


## Subject: Library and Information Science

Production of Courseware

 -Content for Post Graduate Courses



**Paper No : 06** Management of Libraries and Information  
Centres and Knowledge Centres

**Module : 03** Schools of Management Thoughts



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## **MODULE 3**

### **SCHOOLS OF MANAGEMENT THOUGHTS**

#### **I. Objectives**

The objectives of the unit/module are to:

- Make you acquainted with various theories of management,
- Describe the need for applying Classical theory of management,
- Explain as to how Neo-classical theory of management emerged,
- Establish the developments in field of management after the Modern theory of management, and
- Apply the management theories and principles for management of library organizations.

#### **II. Learning Outcomes**

After going through this unit/module you would learn about the development of the management thoughts elaborated in three sections, namely: classical theory; neo-classical theories, and modern theories. You would know that classical theory addresses earlier theories along with Scientific Management and, Operational Management and Bureaucratic Management. The Neo-classical theories dealt with human relations, social systems, decision theory, management science and human behavior. Finally, you would go through the modern theories of management which include: systems approach or system, contingency approach or contingency and learning organisation.

#### **III. Structure**

1. Introduction
2. Classical Theory
  - 2.1 Early Contributions
  - 2.2 Scientific Management School
  - 2.3 Operational Management School
  - 2.4 Bureaucratic School
3. Neo-Classical Theory
  - 3.1 Human Relations School
  - 3.2 Social Systems School
  - 3.3 Decision Theory School

- 3.4 Management Science School
- 3.5 Human Behavior School
- 4. Modern Theory
  - 4.1 Systems Approach or System School
  - 4.2 Contingency Approach or Contingency School
  - 4.3 Learning Organisation School
- 5. Summary
- 6. References

## 1. Introduction

Management practice is as old as human civilization when people started living together in groups. Every group requires management and the history of human beings is full of organisational activities. However, the study of how managers achieve results is predominantly a twentieth century phenomenon. Earlier, management concepts were applied in the field of business only and the researchers did not pay much heed to it. The situation started changing with the beginning of twentieth century, especially the World War I created the situation when people started thinking of the solution to the problem of how limited resources could be applied in better way. The World War II added further problem to this end. Growing competition and complexity of managing large business organisations further provided impetus to developing systematic management concepts and principles. This led to emergence of a variety of approaches in management.

The evolution of the schools of management thoughts can be grouped in the following categories, although some overlapping can be there. Similarly, a particular school of thought did not really start with the end of the previous one, as far as the time period is concerned. As L. M. Prasad has rightly stated, this classification is time specific because what is modern in today's context, may not remain the same in future.

<b>Classification/ Grouping</b>	<b>Management Thoughts</b>	<b>Period</b>
I. Classical Theory	0. Early contributions	Up to 19 <sup>th</sup> Century
	1. Scientific Management School	1900-1930
	2. Operational Management School	1916-1940

	3. Bureaucratic School	1930-1945
II. Neo-Classical Theory	4. Human Relations School	1930-1950
	5. Social Systems School	1940-1950
	6. Decision Theory School	1945-1965
	7. Management Science School	1950-1960
	8. Human Behaviour School	1950-1970
III. Modern Theory	9. Systems School	1960 onwards
	10. Contingency School	1970 onwards
	11. Learning Organisation School	1990 onwards

## 2. Classical Theory

### 2.1 Early contributions

The concept of organisation and administration existed in Egypt in 1300 B.C. According to L.M. Prasad, Confucius's parables included suggestions for proper public administration and admonitions to choose honest, unselfish and capable public officers long before Christ. Kautilya gave sound principles of state administration as early as in 320 B.C. Roman Catholic Church introduced the concept of staff personnel in Church administration, which was further carried on by military organisations. The history lists a group of German and Austrian public administration as a source of strength during 16<sup>th</sup> to 18<sup>th</sup> centuries. These contributions provided some insights about how resources could be utilized more effectively. However, these contributions were outside the field of business and other economic organisations.

