

**Organization Management  
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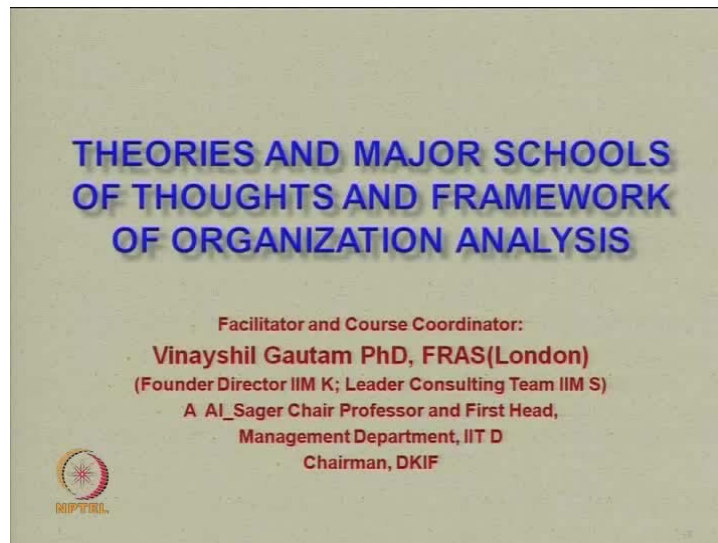
**Module No. # 01**

**Lecture No. # 05**

**Theories and Major Schools of Thoughts and Framework of Organization Analysis**

The session today is going to be devoted on - what the projection here says - theories and major schools of thought and framework of organizational analysis. We had so far discussion on two components of the course: one was the nature of the subject, its scope, what the contents are and what the features of the subject matter are. It is necessary to understand this to appreciate the topics which follow.

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We then went into a discussion on the legacy factors of any situation and we came to the conclusion that anything which exists has a certain set of givens. There is nothing, which exists without a set of givens. So, putting it in quantitative terms,  $y$  is never equal to  $m x$ , it is always  $y$  is equal to  $m x$  plus  $c$ . This  $c$  variable which needs to be decomposed for the understanding of what is a positive trait, what is a positive potential, what is a negative legacy, what is a dead weight and what needs to be eliminated. This applies to individuals, this applies to organizations and this is a reality of life, which cannot be wished away.

We also analyzed how the study of longitudinal syncing is a serious discipline in its own right and how many different people, how many different scholars have researched on it in different territories and what is roughly the benchmark of assumptions, theories, practices in longitudinal thinking and it is nothing new in the subject area. I want to take the discussion forward today to discuss with you, as the subject says theories and major schools of thought.

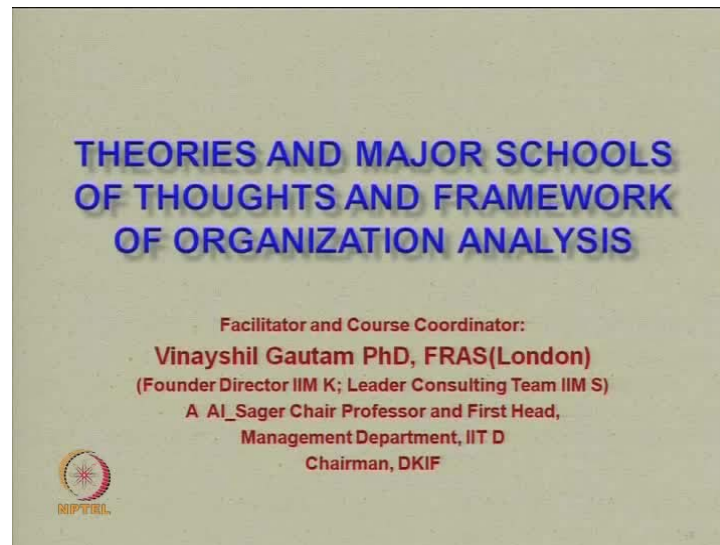
Now, what is a theory? We shall get into a definitional analysis in a short while but, to get the ball going, let us recognize that we all have our theories. A theory is a set of assumptions, which helps us to understand a reality. You do not have to be professionally trained to develop a theory, everyone wants to understand things around him and as he experiences things, he develops a theory.

Now, if you do it scientifically, you develop a theory which is sustainable. If you do it by hunches like an amateur, well then obviously, you get the bumps of hunches and being an amateur, but everyone has a theory. Many of us believe that all men are honest, many of us believe all men are dishonest, many of us believe if you give some money to someone he will not return it, others say, no it is not like that.

We all have a theory on everything behavior, ethics, profession. You choose a subject based on a theory, being a mechanical engineer is wonderful these days or being an electronics engineer, there is nothing to prove it.

What is more, 4 years down the line it may not be anything like what you believe. People presume that 2 years of work in MBA, will make them - a specialization will emerge; it is one of those theories which has got no basis. After 2 years of study in MBA you will be barely literate to start understanding the subject matter and if you think doing finance with IT is a great specialization and you will get a great job, you will find out.

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Who knows what will be the job market 2 years down the line but, then you try to understand what is going around you, you develop a theory. Everyone starts studying finance with IT, you never understood finance, still less understood IT, combining it is even more complicated believe me, you will never get a job because of the courses which we have done and you will get a job because of the capabilities which you have.

What you done is a capability then all of you engineers who start doing management should be similarly, incapable of doing any management. You can see how many loopholes there are to that theory but, yet you will take your decisions based upon that theory. So, theory becomes very important. To put it an everyday parlance therefore, theory is a set of assumptions, which helps you to read beading into a randomness of life.

Now, I am giving you a working definition of theory. When you start reading meaning in to what is happening around you; you develop a theory, how true that theory is will not be known till it is tested. So, there is a difference between a theory and a theorem. Why do you say, Q E D which means I have proved what I had set out to prove. What era demonstrandum? It is the Latin, to understand therefore, the complexities of organization management over a period of time, different generations of scholars have generated different theories.

The sensible way of understanding a subject matter is, not to start with developing your own theory but, to start with understanding what the existing theories are, am I right?

You do not create a world because you believe that is the way the world should be created. You first understand how people talk of the world being created. There is one theory which says, god created something out of nothing, it is a theory.

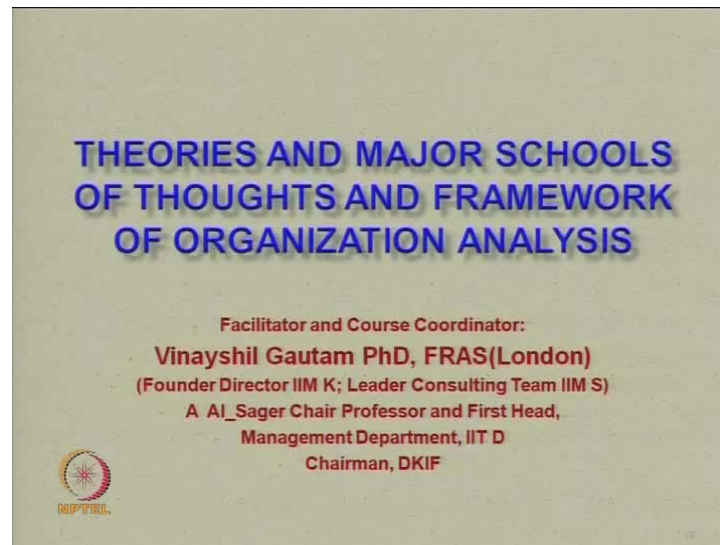
There is another which says, there was a big bang theory. Nobody was around when the so called big bang took place; then there is the theory which says [FL] there is no matter without abstraction and there is no abstraction without a matter; abstraction meaning energy and that is [FL] for you.

