

An overview of twentieth-century management theories

Scientific management or **Taylorism** is the name of the approach to management and industrial and organizational psychology initiated by Frederick Winslow Taylor in his 1911 monograph *The Principles of Scientific Management*.

Taylorism is often mentioned along with Fordism, because it was closely associated with mass production methods in manufacturing factories. Taylor's own name for his approach was **scientific management**. This sort of task-oriented optimization of work tasks is nearly ubiquitous today in menial industries, most notably in assembly lines and fast-food restaurants (aka McDonaldisation).

His arguments began from his observation that, in general, workers in repetitive jobs work at the slowest rate that goes unpunished. This slow rate of work (which he called "soldiering", but might nowadays be termed "loafing", "malingering" or "slacking"), he opined, was a combination of the inherent laziness of people and the observation that, when paid the same amount, workers will tend to do the amount of work the slowest among them does. He therefore proposed that the work practice that had been developed in most work environments was crafted, intentionally or unintentionally, to be very inefficient in its execution. From this he posited that there was one best method for performing a particular task, and that if it were taught to workers, their productivity would go up.

Taylor introduced many concepts that were not widely accepted at the time. For example, by observing workers, he decided that labor should include rest breaks so that the worker has time to recover from fatigue. He proved this with the task of unloading ore. Workers were taught to take rest during work and output went up. Today's army uses it during forced marches - the soldiers are ordered to take a break of 10 minutes for every hour of marching. This allows for a much longer forced march than continuous walking.

Division of labour

Taylor recognized that there is a certain suitability of certain people for particular jobs:

Now one of the very first requirements for a man who is fit to handle pig iron as a regular occupation is that he shall be so stupid and so phlegmatic that he more nearly resembles in his mental make-up the ox than any other type. The man who is mentally alert and intelligent is for this very reason entirely unsuited to what would, for him, be the grinding monotony of work of this character. Therefore the workman who is best suited to handling pig iron is unable to understand the real science of doing this class of work.

This view -- match the worker to the job -- has resurfaced time and time again in management theories.

While his principles have a certain logic, most applications of it fails to account for two inherent difficulties:

- It ignores individual differences: the most efficient way of working for one person may be inefficient for another;

- It ignores the fact that the economic interests of workers and management are rarely identical, so that both the measurement processes and the retraining required by Taylor's methods would frequently be resented and sometimes sabotaged by the workforce.

Ironically, both difficulties were recognized by Taylor, but are generally not fully addressed by managers who only see the potential improvements to efficiency. Taylor believed that scientific management can not work unless the worker benefits. In his view management should arrange the work in such a way that one is able to produce more and get paid more, by teaching and implementing more efficient procedures for producing a product.

In general, pure Taylorism views workers simply as machines, to be made efficient by removing unnecessary or wasted effort. However, some would say that this approach ignores the complications introduced because workers are necessarily human: personal needs, interpersonal difficulties, and the very real difficulties introduced by making jobs so efficient that workers have no time to relax. As a result, workers worked harder, but became dissatisfied with the work environment. Some have argued that this discounting of worker personalities led to the rise of labor unions.

It can also be said that the rise in labor unions is leading to a push on the part of industry to accelerate the process of automation, a process that is undergoing a renaissance with the invention of a host of new technologies starting with the computer and the Internet. This shift in production to machines was clearly one of the goals of Taylorism, and represents a victory for his theories.

However, tactfully choosing to ignore the still controversial process of automating human work is also politically expedient, so many still say that practical problems caused by Taylorism led to its replacement by the human relations school of management in 1930.

However, Taylor's theories were clearly at the root of a global revival in theories of scientific management in the latter two decades of the 20th century, under the moniker of 'corporate reengineering'. So, as such, Taylor's ideas can be seen as the root of a very influential series of developments in the workplace, with the goal being the eventual elimination of industry's need for unskilled, and later perhaps, even most skilled labor in any form, directly following Taylor's recipe for deconstructing a process. This has come to be known as commoditization, and no skilled profession, even medicine, has proven to be immune from the efforts of Taylor's followers, the 'reengineers' - who are often called derogatory names such as 'bean counters'.

The **human relations movement** was initiated by psychologists and employment experts in the United States in the 1920s. The movement viewed workers in terms of their psychology and fit with companies, rather than as interchangeable parts.

This view was advanced in reaction to the efficiency focus of Taylorism in the early 1900s. Though human resources have been part of business and organizations since the first days of agriculture, the modern concept of human resources was codified by advocates of a human relations view.

This movement grew throughout the middle of the 20th century, placing emphasis on how leadership, cohesion, and loyalty played important roles in organizational success, and on the

value of participatory management. Although this view was increasingly challenged by more quantitatively rigorous and less "soft" management techniques in the 1960s and beyond, human resources had gained a permanent role within the firm.

Participatory management is the practice of empowering employees to participate in organizational decision making. This practice grew out of the human relations movement in the 1920s, and is based on some of the principles discovered by scholars doing research in management and organization studies, such as the Hawthorne Effect (see below).

While senior managers still retain final decision making authority when participatory management is practiced, employees are encouraged to voice their opinions about their working conditions in a safe environment, protected from the potential defensiveness of middle managers who they might criticize.

In the 1990s, participatory management was revived in a different form through advocacy of organizational learning practices, particularly by clients and students of Peter Senge.

There is some criticism of participatory management (see Heckscher) particularly because it is difficult to combine this practice with a more financially oriented approach to restructuring that may require downsizing.