In the 16<sup>th</sup> century, Machiavelli wrote 'The Prince' in an attempt to gain favour with the ruler of an Italian city state and described the way that a good prince or leader should act. He propounded two basic approaches, namely, 'Love approach' and 'Fear approach' as a basis for leadership and administration. He suggested four basic principles concerning: "mass consent, cohesiveness, will to survive, and leadership. Later in the Age of Enlightenment and Renaissance, change of societal value, human worth and individual knowledge, ability, skill and accomplishment were acknowledged, but these alone were

not enough to be a good manager. Industrialism and the factory system of the early 19<sup>th</sup> century saw the use of management skills, assembly line operation and costing systems.

In fact, the management theories in the early period were not really theories, but some discrete practices or experiences. For that matter, management theories in the present century are also not totally free from certain problems. To become a theory, an experience or practice need to undergo several modifications, syntheses and tests. For this purpose, a sound theoretical and conceptual framework is essential for a theory to take shape. Lack of adequate concept formation is considered a serious drawback in the development of a unified and integrated management theory. Management scholars have borrowed and applied concepts from other disciplines. That is why management theory has evolved a symbiotic relationship to its related and supporting disciplines like mathematics, statistics, behavioural sciences, economics, etc. The classical management theory consist of a group of similar ideas on the management of organisations that involved in the late 19<sup>th</sup> century and early 20<sup>th</sup> century (1880's – 1920's ). The Classical School is also known as 'Traditional School of Management' among practitioners. The primary contributions of the Classical School of Management include: (i) application of science to the practice of management; (ii) development of the basic management functions; and (iii) articulation and application of specific principles of management.

## **2.2 Scientific management school**

Frederick Winslow Taylor (1856-1915) is considered to be the father of 'Scientific Management'. Subsequently, he was supported by Henry Gantt, George Berth, Edward Felen, Lillian Gilberth and Harrington Emerson. Four basic parts of a series of ideas developed by Taylor are as under:

- Each person's job should be broken down into elements and a scientific way to perform each element should be determined;
- Workers should be scientifically selected and trained to do the work in the designed and trained manner;
- There should be good cooperation between management and workers so that tasks are performed in the designed manner;
- There should be a division of labour between managers and workers. Managers should take over the work of supervising and setting up instructions and designing the work and the workers should be free to perform the work themselves.

Thus the Scientific Management provides a logical framework for the analysis of problems. Taylor's contributions can be described in two parts: elements & tools of Scientific Management; and principles of Scientific Management.

**(a) Elements and Tools of Scientific Management**

Taylor conducted various experiments to find out how human being could be made more efficient by standardizing the work and better methods of doing the work. These experiments have provided the following features of Scientific Management:

**i. Separation of Planning and Doing:**

This means the planning should be done by the supervisor and the worker should emphasize only on operational work.

**ii. Functional Foremanship:**

Taylor evolved this concept based on specialization of functions. In this system, four persons are involved in planning (route clerk, Instruction card clerk, Time & Cost clerk, and disciplinarian); and another four persons are concerned with doing the work (speed boss, inspector, maintenance foreman, and gang boss). All of them give instructions to workers on different aspects of work.

**iii. Job Analysis:**

This helps in fixing fair amount of work so that there are least movements, consequently less time and less cost. Taylor also suggested making fatigue study and calculating time for the rest period of the workers to complete the job.

**iv. Standardization:**

This is required to be maintained in respect of instruments and tools, period of work, amount of work, working conditions, cost of production, etc. This should be fixed in advance.

**v. Scientific selection and Training of Workers:**

Selection should be made keeping in view the qualifications, experience, aptitude, physical strength, etc. of the workers. Most suitable persons should be selected fairly and then necessary training should be given to them before putting them on work.

**vi. Financial Incentives:**

For motivation, good workers should be rewarded, given higher pay and promotion. This would lead to efficiency and more work.

**vii. Economy:**

Taylor suggested that due consideration should be given to economy and profit, which can be achieved by eliminating wastage of resources and making the resources more productive.

**viii. Mental Revolution:**

There should be mental change in management as well as workers from conflict to cooperation. Taylor says that this is the most important feature of Scientific Management because, in its absence, no principle of Scientific Management can be applied.