It says very simply mass and energy is interchangeable. There is no matter which does not have its counter parted energy and there is no energy which will not have its counter parted matter and at the theory. Also organization management has its theories. Obviously, there is no one theory, different people have come up with different theories and they have all tried to reason it out. Through this session, we will revoke you through some of the leading theories of organization management.

It is not as if these are the only theories which exist, it is not as if these theories cannot be argued with, it is not as if these theories are mathematically established. There is a world of difference between a mathematical theory, a theory of physics and a theory of management. Though you must realize even theory in physics are riddled with arguments and they can be demolished. The most common example is, there was a theory that atom is the smallest element which cannot be broken up. They lived with that theory for decades and then they realized atom can be broken up, so what did they do? They did not rename atom; atom remained atom, but the theory was gone.

There is linearity in theories which science subjects talk about. There is also a sequence of theories in management, but there is a difference between linearity and sequence. Linearity is a cause on an effect change, there was this theory which says, atom is the smallest element in matter which cannot be broken up then, the theory which says, an atom can be split, so there is linearity in that.

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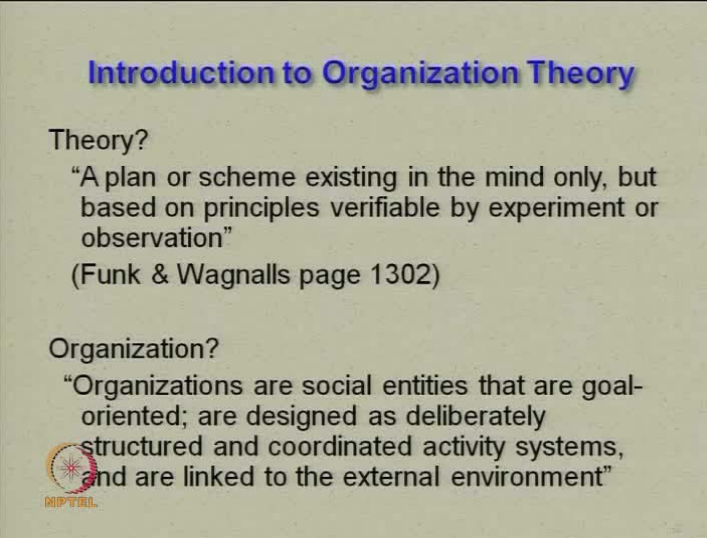
Sequence is what came after what chronologically and the interesting thing in social sciences is you can have similar theories propounded in different geographies parallelly without drawing upon each other. Let me repeat that so that you understand its significance. There can be parallel theories or indeed, similar theories in different geographies in different parts of the world without any correlation. So, note as if linearity is essential in a theory in management, having explained to you some of the basic approaches to the understanding of the theory.

Let me walk you through some of the theories and major schools of thought, which will presumably give you a framework of analysis to understand organization. Above all, the purpose of any subject is at your level of understanding to get a grasp of what it is about. Therefore, these theories will help you to develop a framework of analysis of the organization you will deal with, because remember what I told you in the very first section whether you like it or not, you are dealing with an organization, whether you like it or not, you exist in an organization and whether you like it or not, you will need an organization to live as survive, eat and prosper. Even if you choose not to prosper, you will need an organization just to be, just to exist.

Organization management is one of those inevitable areas which you cannot survive without. The criticality therefore of understanding organization management is essential. So, whatever we take up under theory will be looked after as organization theory. This is

a full-fledged specialization; in fact there are full-fledged courses on organizations theory and practice.

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**Introduction to Organization Theory**

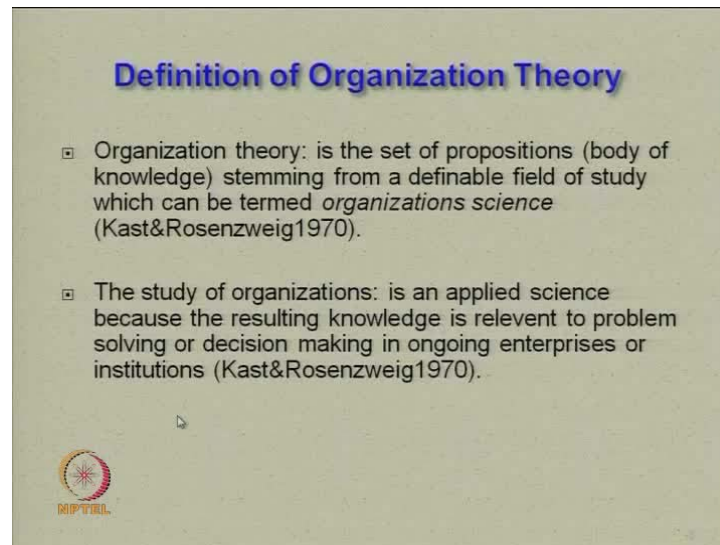
**Theory?**  
“A plan or scheme existing in the mind only, but based on principles verifiable by experiment or observation”  
(Funk & Wagnalls page 1302)

**Organization?**  
“Organizations are social entities that are goal-oriented; are designed as deliberately structured and coordinated activity systems, and are linked to the external environment”

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The key elements of organization theory are say a definition of organization theory which is to be rooted. What is a theory? Theory is a plan or scheme existing in the mind only, but based on principles verifiable by experiment or observation. What is an organization? Organizations are social entities that are goal-oriented; are designed as deliberately structured and coordinated activity systems and are linked to the external environment. This is again another definition of an organization.

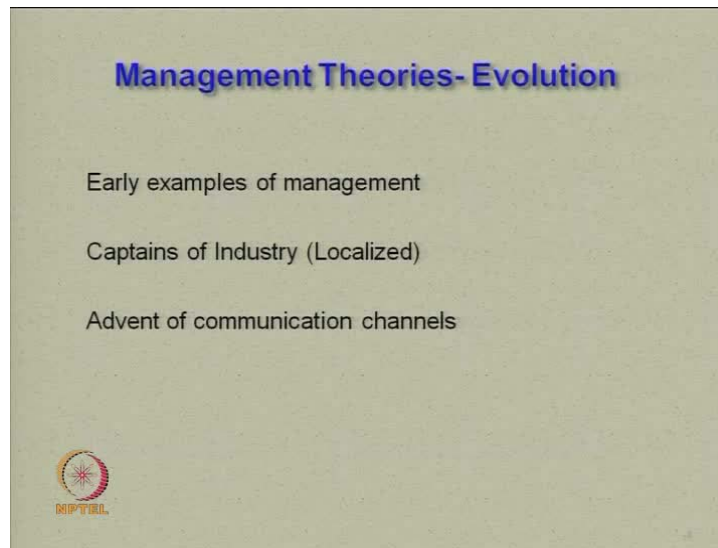
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What is the definition of an organization theory? I will give you several definitions, all of them partly correct, none of them captures the full truth, but this is what you call a literature survey, this is how you will understand the nature of the knowledge which is available on the subject matter.

