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CLASSİCAL TO MODERN ORGANİZATİON THEORY

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ABSTRACT: *Organization is a relatively young science in comparison with the other scientific disciplines. (Ivanko, 2013) Accounts of the growth of organizational theory usually start with Taylor and Weber, but, as Scott (1987) mentions, organizations were present in the old civilizations which goes back to Sumerians (5000, BC) and which experiences its maturation phase with Taylor, Fayol and Weber, continuing to come up to present with modern management methods and principles. The modern organization may be the most crucial innovation of the past 100 years and it is a theory which will never complete its evolution as the human being continues to exist. Understanding how organizations work has been the focus of scientists and scholars until the early part of the 20th century. Just as organizations have evolved, so to have the theories explaining them. These theories can be divided into 9 different "schools" of thought (Shafritz, Ott, Jang, 2005): Classical Organization Theory, Neoclassical Organization Theory, Human Resource Theory, or the Organizational Behavior Perspective, Modern Structural Organization Theory, Organizational Economics Theory, Power and Politics Organization Theory, Organizational Culture Theory, Reform Though Changes in Organizational Culture and Theories of Organizations and Environments. This introductory paper will concentrate on the classical to modern structural organization theory and is divided as follows: The introduction talks about the developments of the organization and organization theory from its early stages with detailed definitions. In section 2, theoretical roots in other words literature review on the subject will be presented. At further section, by looking at the perspectives of the 29 pioneering people, main principles of the classical to modern organization theory are presented one by one. Section 4 discusses and concludes the paper.*

KEYWORDS: Classical, Modern, Organization, Organization Theory.

INTRODUCTION

Organization theory is not an easy concept. Unless you are naturally interested to the abstract, you probably expect this subject to be dry, unconnected to practical matters and perhaps a little boring. Even if you are interested about abstractions, it can be boring to confront as many of them at one time as organization theory asks you to do. So why would anyone sign up to study this complex and difficult subject matter?

There are many answers to this question. For some, studying organization theory is motivated by curiosity. They want to know what it would be like to think like an organization, to get inside organizing processes far enough to reveal the intricate organizational patterns that make organizations understandable. Others are motivated by the attraction of stretching their minds in new ways. For example, organization theory relies on the sciences, the humanities and the arts, and so presents the intellectual challenge of thinking in interdisciplinary ways. Some turn to organization theory in the hope that it will get better their chances of becoming successful executives in business, government or non-profit organizations. Table lists some of their specific reasons.

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Strategy/Finance	Those who want to improve the value of a company need to know how to organize to achieve organizational goals; those who want to monitor and control performance will need to understand how to achieve results by structuring activities and designing organizational processes.
Marketing	Marketers know that to create a successful corporate brand they need to get the organization behind the delivery of its promise; a thorough understanding of what an organization is and how it operates will make their endeavors to align the organization and its brand strategy more feasible and productive.
Information technology	The way information flows through the organization affects work processes and outcomes, so knowing organization theory can help IT specialists identify, understand and serve the organization's informational needs as they design and promote the use of their information systems.
Operations	Value chain management has created a need for operations managers to interconnect their organizing processes with those of suppliers, distributors and customers; organization theory not only supports the technical aspects of operations and systems integration, but explains their socio-cultural aspects as well.
Human resources	Nearly everything HR specialists do from recruiting to compensation has organizational ramifications and hence benefits from knowledge provided by organization theory; organizational development and change are particularly important elements of HR that demand deep knowledge of organizations and organizing, and organization theory can provide content for executive training programs.
Communication	Corporate communication specialists must understand the interpretive processes of organizational stakeholders and need to address the many ways in which different parts of the organization interact with each other and the environment, in order to design communication systems that are effective or to diagnose ways existing systems are misaligned with the organization's needs.

Man is intent on describing himself into a web of collectivized patterns. ``Modern man has learned to accommodate himself to a world increasingly organized. The trend toward ever more explicit and consciously drawn relationships is profound and sweeping; it is marked by depth no less than by extension.`` This comment by Seidenberg summarizes the influence of organization in many shapes of human activity.