**(b) Principles of Scientific Management**

The fundamental principles propounded by Taylor are as under:

**i. Replacing Rule of Thumb with Science:**

While the use of scientific method denotes precision in determining any aspect of work, rule of thumb emphasizes estimation. Hence it is essential that all details should be measured precisely and should not be based on mere estimation. This approach can be adopted in all aspects of management.

**ii. Harmony in Group Action:**

Group harmony suggests that there should be mutual give and take situation and proper understanding so that group as a whole contributes to the maximum.

**iii. Cooperation:**

Scientific management involves achieving cooperation rather than chaotic individualism. It is based on mutual confidence, cooperation and goodwill between management and workers.

**iv. Maximum Output:**

Continuous increase in production and productivity instead of restricted production either by management or by workers would lead to more profit.

**v. Development of Workers:**

In Scientific Management, all workers should be developed to the fullest extent possible for their own and for the organization's highest prosperity. It requires scientific selection of workers, their proper training and regular updating according to the requirement of new methods of working.

Thus the Scientific Management created awareness about increasing operational efficiency. However, from the point of view of the development of theoretical framework, the principles of Scientific Management were more concerned with

problems at the operating levels and did not emphasize management of an organization from the manager's point of view. That is why; some critics are of the opinion that Scientific Management is more relevant from the engineering point of view rather than the management point of view. In its early development, Scientific Management had little concern for the external environment of the organisation and was almost exclusively concerned with internal operations. It also placed little emphasis on the needs of the workers, instead of focusing on producing better results.

### **2.3 Operational management school**

Henry Fayol (1841-1925), a French industrialist is the chief architect and father of the 'Operational Management Theory'. It is also known as 'Administrative Management School of Thought'. He concentrated on the role that managers should perform as planners, organizers and controllers. He was of the opinion that managers needed basic principles upon which to operate. Henry Fayol was the first to write about the functions of management such as planning, organizing, command, coordination and control. He propounded fourteen 'Principles of Management', which are listed below (Source: Fayol, Henry. General and industrial management. Trans. Constance Storrs. New York: Pitman , 1949, pp. 22):

**Division of Work:** There should be a clear division of duties. Breaking jobs into smaller pieces will result in specializing. Management should be separate and distinct.

**Authority:** The authority that individuals possess should be equal to their responsibility. Anyone responsible for the results of a task should be given the authority to take the actions necessary to ensure its success.

**Discipline:** There should be clear rules and complete obedience to behaviour in the best interest of the organization.

**Unity of Command:** An employee should receive orders from only one supervisor, in order to avoid confusion and conflict.

**Unity of Direction:** There should be one head and one plan, in order to ensure a coordinated effort.

**Subordination of Individual Interest to the General Interest:** Employee should place the organization's concerns before their own interests.

**Remuneration of Personnel:** Pay should be fair.

**Centralization:** Centralization is the most desirable arrangement within an organization.



**Scalar Chain:** Each position is part of a vertical chain of authority (the scalar chain). Communication should move up and down this chain of command.

**Order:** To avoid conflicts, there should be a right place for everything and everyone in the organization.

**Equality:** Equality of treatment must be taken into account in dealing with employees. Justice should be tempered with kindness.

**Stability of Tenure of Personnel:** Long term stability for workers is good for an organization.

**Initiative:** Initiative rewards must be provided to stimulate production.

**Esprit de Corps:** Develop a strong sense of morale and unity. Communication is the key to a satisfied working group.”

Henry Fayol was of the opinion that the workers are generally lazy in nature, especially when they work in groups. Discipline is very essential for getting the work done. They can be motivated by the incentive of higher wages for more work or better work.

Thus, the above mentioned schools of classical perspective emphasized efficiency and clear rules for effective management. They gave more importance to the interests of the organisation rather than those of the workers. These schools of thought are generally criticized for giving undue emphasis on the formal aspects of organisations and neglecting the effects of individual personalities, conflicts within the organisations and decision making process on the formal structure. According to Stueart and Moran, these classical schools of management thoughts have been criticized as leading to rigidity and resistance to change. Yes, the theories of these schools provided a way to efficiently organise and manage the large organisations. Even today, many organizations including libraries and information centres depend heavily on the classical school of management thoughts.