Organization theory is the set of propositions, body of knowledge, stemming from a definable field of study which can be termed as organization science. The study of organization is an applied science because the resulting knowledge is relevant to the problem solving or decision making in ongoing enterprises or institutions.

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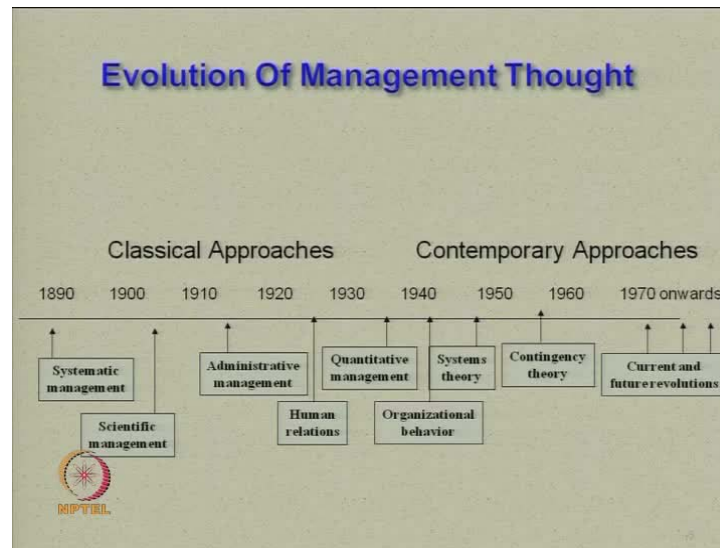


How did these organization theories evolved? Early examples of management, captains of industry, advent of communication channels all these three factors helped these theories to emerge. In other words, before you are start looking at the theory, you must understand how theories originate. Theories originate in early experiences which is what is said here early examples of management. Theories originate because somebody who is in a leadership position says that it is so.

The captains of industry in each region said well this is how it is. So, the opinion of a leader matters and finally, the advent of communication channels, you started disseminating what you think to others. You disseminated through word of mouth, you disseminated through written word and when the electronic medium came, you disseminated through electronic medium. There are other ways of doing it and since, this is not a course on communication and you will understand that I expect a certain background of information with you on what could be termed as advent of communication channels.



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The evolution of management thought is put here schematically from 1890 to roughly today. They are broadly divided into classical approaches and contemporary approaches. Classical approaches are approaches with which management theory began and modern approaches are essentially or the contemporary approaches are essentially the post-world war, two approaches.

In each case, you will find that the dateline has been given. In each case, you find that there is an arrow which links it up with the theory. Let me walk you through them, 1890 or there about their came the systematic management theory. Around 1905 there came the scientific management, around 1915 came administrative management and around 1925 came human relations management, 1930 to 1940 intervening 10 years of the emergence of quantitative management. 1940 people saw the origin of organizational behavior around 1949-1950 systems theory came into full bloom, around 1950, 1956, 1957, 1958 contingency theory became fashionable and thereafter, there has been current and future revolutions of organization theory.

Now, this is just as schematic plan to show you which ones came first and which ones came after. This is not a **glassful** to swear by you can have other classifications, now that is something which is very important where you come to the study of management or behavioral sciences.

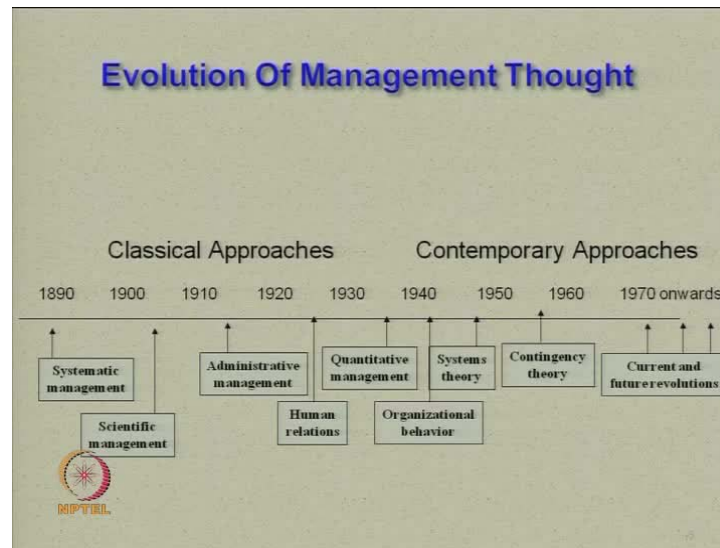
Very little here is as cut and dried as it is say, in a lot of engineering disciplines but, what is cut and dried in engineering disciplines itself is cut and dried only to a certain level, because whatever is cut and dried also changes. It is not as if once, you propound a theory of thermodynamics the scientific theory will not change. So that also changes, so you do not have to get very worried whether everyone accepts this or everyone does not accept it, nothing is accepted by everyone and even that which is accepted by everyone changes.

As you reach a postgraduate level of educational learning, one of the changes which you have to internalize in your cognitive system is, whatever you believe can only be a tentative belief. Whatever you believe is true only so far and no further and most importantly, what you believe today may not be valid tomorrow. Therefore, where are you left with that then? All these theories are at best indicators to refine your thinking; all these theories are essentially a benchmark of the level of knowledge and sophistication which exists. That you can always argue about it, no systematic theory did not begin in 1890 it began in 1880, you can keep arguing about it and then you start producing data that actually systems theory did not begin around 1947-1948 but, it actually began in June 1941, a welcome to it.

This is not like a **glassful** truth, this is not like the verdict of the profit, this is not like if you believe it, your soul will be saved, if you do not believe it, your soul will be damned these are broad trends. This is bringing to your level of knowledge and understanding certain patterns which you must be aware off to take matters forward.

Now, we are not going to get into details of all these theories, it is neither necessary, nor useful but, then it is important for you to realize that there are different ways of looking at the same proposition, because the way management was understood in 1890 is not the way management was understood in 1990.

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In fact, each generation has to go through the process of understanding, what are the managerial issues. Pollution was never such an issue on this planet as it is today. Purity of air, water, soil today is critical to the survival of the human race. When you studied management in the late 19th century, you could pollute whatever you wanted, however you wanted and with gay abandon. Indeed, this is how the industrially advanced nation stole a march. They had all the advantages of waste, the countries which are trying to industrialize today do not have and this is essentially, what is at the root of all the confabulations which are taking place on environment laws and why there is no agreement.