The **Hawthorne effect** is a phenomenon in industrial psychology first observed in the 1920s that refers to improvements in productivity or quality resulting from the mere fact that workers were being studied or observed. For fifty years, the study underlying this phenomenon was highly influential in the study of organizational behavior. Many later studies failed to find evidence for it, and in the 1970s substantial flaws were revealed in the original studies. The Hawthorne Effect is still widely invoked, even after being proved incorrect.

Related is the Pygmalion effect (or Rosenthal effect) which refers to situations in which students performed better than other students simply because they were expected to do so. Also related is the Placebo effect, the phenomenon that a patient's symptoms can be alleviated by an otherwise ineffective treatment, apparently because the individual expects or believes that it will work.

Heckscher's critique of participatory management

Participatory management has been one of the longest-running management trends of the "post-50s" era. While fads have come and mostly gone (job enrichment, quality of work-life, quality circles, autonomous teams, and more recently TQM and re-engineering), one underlying theme has steadily picked up momentum: increasing the involvement of lower levels in decision-making.

The reason is clear: bureaucracy has reached its limits. The simplicity and power of top-down, rule-based administration created competitive advantage in the past, but it blocks the responsiveness and continuous innovation that are the keys today. That is why "teamwork" and "empowerment" are seen almost everywhere as the road to success.

But does it work? For the last five years I have been interviewing middle managers in companies that are downsizing and restructuring; I've talked to over 250 managers in fourteen large organizations, including divisions of General Motors, AT&T, Pitney-Bowes, Honeywell, and Dupont. One thing I can say is that from their point of view participatory management has generally not accomplished much. It is rarely successful in breaking the

walls of bureaucracy. In fact, downsizing and restructuring as they are normally done have the opposite effect: as middle managers consistently told me, these changes increase bureaucracy and increase organizational "politics."

Part of the problem is that there are two sharply different meanings of "teamwork" or "empowerment": one of them creates something new, but the other just reinforces bureaucracy. By confusing the two many organizations set themselves on the wrong path. The basic problem with bureaucracy is that it operates by dividing work up into small pieces and building walls between the pieces. That is the foundation for the control system: each person is supposed to focus on a particular set of programs, skills, and objectives. When individuals complete their piece they throw it "over the wall" to the next step in the process. The most popular version of "empowerment", instead of tackling this problem, simply gives individuals bigger pieces: it gets rid of micro-managing superiors and unnecessary rules, and it allows people to do the job they are assigned without interference. "Delaying" is often seen as a way to get rid of micro-management and restore some real power to the front lines.

That sounds good, but it's not new: Alfred Sloan recommended that back in the 1920s when he was creating the classic bureaucratic structure of General Motors. Letting people do their jobs is nothing more than a principle of good bureaucratic management. It is true that organizations tend to build up unnecessary layers and rules, and it is wise to prune them periodically. But this approach increases the autonomy of different parts of the organization rather than helping them to work together. It therefore strengthens the walls which block systemic innovation and responsiveness.

Another version goes a step further, but only a step: I am referring to "autonomous team" systems that get rid of an immediate supervisory level and create a team from those who would normally be a bunch of subordinates. This has the advantage of reducing layers and somewhat increasing flexibility within the group: people can cover for each other and share information more directly. But this kind of team, being permanent, quickly builds its own walls around itself. The members start to share an identity that leads them to resist breaking up and recombining, and they don't generally deal well with "outsiders." I came across many cases of autonomous teams which were fighting to protect their turf and unity against change efforts. While this kind of teamwork increases immediate flexibility, it again raises the barriers to larger-scale responsiveness.

The kind of empowerment that really breaks the bureaucratic mould is something different: instead of increasing autonomy, it increases the ability to work together effectively across walls. These walls exist between levels, blocking open communication; and they exist between functions, blocking effective cooperation on complex problems. The organizations that are starting to leap beyond bureaucracy are the ones who have built a capacity to pull people together quickly, from different parts of the system, with different skills and knowledge, into effective temporary teams working on a task. This capacity quickly to bring together diverse expertise into an effective unit is the characteristic that marks a quantum leap beyond bureaucracy. One is simply to be clear about what you're doing - about the difference between "empowerment" within bureaucracy and breaking bureaucracy. Increasing autonomy - leaving people alone - leads the wrong way; increasing interdependence and interaction across walls leads the right way.

In Organizational development, **appreciative inquiry** is a process for engaging people across the system in renewal, change and focused performance. The basic idea is to build organizations around what works, rather than trying to fix what doesn't. A proven benefit of the approach is its reliance on the acknowledgement of contribution at the individual level, which leads to trust and organizational alignment. Since the method creates meaning by drawing from stories of concrete successes and lends itself to cross-industrial social activities, it is enjoyable and natural to many managers, who are thought to be naturally social people focused on the bottom line.

Appreciative Inquiry was developed by David Cooperrider of Case Western Reserve University. It is now a commonly accepted practice in the evaluation of organizational development strategy and implementation organizational effectiveness tactics.

The Appreciative Inquiry utilizes a 4-stage process focusing on:

1. **DISCOVER:** The identification of organizational processes that work well.
2. **DREAM:** The envisioning of processes that would work well in the future.
3. **DESIGN:** Planning and prioritizing processes that would work well.
4. **DELIVER (or CREATE):** The implementation (execution) of the proposed design.