#### **2.4 Bureaucratic school**

Max Weber, a German Sociologist, introduced many of the theories of the Bureaucratic School. He was the first to articulate a theory of the structure of authority in organisations and to distinguish between power and authority, and between compelling action and voluntary response. According to Stueart and Moran, he was more concerned with the structure of the organisation than with the individuals. Most of his writings and research relate to the importance of specialization in labour, of regulations and procedures, and of the advantages of a hierarchical system in making informed decisions. Weber characterized a bureaucratic organization as an ideal type of organisation in which:

- Labor is divided with a clear indication of authority and responsibility;
- The principle of hierarchy exists;
- Personnel are selected and promoted based on qualifications;
- Rules are written down and applied uniformly and impersonally;
- Promotion into management is only through demonstrated technical competence; and
- Rules and procedures ensure reliable and predictable behaviour.

Weber advocated that all the above characteristics of Bureaucratic school are extremely powerful and the bureaucracies work well under many conditions, especially in stable organisations and in stable environments. Many large organizations, including many libraries, have been structured to reflect Max Weber's Bureaucratic School of Management thought.

In the views of L. M. Prasad, many authors have questioned the validity of bureaucracy. In most of the cases, either the conditions are not found in practice, or even if found, may not result in to efficiency. Especially the following aspects of bureaucracy work against efficiency of the organisation, though they are supposed to contribute to efficiency:

- Rules are often provided for guidelines but often they become source of inefficiency because of too much emphasis on rules;
- Rigid organizational hierarchy works against efficiency. It emphasizes necessary superior-subordinate relationship which are detrimental to congenial organizational climate; and
- In dealing with people, total impersonal approach cannot be adopted because people have emotions, feelings and sentiments which affect decision making. Thus people cannot work totally according to rules.

Bureaucratic structure can work well when environment is highly static and predictable. However, the nature of environment for large organisations of today is highly dynamic and heterogeneous, in which more interaction between organisation and environment is required. There is high need for information monitoring and processing. Thus an open system perspective is more suitable for the management of modern day organisations, while bureaucratic structure has closed-system perspective.

### **3. Neo-classical theory**

The schools of management thought developed during the period 1930's to 1960's are known as 'Neo-Classical School of Thought', which are discussed as follows:

#### **3.1 Human Relations School**

Prominent advocate of this approach was Elton Mayo. Two other co-researchers of this school were F. J. Roethlisberger and William J. Dickson. Subsequently Mary Parker Follett also contributed to this school of thought. Mayo, Roethlisberger and Dickson conducted studies at Hawthorne Illinois plant of Chicago Western Electric Company, which became famous as 'Hawthorne Experience' or 'Hawthorne Studies' later. Developed during the middle of the 20th Century, this approach emphasizes the complexity of mankind and devotes much more attention to the satisfaction of human needs within the organisations. As the management involves getting things done with and through people, the study of management must revolve round human behaviour. That is why, it is also known as 'Behavioural Science School' or 'Organizational School' or 'Leadership School'. This approach brings the study of human behaviour ranging from personality dynamics of individuals at one extreme to the relations of culture at the other extreme. Therefore, this approach can be divided into two groups: 'Interpersonal Behaviour Approach', and 'Group Behaviour Approach'. While the interpersonal behaviour approach is based upon individual psychology, the group behavior approach relies on social psychology and emphasizes on organizational behavior. The main assumptions of the 'Human Relations School' are as under:

- As management is a process of getting things done by people, managers should understand human behaviour;
- Motivation and good human relations should be the base for better productivity; and
- Motivation, leadership, communication, participative management and group dynamics are the major themes of this approach.