You cannot say we had this advantage; we used it to the full advantage, now that we have done it which is the rules for everyone else, because that is going to end in a situation of perpetuating inequality. If you have to understand the live issues of management, you have to apply the principles of life issues to the contemporary situations, which is what makes management the interesting subject as it is. Each generation defines its own managerial issues. Each generation has to do decision-making and problem-solving in the context of the resources which are available.

We are living in an era, where the future growth of the economy will be through natural gas. It is predicted that we are going to enter an era, which will be determined by the availability of a natural gas. Coal as a source of energy was developed to appoint and

then it plateau out whereas coal is used still today, it is an energy resource of the past, unless you can have gasification of coal.

Then oil entered the sea and prosperity of oil determined the political equations and the power equations not only amongst nations but, also amongst corporate. Till today in technological choice, one of the most important things is what is the source of energy of this equipment and this machine? You cannot undertake technological evaluation without a grasp of two critical parameters, which are common to all equipment today: one is what kind of energy source does it need and the other is what kind of the nature of material which it has.

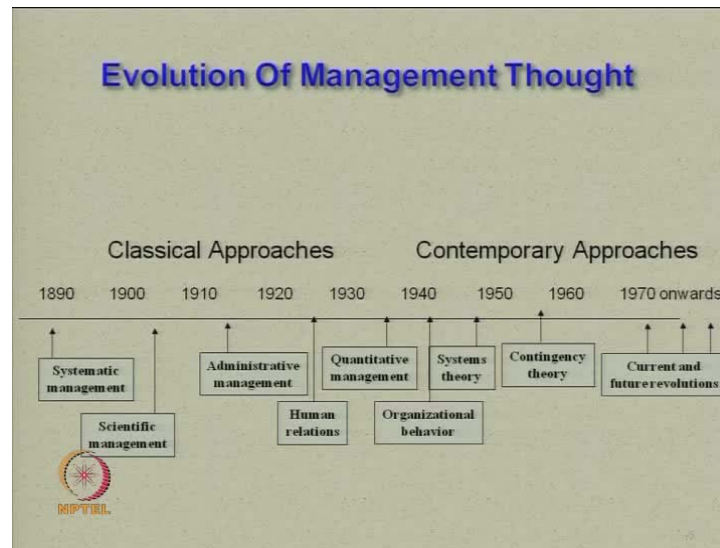
You will notice that a lot of management does require you to have a grasp and an appreciation of cognate areas, which is why I have always felt that management is meant for the best. No matter, how you fancy yourself, you are quite aware of the kind of level of intelligence you have, the kind of effort which you put in and the kind of intelligence which you have.

You may say whatever you want in a social group, but when you doze off in a class and when you are unable to recall, what is being said and when you do not even understand what the subject is which is being discussed. You may wake up 10 minutes later and still realize that you have not kept up with what of being said.

Real capability development requires the ability to assess your own ability and choose something which is suited to you. Since, management studies are life giving, my advice to people who force themselves into management is quit while you can, get into something which you can manage otherwise, you will be doing what happens to you when you bite something which you cannot digest.

Do not lead life trying to keep up with the joneses; I must study management because everyone else is studying management. You do not have the same height, the same weight as your neighbor. Except the facts of your life, you are worth something somewhere, discover where you are worth and discover where you will be successful. If you force yourself into a discipline whatever else, you may or may not be sure off, I can assure you, you are heading for disaster. So, while you can drop something which you are not capable off.

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The same thing applies to organizations; you cannot run an organization with dated tools you cannot run an organization with principles, which are dated. Believe in an era, where the great issue today is management of expectations. A lot of MBA student's even before they are graduates have career expectations, which are just impossible to live through.

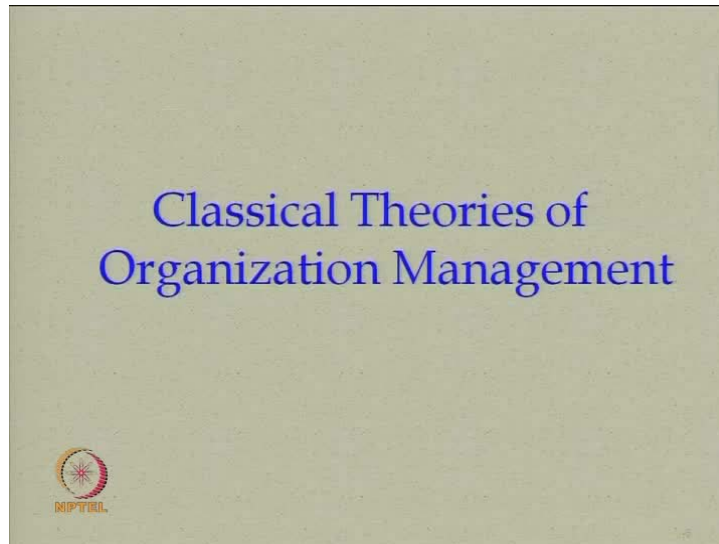
There is no way you will become the managing director of a firm in two and a half years. With a result that once you graduate, you join an organization and then you go job hopping, and believe me job hopping does not make all that much of a difference.

You may gain on 1 or 2 items of the salary; you will lose out on 2 or 3 other items. The summation will be the same; you will be plus or minus 10 percent, plus or minus 20 percent never more than that.

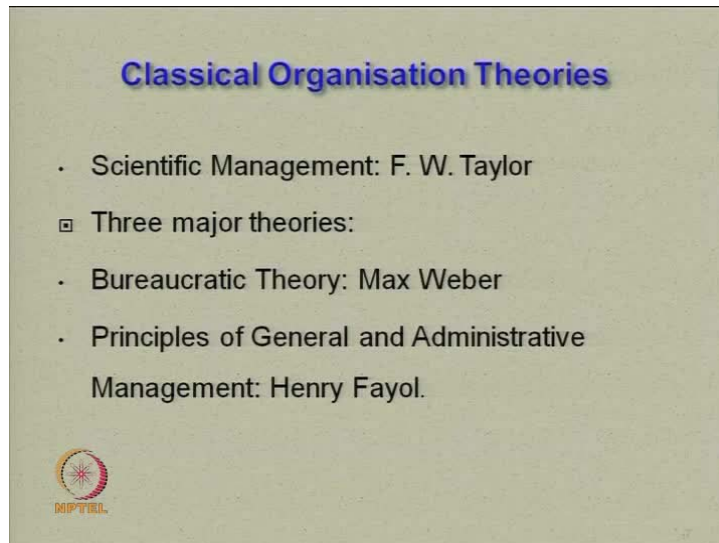
Therefore, please remember, one of the essential results of all theories of management is to help you to make your own life choices better, of which the first assumption is and when we again go back to some of the classical learning [FL]. All learning begins with know yourself [FL] self [FL] no. The way you dress, what you eat, what language you speak, will be totally irrelevant. Indeed, it will be very important for you to recognize that all these thoughts and theories of management have consistently over the years, missed out on the most important principle of management theory - management of self.

Therefore, whatever theory you learned here and whatever theory you will pick here, please realize you are supposed to reflect on them intelligently. You are supposed to understand it, so that you can practice it. If you can neither understand it, nor practice it, you should be asking, whether you are a fit subject for these sessions or not.

