

Assignment#2 (Summer-2020)

Course: Principle of Management

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Go through the classical theories of Management. For each management theory, discuss

- **The origin of the theory**
- **Who developed the theory?**
- **Main features of the theory**
- **Implications of the theory**

Discuss at least 4 classical management theories.

The origin of the theory

A theory is a set of assumptions, propositions, or accepted facts that attempts to provide a reasonable explanation of causal relationships among a group of observed phenomenon.

Each theory has a different way of looking at organizations, activities and how managers function.

Who developed the theory?

Frederick Taylor's scientific management theory

Douglas McGregor's theory X and Y.

Prototype theory derives in large part from the work of Eleanor Rosch and her collaborators

Main features of the theory

Predictive, Parsimonious and powerful.

Predictive: It gives a good explanation for why they think that is how it is. Theories that give a good reason to be favored are obviously more likely to be favored. Though the explanation cannot be really short and give us no reason to believe it, it has to be very convincing.

Parsimonious: It has to be pretty simple. The more complex the theory becomes, the more chance a mistake will be made. One good example is Ockham's razor, because of how simple it is, it is widely accepted.

Powerful: It has to effect peoples life's in a massive way, like Darwin's evolution theory, changed the perspective of millions because it told them where us, intelligent humans have our roots from. Another example Like Gravity explains why we don't float into space.

Implications of the theory

Implication of the cognitive theories of learning to the development of teaching. Teachers should organize the teaching materials in a way that the concept in them can easily be acquired and processed by learners' mind. Teachers need to use variety of teaching techniques.

Discuss at least 4 classical management theories.

1. Maslow's hierarchy of needs

There is a hierarchy of five needs; as each need is substantially satisfied, the next need becomes dominant.

Self-Actualization

Esteem

Social (Higher order)

Safety (Lower Order)

Physiological

Assumptions: Individuals cannot move to the next higher level until all needs at the current (lower) level are satisfied.

Must move in hierarchical order.

1 Self Actualization -Fulfillment Needs (full potential) this is the rare level where people have need of purpose, personal growth and realization of their potentials. People on this level are fully functional, acting purely on their own volition and have a healthy personality.

2 Ego -Self Esteem Needs (self-respect, personal worth, autonomy) on this level, people act from their ego needs. They value the opinions of others, in order to believe in themselves. It is a matter of self-respect through respect from others.

3 Social - Love and Belongingness Needs (love, friendship, comradeship) on this level, people need to feel loved. Here loving one's self has not been fully discovered. Some families are tightly bond. If this need is very strong, there can be a rush to fulfill this need resulting in less than ideal partner selection.

4 Security - Safety Needs (security; protection from harm) Here we might include living in a safe area away from threats. This level is more likely to be found in children as they have a greater need to feel safe. Those who worry about small things, such as drinking out of plastic glasses have strong security needs.

5 Body -Physiological Needs (air, food, sleep, stimulation, activity) People on this level tend to be sick or in emergency type situations. They have biological needs for physical equilibrium (homeostasis). People with lack of shelter, clothing, food focus on these needs. People often neglect some of these basic needs in normal life when they eat junk food, go without sleep, don't exercise, or do not stimulate their minds.

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Criticisms of Maslow's hierarchy of needs: Hierarchical? , One stage at a time? , All beings follow same channel? , Self-actualisation in everything?

2. McGregor's Theory X and Theory Y

Two distinct views of human beings: Theory X (basically negative) and Theory Y (positive).

Managers used a set of assumptions based on their view

The assumptions molded their behavior toward employees

Theory X

Workers have little ambition

Dislike work

Avoid responsibility

Theory Y

Workers are self-directed

Enjoy work

Accept responsibility.

Alderfer's ERG Theory

A reworking of Maslow to fit empirical research

- Three groups of core needs:
 - Existence** (Maslow: physiological and safety)
 - Relatedness** (Maslow: social and status)
 - Growth** (Maslow: esteem and self-actualization)
- Removed the hierarchical assumption.
- Can be motivated by all three at once

3. Herzberg's Two-Factor Theory

Satisfaction and dissatisfaction are not opposites but separate constructs.

- Hygiene Factors - Extrinsic and Related to Dissatisfaction
 - Work Conditions
 - Salary
 - Company Policies
- Motivators - Intrinsic and Related to Satisfaction
 - Achievement
 - Responsibility
 - Growth

Criticisms of Two-Factor Theory

Herzberg says that hygiene factors must be met to remove dissatisfaction. If motivators are given, then satisfaction can occur.

- Herzberg is limited by his procedure
 - Participants had self-serving bias
- Reliability of raters questioned
 - Bias or errors of observation
- No overall measure of satisfaction was used
- Herzberg assumed, but didn't research, a strong relationship between satisfaction and productivity.

4. Adams' Equity Theory

- Employees compare their ratios of outcomes-to-inputs of relevant others
 - When ratios are equal: state of equity exists – no tension as the situation is considered fair
 - When ratios are unequal: tension exists due to unfairness
 - Under rewarded states cause anger
 - Over rewarded states cause guilt
 - Tension motivates people to act to bring their situation into equity.

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Equity Theory's "Relevant Others"

- Can be four different situations:
 - Self-Inside
 - The person's experience in a different job in the same organization
 - Self-Outside
 - The person's experience in a different job in a different organization
 - Other-Inside
 - Another individual or group within the organization
 - Other-Outside
 - Another individual or group outside of the organization

The End....