But human behavior is not the total field of concern of the manager. Whenever secrecy of decision is required and when decisions have to be made quickly on emergent basis, this approach may not work. The Human Relations School is considered to be a swing in the opposite direction of classical theory. Here, only 'Human variables' have been considered as critical and all other variables have been ignored altogether. Every organisation is made up of a number of diverse social groups with incompatible values and interests. These groups might cooperate in some sphere, while these may compete and clash in others. In fact, it is very difficult to satisfy every body and turn the organisation in to a big happy family. Moreover, the techniques of Human Relations School try to play a trick on the workers to create a false sense of happiness and not really concerned with their real

well being. Like Scientific Management, efforts and research in Human Relations focused on the lower levels of organisation, rather than on the middle and upper groups, and hence, lacked the comprehensive scope.

### **3.2 Social systems school**

Chester I. Barnard is considered the father of the 'Social-Systems School', which is sociologically oriented. In looking for and seeking fundamental explanations about how managerial processes take place, Barnard developed a theory of cooperation based on the need of the individual to offset personal, biological, physiological and sociological limitations. It defines cooperation as a system in which people are able to communicate with one another and willing to coordinate their efforts to a unified end result. According to G. Edward Evans, this style also recognizes that some interactions are conditioned by the informal organisations. Leadership and other characteristics of individuals exhibited in informal situations may not coincide with their leadership role in the formal organisation. Social-systems adherents also recognize that what happens on the job is strongly influenced by social activities taking place within the social system, i.e., outside the organisational system, and by other organizations.

According to Evans, the 'Social-Systems School' has made a great many contributions to management theory. The recognition of the organisation as a social organism, subject to exactly the same problems and pressures the individual is subject to, has proved to be very helpful to the practicing manager. With its emphasis on social interaction and cooperation, this school utilizes a great deal of background material about the non-rational side of human and organisational behaviour.

The major contributions of Chester Barnard can be presented as under:

#### **i. Concept of Organisations**

In the opinion of Barnard, an organisation exists when there are persons able to communicate with each other; they are willing to contribute to the action; and they attempt to accomplish a common purpose.

#### **ii. Formal and Informal Organisations**

The formal organisation has consciously coordinated interactions, which have a deliberate and common purpose. On the other hand, the informal organisation refers to those social interactions which do not have consciously coordinated joint

purpose. The informal organisations exist to overcome the problems of formal organisation.

**iii. Elements of Organisation**

According to Barnard, there are four elements of formal organisation, which are: (a) a system of functionalization so that people can specialize; (b) a system of effective and efficient incentives so as to induce people to contribute to group action; (c) a system of power which will lead group members to accept the decisions of the executives; and (d) a system of logical decision making.

**iv. Authority**

Barnard does not agree with the classical theory that the authority transcends from the top to down. Rather, he gave a new concept of authority called "Bottom-up-authority". He says that a person does not obey an order because it has been given by a superior but he will accept a communication as being authoritative only when he feels that: (a) he can understand the communication; (b) he believes that it is not inconsistent with the organisational purpose; (c) he believes it to be compatible with his personal interests as a whole; and (d) he is mentally and physically able to comply with it.

**v. Functions of the Executive**

Three types of functions of an executive have been identified by Barnard, which are: (a) maintenance of organisational communication through formal interactions; (b) securing of essential services from individuals in the organisation to achieve the organizational purpose; and (c) formulation and definition of organizational purpose.

**vi. Motivation**

Some of the prominent non-financial techniques for motivating people to work, as suggested by Barnard are: opportunity of power and distinction; pride of workmanship; pleasant organisation; participation; mutual supporting personal attitudes; and feeling of belongingness.

**vii. Executive Effectiveness**

Leadership is the most strategic factor in securing cooperation from the people. It demands high caliber, technological competence, and technical as well as social skills. The executive leadership should not have pre-conceived notions and false ideologies. It should be personal pre-dilections and prejudices.

**viii. Organizational Equilibrium**

It refers to the matching of individual efforts and organisational efforts to satisfy individuals. The cooperation of individuals with the organisation brings forth new activities. The organisational equilibrium can be perceived not only through logical appraisal but through analysis and intuition. Thus, many non-logical factors also enter into organisational analysis. Therefore, the reasons for an action should not only be logical but must appeal to those attitudes, pre-dilections, prejudices, emotions and mental background that cover action.