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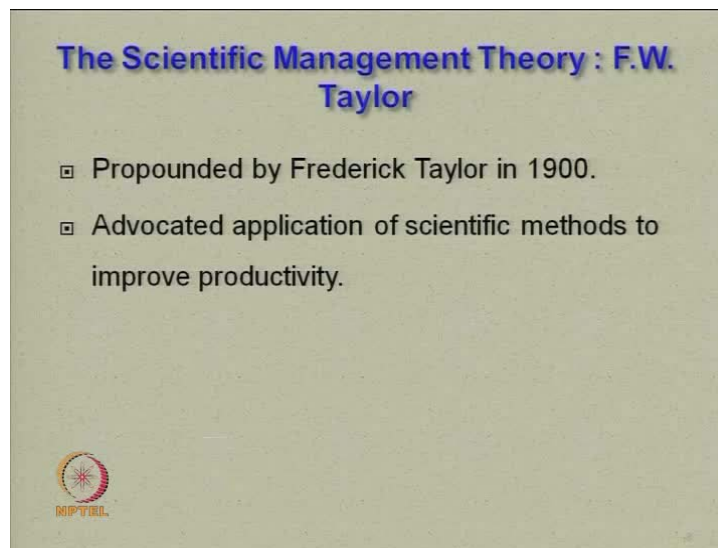
The first theory which I am going to talk to you is called the classical theory of organization management. Not that there want what other theories but, this is usually considered the beginning of organized theory formation in organizations.

Classical organization theory is rooted in the work of Frederick Taylor, not that I believe that management begins with Frederick Taylor but, at your level of learning it is best to keep pace with what is a general belief. If you have other beliefs, there will be other occasions to learn of it and this is not the time to generate a debate.

Frederick Taylor thought industrial engineering at Steven's institute of technology in New Jersey. If you visit there, you will find that in view of his standing in the field of management, they have got a bust of Frederick Taylor in one of the most prominent public spaces of the institute. So that all who are of that institute derive pride of the kind of intellectual giant which worked there and all who come to the institute know, the great learning traditions which were propounded in that institute.

Go back to legacy factor or longitudinal thinking. Scientific management had some takers; there were three major theories beside scientific management: one was the bureaucratic theory which established by Max Weber, the third was principles of general and administrative management which Henry Fayol talked about.

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The scientific theory of Frederick Taylor was propounded by him around 1900. It advocated application of the scientific methods to improve productivity. The classical theory was conspicuous by its lack of understanding of anything which had to do with human beings.

It was a simple time and motion study in fact, so far as I am concerned there was no management in it at all. If it was a simple time and motion study then, you should be studying the principle of a pulley and designing a pulley is not management important as it is, but then again, you cannot swim against a trend, if everyone says that the scientific methods of improving productivity are the forerunners well, then you need to be told that also.

That was the course specialization of Frederick Taylor. If he was to be alive a 100 years later and perhaps be present in this class, he would be surprised that he is supposed to have fathered organization theory, but then what do you do when you do not know your father, you create one. It is important to have a father at least filling out application forms makes it mandatory to create a father, orphans have no place in this world, I am not saying it, that is what the practice is.

You know, when it is becoming so fashionable to talk of caste, census analysis and I did tell you that management are applied to the current issues, I did not talk of environment and I did not talk of sources of energy. There is no reason why we should find any subject it above. I am always wondered when the caste census is conducted, which I think is a very fashionable thought with certain segments of the people, how will that the orphan define its cast or will they have a caste of orphans? What will they do with the destitute or will have a caste of the destitute? But, you are not interested in this, if you are interested in politics, because your purpose is not social engineering; your purpose is to make sure you are in the right side of operating power.

One of the outcomes of studying management is to get your lenses cleaned on decision-making and problem-solving and understand how decision-making is done and decision-making is a political process which is why alas. For good or for evil, with joy or sadness whatever be it, these topics cannot be circuited, if you want to study management the way it is. Remember, politics is the struggle for the control of the decision-making process. In fact, one of the topics which we will not be taking up in the sessions is the impact of different disciplines on management.

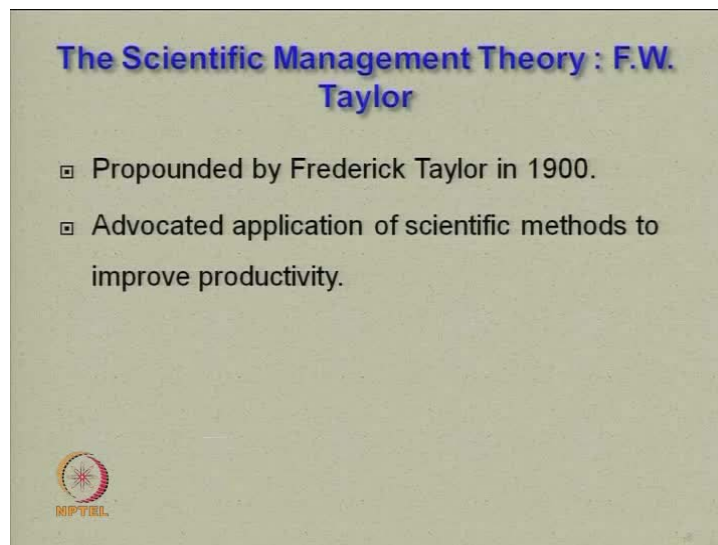
In other words, how far does management borrow from psychology, how far does management barrow from industrial engineering, how far does management borrow from anthropology, how far it borrows from history, how far it borrows from systems analysis.



There are other disciplines you cannot study political science without looking at the interface of political science with other areas. We were discussing this in a small group and somebody said one of the most important disciplines which make an impact on management is the study of political science.

You cannot understand management without understanding political science, no there are not many takers of that but, remember management is still a discipline, which has to acquire that maturity which comes out of centuries of analysis.

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Modern management not conventional management, which I have discussed in the first session itself, modern management is not even a 150 years old, compare it to the tradition of civil engineering, compare it to the tradition of history. History has been taught, studied, researched for over 3000 years as a discipline.

Civil engineering has existed as a modern discipline for several centuries. When you look at a discipline which is hardly 100 years old, what is the antiquity of that discipline? Obviously, everyone believes that management originated in his discipline. You talk to an industrial engineer; he believes management began in industrial engineering. You talk to a psychologist; he believes management began from psychology.

You talk to a person from systems analysis; he will tell you all management in systems analysis. The other day I was with a group of economists, there were quite determined

that all management began in economics, I was reminded of that telling analogy of 6 blind men and the elephant. Each one quite convinced he has got the truth.

Unless, you understand the nature of management, you will also start believing that management originated from the discipline from which you came. What is the trouble with this approach? If you occupy a key position in an organization, then you start selling that approach to everyone.