Some of the reasons for hectic organizational activity are found in the main transitions which revolutionized our society, shifting it from a rural culture, to a culture based on technology, industry, and the city. From these shifts, a way of life occurred and characterized by the proximity and dependency of people on each other. Proximity and dependency, as conditions of social life, harbor the threats of human conflict, capricious antisocial behavior, instability of human relationships, and uncertainty about the nature of the social structure with its concomitant roles.

Of course, these threats to social integrity are still exist to some degree in all societies, ranging from the primitive to the modern. But, these threats become serious when the harmonious functioning of a society acts upon the maintenance of a highly intricate, delicately balanced shape of human collaboration. The civilization we have generated depends on the preservation of a precarious balance. Hence, disrupting forces impinging on this shaky form of collaboration must be prohibited or minimized.

Traditionally organization is seen as a intermediary for accomplishing goals and objectives. While this approach is nifty, it tends to obscure the inner workings and internal aims of organization itself. Another fruitful way of behaving organization is as a mechanism having the ultimate aim of offsetting those forces which undermine human collaboration. In this approach, organization sloping towards to minimize conflict, and to lessen the meaning of

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individual behavior which deviates from values that the organization has established as worthwhile. Further, organization increases stability in human relationships by decreasing uncertainty regarding the nature of the system's structure and the human roles which are inherent to it. Parallel to this point, organization enhances the predictability of human action, because it limits the number of behavioral alternatives available to an individual. (Scott, 1961)

Furthermore, organization has built-in safeguards. Besides prescribing acceptable shapes of behavior for those who elect to submit to it, organization is also capable to counterbalance the effects of human action which transcends its established ways. Few segments of society have engaged in organizing more strongly than business. The reason is clear. Business depends on what organization offers. Business requires a system of relationships among functions' it requires stability, continuity, and predictability in its internal activities and external contacts. Business also appears to need harmonious relationships between the people and processes which creates it. In other words, a business organization has to be free, relatively, from destructive tendencies which may be caused by divergent interests. (Scott, 1961)

As a main principle for meeting these needs build upon administrative science. A major element of this science is organization theory, which gathers the grounds for management activities in a various number of crucial areas of business endeavor. Organization theory, however, is not a homogeneous science based on generally accepted principles. Different theories of organization have been, are being evolved and continued to be evolving. (Ibid.)

If it is needed to give detailed definition of organization and organization theory; there are various definitions. To start with organizations, organizations are universal phenomena in human social and were explained by March and Simon (1958) as a systems of coordinated action among individuals who differ in the dimensions of interests, preferences and knowledge. Who holding the same philosophy included Arrow (1974), Mintzberg (1979), et cetera. Organizations exist when people interact with one another to implement essential (Daft, 2007), they are social units of people with recognizable boundary to reach certain goals (Robbins, 1990). Organizations are the unities composed of mental activities of member with same goals and technologies and operate in the clear relationship mode (Liu,2007). On rational, natural, and open system perspectives, there are various emphasis in the definitions of organizations. The rational perspective sees an organization with tool which is designed to meet the pre-defined goals; the natural perspective underlines that an organization is a group; and the open system perspective concentrates on that an organization as a self-regulation system and an open system, exchanging with its external environment.

Organization theories comes from organization practices and in turn serve practices. Nicholson explains them as ``a series of academic viewpoints which attempt to explain the multiplicities of organizational structure and operating process (Nicholson, 1995).`` In other words, organization theories are knowledge systems which study and explain organizational structure, function and operation and organizational group behavior and individual behavior (Zhu, 1999).