The above contribution of Barnard shows how he was concerned for the development of the organisation through social systems. According to L.M. Prasad, his contributions are regarded quite high in management.

### **3.3 Decision theory school**

Major contribution of this school of thought has come from Simon. Other contributors are: Cyert, March, Forrester, etc. The emphasis of this school is that decision making is the job of every manager. In other words, manager is a decision-maker while organisation is a decision making unit. Rational decisions are required to be made for achieving the goal. According to L.M. Prasad and G. Edward Evans, 'Decision- Theory School' has the following features:

- Management is essentially for decision making;
- The members of the organisation are decision-makers and problem solvers;
- Organisations can be treated as a combination of various decision centres. The level and importance of organisational members are determined on the basis of importance of decision which they have to make;
- Quality of decisions affect the organizational effectiveness; and
- All factors effecting decision-making are the subject matter of study of management. Besides processes and techniques involved in decision-making, other factors affecting the decisions are: information system, social and psychological aspects of decision makers. Thus it covers the entire range of human activities.

The Decision-Theory School has provided management and the library managers in particular, with a very useful means for developing techniques to be used to identify and then attack the problems systematically. This school of thought is applicable in all types of organisations even today.

### **3.4 Management science school**

It is also known as 'Mathematical School' or 'Quantitative Measurement School'. It is a system that can be understood by many people who have no particular grasp of the concepts of management itself, but who can understand the mathematical symbols. It is easy to communicate in this way as it is logical and consistent.

It is particularly useful in solving complex problems, and in bringing about a more logical arrangement for information sources and data, in order to make the quantification process easier to carry out. The primary focus of this approach is the mathematical model, through which the managerial and other problems can be expressed in basic relationships and, where a given goal is sought, the model can be expressed in terms which optimize that goal. According to L.M. Prasad, this school of thought draws many things from the "Decision Theory School", and in fact provides many techniques for rational decision making. The major features of this school of thought are as under:

- Management is regarded as the problem solving mechanism with the help of mathematical tools and techniques.
- Management problems can be described in terms of mathematical symbols and data. Thus every managerial activity can be quantified.
- This approach covers decision making, systems analysis and some aspects of human behaviour.
- Operations research, mathematical tools, simulation, models, etc. are the basic methodologies to solve managerial problems.

This school of thought is a fast developing one in analyzing and understanding management. It has contributed significantly in developing orderly thinking in management, which has provided exactness in management discipline in solving managerial problems. But it does not provide the answers for the total managerial problems. Moreover, many managerial activities are not really capable of being quantified because of the involvement of human beings, who are governed by many irrational factors also. The researchers in this school have advanced managers' awareness of how models and quantitative techniques can be used in the planning, controlling and decision making processes.

### **3.5 Human behavior school**

This school of management thought is also known as 'Behavioural Science School', or 'Human Resource School', or 'Leadership School' of thought. In contrast to the 'Human Relations School', which assumes that happy workers are productive workers, the 'Human Behaviour School' has been goal and efficiency oriented and considers the understanding of human behaviour to be the major means to that end. This school has more emphasizes on human resources in an organisation as compared to physical and financial resources.

As this school studies human behaviour ranging from personality dynamics of individuals at one extreme to the relations of culture at the other, this can be divided into two groups: (i) Interpersonal Behaviour School; and (ii) Group Behaviour School. The writers on the first group are heavily oriented towards individual psychology; while the writers on the second group rely on social psychology and they emphasize on organisational behaviour.

Sociologists like Holmans, Bakke, Lewin, Katz and Kahn have studied human behavior in groups and have emphasized on group behaviour. As summed up by L.M. Prasad, the major conclusions of the contributions made by behavior a lists are as under:

People do not dislike work. If they have helped to establish objectives, they will want to achieve them. In fact, job itself is a source of motivation and satisfaction to employees. Most people can exercise a great deal of self-direction, self-control and creativity than are required in their current job. Therefore, there remains untapped potential among them.