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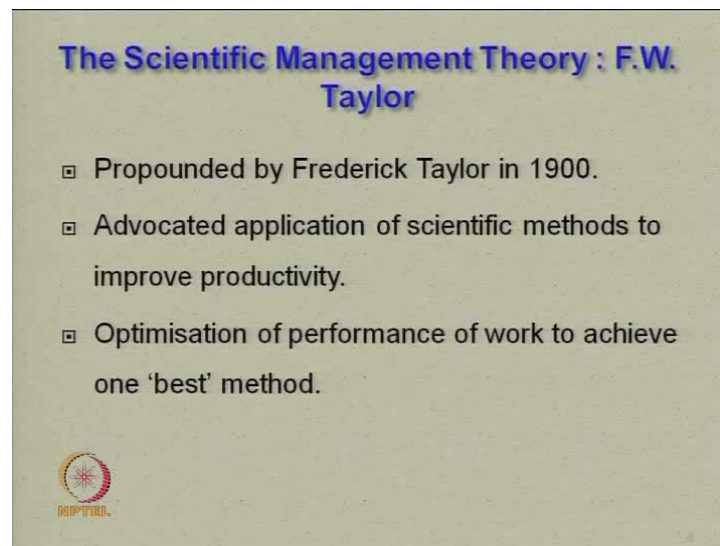


Remember, what I said earlier on, going back to the origins of theory, were I told you, earlier examples of management captains of industry. See, if you are in industrial engineering, you start telling people everywhere management is under industrial engineering, now that is terrible English; it is worse management. I have known a person who made his career teaching management, propound publicly everywhere management is under industrial engineering. Lot of people would believe him, because he has held key positions.

I hope the new generation of management students and I hope the new generation of practitioners of management will realize that whether management is an old discipline or a new discipline, management is now establish enough to do have its own character, to have its own nature. Management has never been under any discipline and you did hear me say, it is bad English and worse management.

Therefore, to understand the theories of organization management, you must understand where the propounders came from and this is undertaking a critique of that theory. One of the easiest exercises to undertake is to rationalize your own primacy. So, I forgive Frederick Taylor for his time and motion study. At least he marked a research beginning, so credit must be given to him but, then the world has moved much beyond that. What I am trying to tell you is that Frederick Taylor did make a contribution to management by optimization of performance of work to achieve one best method.

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With all its limitations Frederick Taylor's contribution to management theories is emphasis at measurement. Alas Frederick Taylor did not live long enough to live in the human resources theory era, which hit the other side of the pendulum and people started saying, you cannot measure.

Remember, if you make a statement which is too bigoted, you will generate its own antithesis. Somebody will get up and say exactly 180 degrees opposite of the same thing. So, it is best to propound all theories with a touch of tentativeness, with a touch of humility and with a genuine attempt to receive feedback. Recognition that after all you could need an improvement on what you are saying that is the hallmark of a scholar; he does not make statements directed towards establishing the primacy of his own discipline.

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### The Scientific Management Theory : F.W. Taylor

- ▣ Propounded by Frederick Taylor in 1900.
- ▣ Advocated application of scientific methods to improve productivity.
- ▣ Optimisation of performance of work to achieve one 'best' method.
- ▣ Simplified skilled jobs to unskilled ones.




The scientific theory of Frederick Taylor as I said, simplified skilled jobs to unskilled ones and they said you do this for the best result, you will do as directed. Now, if you come to soldiering, he identified three main reasons for soldiering increase in productivity will require fewer workers, employee would receive same pay for higher productivity, faster pace would be set as standard and used rule of thumb and wasted time.

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### Soldiering

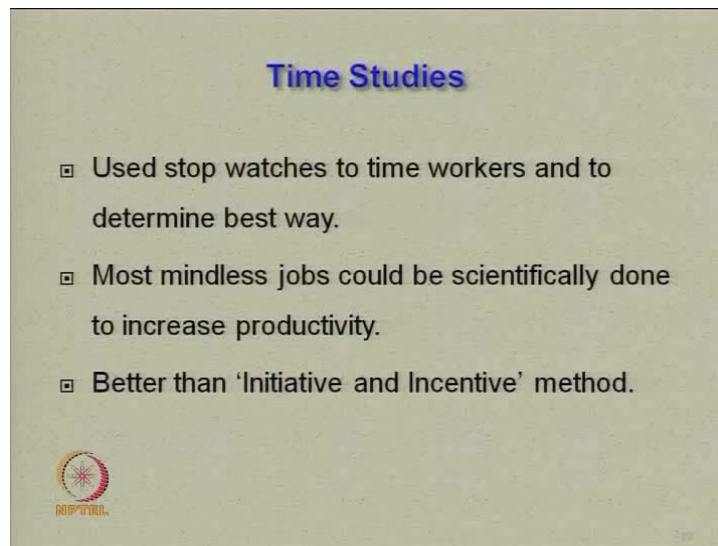
- ▣ Identified three main reasons for soldiering:
  - Increase in productivity would require fewer workers.
  - Employee would receive same pay for higher productivity; faster pace would be set as standard.
- ▣ Used rule of thumb and wasted time.



Used rule of thumb and wasted time was not desirable. In other words, the entire focus of classical theory was on productivity. Not national rural employment generation scheme for heaven's sake, Frederick Taylor would have committed suicide. He believed in no such thing, he could get up and say give me the result. You know, what you are supposed to do when you get a sufficiently high rank in the organization. You are supposed to turn around your subordinates and say, give me results. You know, one of those ugly statements like, management is getting others to do your work.

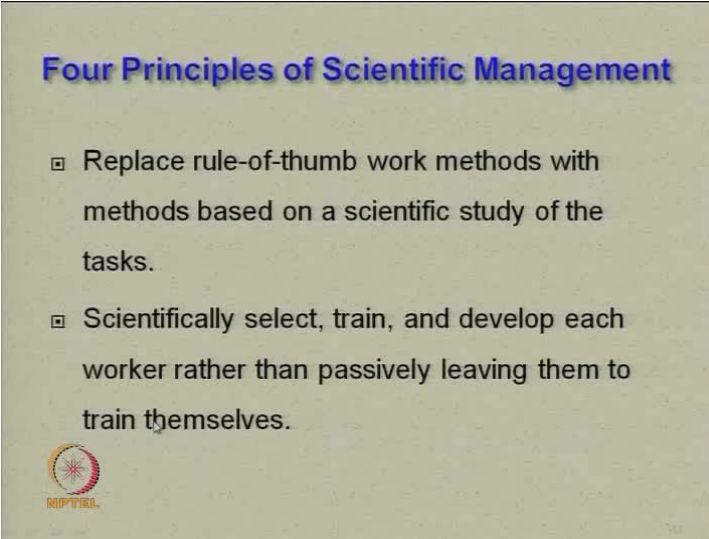
Whether you get anything out of the sessions or not, at least I hope when you do get somewhere in your life, you will not be the sort of person using this ugly statements, I believe in results. What are you some sort of god almighty, I believe in results, I thought you believed in god himself. Sir, what should I do to do results? That is your problem. It is a sheer pathetic character of people in leadership positions who do not know the theory and practice of management and yet who pretend to build taller than titans.

