimed that a reward for a specialist should be participation in the executive power. The same it is thought today as power is one of the work motivational factors. It is especially useful at higher rank posts¹². Apart from this, the behavioural attitude is reflected in all motivational planes. Wherever the dependency work – payment is considered the elements of this theory are very useful.

Another trend in the behavioural model is the Douglas McGregor's X and Y theory showing contrast between two attitudes to work. The X theory assumes unwillingness of an employee towards performed duties and stems from the classic attitude while the Y theory tells us to develop a natural demand for work. These theories are then a support for managers' influences and a base of a firm manager's conviction that their behaviour will bring about a predictable reaction of a subordinate's¹³. Thus even if we recognize McGregor's theory as entirely correct, we can accept its application only

⁹ Ibidem, s. 15

¹⁰ J.G.Hill, *Contemporary Management*. McGraw-Hill, New York 2002, s. 42.

¹¹ R.W. Griffin, *Podstawy zarządzania organizacjami*. PWN, Warszawa 2002, s. 78.

¹² J.G. Hill, *Contemporary ...op.cit.*, s. 44.

¹³ J. Penc, *Strategie zarządzania*, Oficyna Wydawnicza Placet, Warszawa 1995, s. 695.

in the companies of well established, fixed relations between an employee and an employer.

The quantitative school is one of the latest main management schools. It originated during the Second World War mainly for the needs of the Army. It was based on mathematical analyses in relation to Taylor and Grant's research. After the war the methods of operational and logistic analysis were applied in the economy and the management, in the store and shop locations, in the distribution of material and financial stocks, in the management of supply, production modelling, provision and market. The quantitative approach concentrates on decision taking, financial effectiveness, mathematical models and making use of computers. It is of great advantage in a planning and controlling process or where simplification of complex processes and organisational situation is required. Operational management in turn, deals with supporting an organisation in more effective manufacturing of goods and services. As Goffin states the operational management proves useful in the stock management [Home Depot], schedule planning [flight timetable – United Air Lines] or production planning [what tools and in what periods of time should be produced – General Instrument Corp] Besides, these techniques are employed in marketing and human resources management¹⁴.

One of the methods which aim to integrate in the best unity all the previous management attitudes is the system view. It draws our attention to the fact of the existence of an organisation as a system and the interactions of systems. In practice, very often, one of its aspects is applied: synergy which assumes that individuals can be more effective working together. In such situations the system theory is applied the example of which may be the sale of financial instruments by banks¹⁵. Attention should be brought to the fact that the system approach forces equal development of subsystems. From the synergy effect it becomes clear that the operating proficiency of the whole system is not equal to the operating proficiency of particular subsystems it is made up. Here appears the so called paradox of dynamic progress according to which too quick improvement of one system [e.g. marketing] may endanger its general improvement¹⁶. Thus the utilisation of the system theory is restricted to the organisation of comparable qualitative and quantitative subsystems.

The system model may find its negative reflection in the case when an organisation is isolated. Organisations performing as closed systems, ignoring external surroundings must experience entropy – that is to say the tendency of the system to lose control over itself and consequently disintegration. This is also the aspect of the system theory¹⁷.

Another aspect of the modern management is the situational approach. It assumes that the right managerial behaviour depends on a large spectrum of elements and where universal practical directives are not always accurate. This strategy is applied in efficient companies of non - routine technology. It proves useful in the decentralised organizational forms in which the teams of middle and low level have the right to take some decisions even those of strategic importance. These companies are preoccupied

¹⁴ R. W. Griffin, *Podstawy zarządzania organizacjami*. PWN, Warszawa 2000, s. 84.

¹⁵ Ibidem, s. 88.

¹⁶ J. Penc, *Strategie...op.cit.*, s. 224.

¹⁷ J.G. Hill, *Contemporary...op.cit.*, s. 48.

with the development of innovations, growth and adjustment to the social environment¹⁸.

The model of William Ouchi's belongs to the latest attempts to integrate different economic practices widely used, as an intermediary model, in the USA and Japan. Ouchi noticed that the best results are achieved by companies where a mixed American – Japanese model of management is used. Thus this theory is an attempt to express the methods of management in the best way and gives hope for the improvement of the efficiency in each company which has been proved by results in such companies as IBM, Procter & Gamble that according to Ouchi applied the Z model.

Another popular contemporary theory of management is the concern of perfection. Just like the Z model it is the attempt to find the golden mean and a model example for each company. It points out what qualities of the successful companies [IBM, Intel, Walt Disney Com, du Pont] namely what qualities should possess the companies which dream of success.

Since the very beginning the science of organisation has been based on the assumption that there must be some one and the only universal model of organisation¹⁹. The answer to this question are numerous theories that for over a century have been trying to revolutionize the view of management. The latest theories are striving to find the 'golden mean' that is to say the most universal rules applicable in a particular organization. It can be seen that a universal model is not achievable so it is out of reach for us. The theories however have been a tool for sorting out the knowledge and the base for activity. The study of historical models makes it possible to avoid our predecessors' mistakes and better elaboration of the present models.

CONCLUSION

The analysis into the management models are considered through the functions they play in the management. They represent the selected sets of tasks, of a similar character, that must be realised in order to achieve the goals of an organisation. The whole management area is divided into four fundamental functions: planning, organizing, managing and controlling. These functions are performed by managers but their significance and range is different depending on the levels of management. Due to the fact that all functions of management are directed at achieving the planned before goals, planning takes the first place. It creates the framework within which all other managerial activities are located. It should be remembered that particular functions support one another and remain interrelated. Within the planning framework the goals are set, the required state of matters is projected, the ways leading to the completion of goals are determined and through all this the standards of evolution of the future activities are established. The accepted plan is also the preparation of activities within the remaining functions. In practice the management functions do not appear in an isolated form. Most managers use the combination of them to solve the problems their companies run across.

¹⁸ W. Kieźuń, *Sprawne Zarządzanie Organizacją*, SGH, Warszawa 1997, s. 72.

¹⁹ P.F. Drucker, *Zarządzanie...op.cit.* s. 9.

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