- The manager's basic job is to use the untapped human potential in the service of the organisation.
- The manager should create a healthy environment wherein all subordinates can contribute to the best of their capacity. The environment should provide a healthy, safe, comfortable and convenient place to work.
- The manager should provide for self-direction by subordinates and they must be encouraged to participate fully in all important matters.
- Operating efficiency can be improved by expanding the subordinate influence, self-direction and self-control.
- Work satisfaction may improve as a 'by-product' of subordinates making full use of their potential.



Almost all the above listed characteristics put forth by the advocates of 'Human Behaviour School' are applicable in the management of libraries and information centres.

#### **4. Modern Theory**

The following schools of management thought propounded during 1960s onwards can be classified as 'Modern Approach' or 'Modern Theory'

##### **4.1 Systems approach or system school**

One of the most widely accepted theoretical basis for modern management is called 'Systems Approach' or 'Systems School'. System is defined as 'a set of elements standing in interrelation among them and with the environment. The really important aspects are the interaction among the elements to create a whole and dynamic system. This system, if it is an open one, interacts with its environment'. The system is influenced by the environment and in turn influences the environment. If the system is dissected, it becomes evident that it comprises a number of sub-systems. Similarly, an organization is also one sub-system of a larger environment.

According to Stueart and Moran, the older schools of management envisioned organisations as closed system, ones in which the outside environment did not interact with the system. The systems approach to management differs from these older classical perspectives because it acknowledges the impact of the outside environment on everything that happens within an organisation. System theory envisions organisations as porous entities that are greatly affected by the outside environment. As computer related technology was introduced into organisations, a new style of approach, which became known as the 'System Approach', began to emerge. This approach likens an organization to a system similar to that used in computers. The primary approach is to model the ideal organizational design. According to Toney Dawson, this theory claims that an organisation consists of a number of sub-systems. The examples of such sub-systems are:

- a. Production/Technical:** This sub-system provides the primary function or purpose of the organisation. The examples would be the production lines of industrial enterprises or, in the public service context, social service homes or hospitals.
- b. Supportive:** This sub-system supports the production sub-system. For instance, it procures inputs and resources (e.g., procurement functions) or disposes of products (e.g., sales and dispatch functions).

- c. **Adaptive:** This sub-system ensures that the organization adapts to changing circumstances. An example would be the research function.

Every system has flow of information, material and energy. These inputs get converted into outputs of goods, services and satisfaction in the organisation. This change process is synergistic. Synergy means that the output of a system is always more than the combined output of its parts. In other words, these inter-related parts become more productive when they act in cooperation and interaction rather than in isolation. A system adapts and adjusts to the changing conditions of its environment and exercises control over its operations through feedback. Information flows to appropriate people as feed back to carry out this function. Systems approach possesses the conceptual level of managerial analysis much higher than other approaches.

Systems school suffers from two limitations, i.e., firstly, it is too abstract to be of much use to practicing managers. It merely indicates that various parts of the organisation are inter-related. But it fails to spell out precise relationships among these; secondly, it lacks universality and its precepts cannot be applied to all organisations. For example, systems approach provides modern structural forms, cybernetic system for control and communication. These systems are suitable for large and complex organisations but are not suitable for smaller organisations. Looking into these shortcomings, researchers have tried to modify the systems approach. This attempt has led to the emergence of a separate approach, called Contingency or Situational approach.

#### **4.2 Contingency approach or contingency school**

It is also known as 'Situational Approach'. The basic idea of Contingency Approach is that there cannot be a particular management action which will be suitable for all situations. Rather, an appropriate action is one which is designed on the basis of external environment and internal states and needs. Contingency theorists suggest that systems approach does not adequately spell out the precise relationship between organisation and its environment. The Contingency School tries to fill this gap by suggesting what should be done in response to an event in the environment.

Beginning in the 1970's, the Contingency School became one of the most influential ways of thinking about management. This concept takes the situational approach. It considers

the circumstances of each situation and then decides which response has the greatest chance of success. According to Chimezie A.B. Osigweh. The Contingency Approach or Situation Approach asserts that:

- There is no best managerial technique;
- There is no best way to manage;
- No technique or managerial principle is effective all of the time; and
- Should the question be posed as to what works best, the simple response is 'It all depends on the situation'.