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The world is full of them but that is another story, what I want you to understand is time studies required, studying of time workers and to determine the best way, most mindless jobs could be scientifically done to increase productivity, better than initiative and incentive method.

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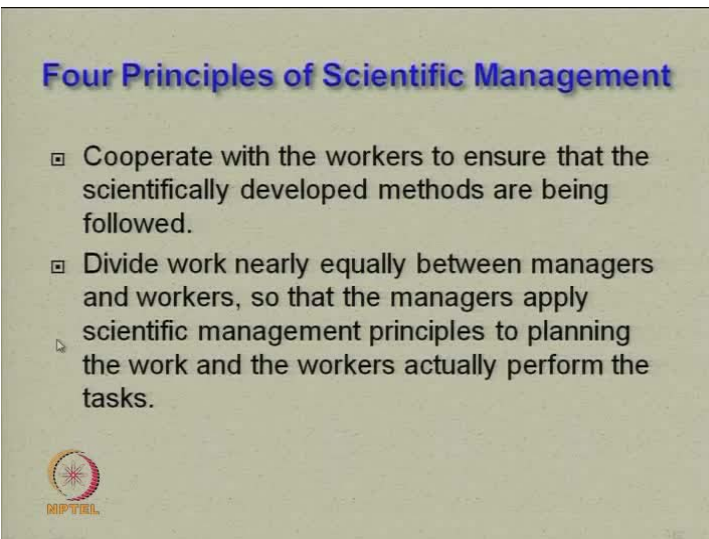
**Four Principles of Scientific Management**

- ▣ Replace rule-of-thumb work methods with methods based on a scientific study of the tasks.
- ▣ Scientifically select, train, and develop each worker rather than passively leaving them to train themselves.

  
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Time studies lead to the four principles of scientific management: replace the rule of thumb work method with methods based on scientific study of the task, now you cannot argue with this. Therefore, it is not as if classical theory does not make a contribution to management. The question is to understand how far it goes and with what? Scientifically select, train and develop each worker rather than passively leaving him to train themselves. In other words, there is a conscious intervention. The remaining two principles are, cooperate with the workers to ensure that the scientifically developed methods are being followed.

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**Four Principles of Scientific Management**

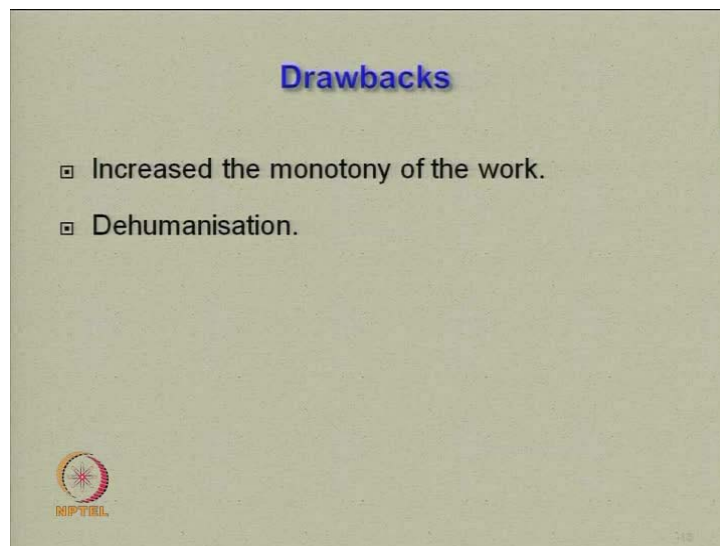
- ▣ Cooperate with the workers to ensure that the scientifically developed methods are being followed.
- ▣ Divide work nearly equally between managers and workers, so that the managers apply scientific management principles to planning the work and the workers actually perform the tasks.

  
NIPTEIL

In this kind of thought that standard operating procedure as a phrase is embedded that is the best way of doing things. If you want to survive with the organization, you are supposed to follow that best way and not argue with it, at least according to the scientific theory.

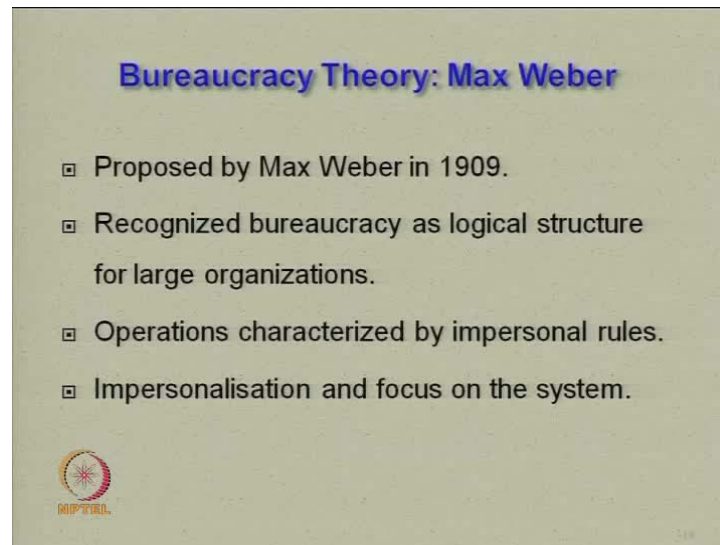
Divide work nearly equally between managers and workers, so that the managers apply scientific management principles to planning of the work and the workers actually perform the tasks. What you have got from me is the essentials of scientific theory of management, the classical theory of management, how is it operated? How did it originate? How is it practiced? Also, we have tried to look at its limitations and look at its strengths.

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We therefore, now go on to taking a quick look at its drawbacks which is increase the monotony of work, dehumanized work. We move on then to bureaucracy theory which is by Max Weber.

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Again, like the scientific theory the bureaucracy theory works both ways. It has strength, it served the purpose and it has its problems. Your first attempt will be to understand, what something is before you can undertake a critique on it. It was proposed by Max Weber in 1909 recognized by bureaucracy as a logical structure for large organizations. Now, the truth is the era in which we live bureaucracy has become an ugly world.

In fact, a very common statement would be, do not be bureaucratic, but the truth is if you have a group of people working together for an achievement of an objective, there will be some kind of bureaucracy. It is inherent, what is the bureaucracy therefore? Bureaucracy is a scalar principle, different levels of work. There is a clear difference between the quality of skill required in placing a chair and in delivering a lecture. Both the qualities are not the same, so there is a hierarchy of work.

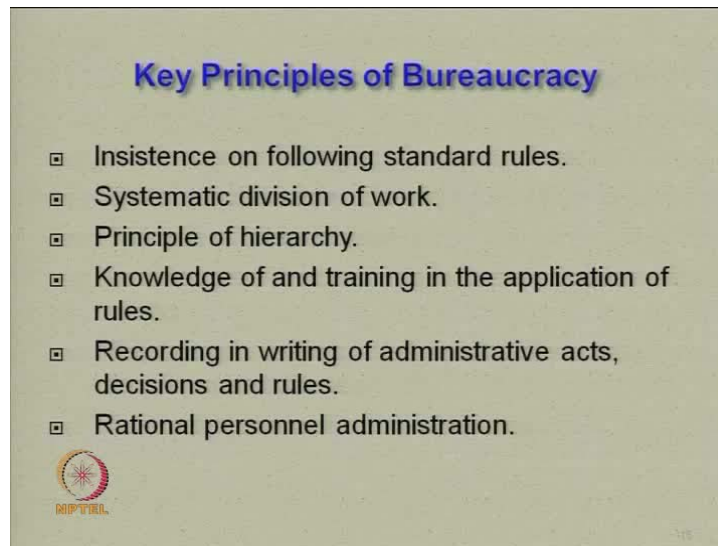
If there is a hierarchy of work, there will be a hierarchy of command. If there is a hierarchy of command there will be information flow. If there is information flow then there has to be information collection and information distribution. There has to be supervision, you cannot get away from it.

Therefore, the truth is whether you like it or not, bureaucracy is inherent in any group activity. You have to recognize that bureaucracy is a logical structure for large organizations, operations characterized by impersonal rules. Bureaucracy also does not recognize exceptions.



Bureaucracy survives on the grand principle, if I do it for you I will have to do it for everyone. A palpably erroneous assumption but, then there is merit in taking that argument, because bureaucracy believes in creating an impersonal environment; impersonalisation and focus on the system. You will hear a lot of managers claiming there on a systems driven organization. It is a good idea, but is there any limit to the systems driven organization? That is the question.

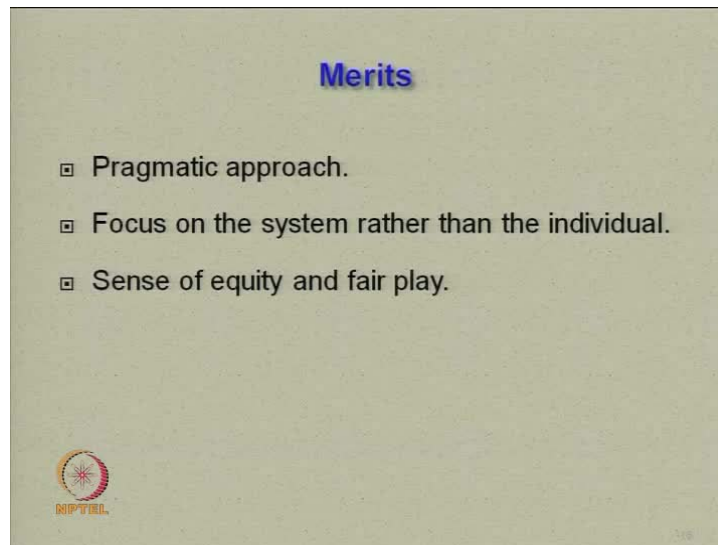
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What are the key principles of bureaucracy? Insistence on following standard rules, there at least there are no heart birds, systematic division of work, there is a principle of hierarchy, knowledge of and training in application of rules.

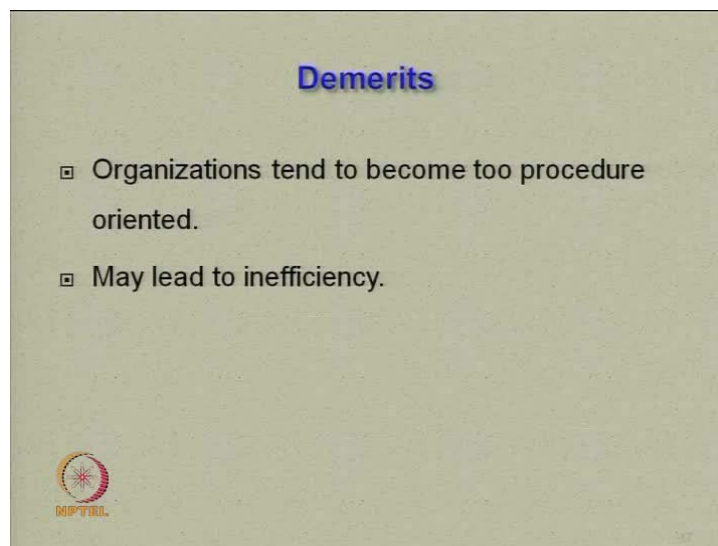
Recording in writing of administrative acts, decision and rules; it will not be a subject of personal memory, it will not be a factor of interpretation. If you implement something there must be the sanction of the competent authority. Above all, there must be a rational, personal administration it cannot be whimsical.

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There are merits to this system; the merit is it is a pragmatic approach. The focus is on the system rather than the individual. So, there is very little scope for playing favorites. There is a sense of equity and fair play, whatever applies to me applies to everyone.

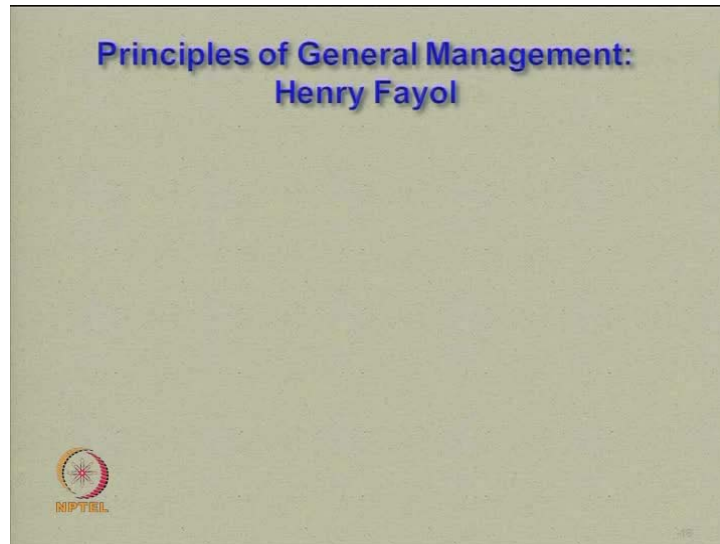
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There are demerits too; demerits are organization tend to become too procedure oriented. Therefore, the genuine cases of exception go by the side line. It may lead to inefficiency, because so long, as you observe the rules you are safe, which is why unusual as it may sound in a lot of labour unrest situations, the labour resorts to work by rule. Something

which builds me, how can productivity decrease if you work to by rule but, it just shows that rules are meant for the average and therefore, if I work by rule I impede the system it is an agitation technique, we will now reserve to work by rule. That is a classic example of the demerits of the bureaucratic system.

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The principles of general management then follow but then, so far we have looked at two theories: the classical theory which was propounded by Frederick Taylor, the bureaucratic theory which was propounded by Max Weber. Both have their merits and demerits and both of them exist today.

It is just that neither of them can run whole organizations. It is great to follow the classical theory up to a point on a shop floor level. At least the standards of performance are measured. It is great to follow some bureaucratic principles at a larger level of the organization, because it helps to view together large numbers together in any area.

You will realize that there are merits and demerits; above all it is the application of these principles, which brings about the operational advantage or disadvantage of the theory. We have looked at theories, we will stop there for this session and we shall pick it up with principles of general management hereafter.