Tony Dawson illustrates that the organisations faced with a stable environment might find centralized decision making structures to be more suited to its need; alternatively an organisation with a varied environment might find decentralized structure more applicable. Similarly, small organisations might be better organized through strong central control; the larger organisation might find decentralized structures more suitable. Again, the organisations with well educated and trained workforce might find that centralized structures are resisted by its employees; whereas less educated but trained workers might be more satisfied with centralized management structure. As such, environment, size and personnel of organisation are the factors which decide as to which structure is most suitable for a particular organisation.

Thus, it is evident that 'Contingency School' is an improvement over the 'Systems School'. The shortcomings of the Systems School have been removed or modified in the Contingency School. But it has not been acknowledged as a unified theory of management because it suffers from some limitations, which are of the following nature:

- Research is still being conducted to spell out various types of actions which can be taken under different situations. Adequate literature is not available on this issue for the time being.
- It seems simple to say that the managers should do according to the need of the situation. But practically it is not always possible for the managers to do thorough analysis to find the best way as they are always short of time. They resort to short cut and easier ways. Thus the situation can, sometimes, lead to complex problems.
- For empirical testing of a theory, it is necessary that some methodology is available. But due to changed situations and involvement of too many factors, the empirical testing became rather more difficult.

- Contingency approach is basically reactive in nature and it is not proactive. This sometimes leads to problems for the manager to provide directions and guidance.

Despite some limitations of the Contingency School, it is working very well. The managers should take action as per situation and using their skills. They have to take into account the goals of the organisations, the technology used, the people of that work there, the outside environment, and a number of other factors before taking the final decision how to manage.

### **4.3 Learning organisation school**

This approach was first put forth by Peter Senge during 1990s. As the name implies, a 'Learning Organisation' is one in which all employees are constantly learning. They keep focusing on identifying and solving the problems within the organisation, at all levels.

According to Stueart and Moran, the learning organisations maintain open communications and decentralized decision making. The organisation can overcome limitations, understand the pressures against it and seize opportunities. The basic principles of the Learning Organisation School are as follows:

- Personal mastery with people identifying what is important in the process;
- Mental models, with the organisation continuously challenging members in order to improve their mental models;
- Shared vision, requiring an imagining of what the organisation should be;
- Team learning, through cooperation, communication, and compatibility; and
- Systems thinking, recognizing the organisation as a whole.

As the managers have to act as leaders, they assume the role of innovator, director, coordinator, monitor, facilitator and teacher. The Learning Organisation School seems to be a good fit as more organisations are making shift from the 'Command-and-control organisation' to 'Information-based organisation'. The theory of Learning Organisation is being applied to more and more organisations these days. It is being applied in various types of libraries and information centres also, now-a-days, in different parts of the world.

Evans has made an attempt to see the development of library management as a parallel to development of schools of management theories. He found that same pattern in library management theory as that in business with starting point at a much later time in library management. Almost all schools of management thought have been and are being applied in different types of libraries and information centres all over the world.

Principles of Scientific Management are invariably being applied in the libraries. Bureaucratic school is being followed in certain libraries even today. In recent times, Quantitative technique, Systems theory and Behavioural Science approach are being followed to library and information centre management. Evan suggests the need of unified theory of library management.

## **5. Summary**

In this module, we have discussed management theories. Management theories address how managers and supervisors relate to their organizations in the knowledge of its goals, the implementation of effective means to get the goals accomplished and how to motivate employees to perform to the highest standard. The evolution of the schools of management thoughts can be grouped in three categories, viz. Classical, Neo-Classical and Modern theories of management. Management theories are implemented to help increase organizational productivity and service quality. Not many managers use a singular theory or concept when implementing strategies in the workplace. They commonly use a combination of a number of theories, depending on the workplace, purpose and workforce. Human Relations School, Contingency theory, Chaos theory and systems theory are some of the popular management theories.

In libraries and information centres too these theories are applicable. The continued use, development, and refinement of those thoughts and techniques in library management results in more efficient and effective library service.

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