Complete organization science should include 4 layers: philosophy, methodology, theory and application, and organization theory takes place on the third layer, under the direction of methodology, it builds various management theories, management methods and management techniques by management practices. The relationship of them shows as the following figure:

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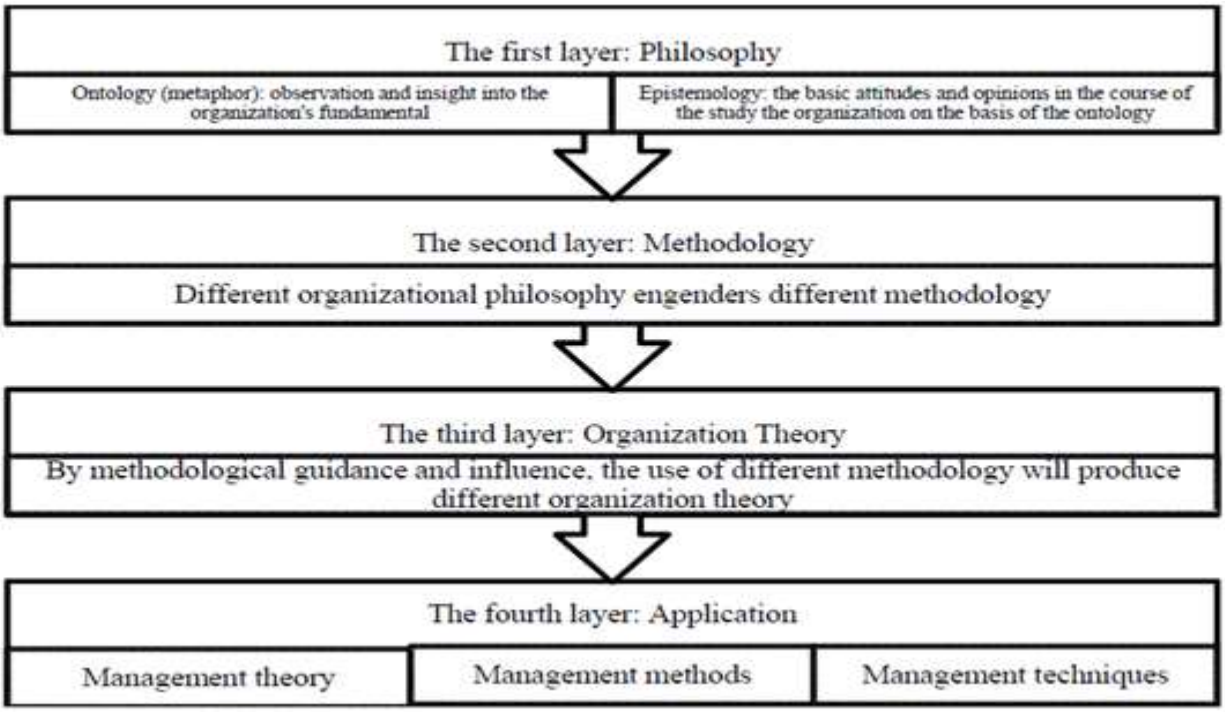

Furthermore, science of management is a process arise of which goes back to Sumerians (5000, BC) and which experiences its maturation phase with Taylor, Fayol and Weber, going to exist up to present with modern management methods and principles such as, Total Quality Management, Process Management and it is a theory that will never complete its development. On the contrary, to developments and changes in world economy and industry during years before First World War, especially fast economic growth breaking out in the USA, production techniques used being far away from science interested some scientists. With Industry Revolution happening at the end of 18th c., human abilities, skills and energy were replaced with machines, small scaled employers who couldn't adapt to these changes began to work as workers in enterprising implementing change; and production moved from small locations to big locations (factories). Thus came out with problems regarding management and organization structure (Celik and Dogan, 2011).

Organization is a relatively young science in comparison with the other scientific disciplines. An organization is a system of two or more persons, engaged in cooperative action, trying to reach some purpose. Organizations are bounded systems of structured social interaction featuring authority relations, communication systems, and the use of incentives. Example of organizations includes businesses, hospitals, colleges, retail stores et cetera. (Ivanko, 2013) Accounts of the growth of organizational theory usually start with Taylor and Weber, but, as Scott (1987) mentions, organizations were present in the old civilizations which goes back to Sumerians (5000, BC).

Complex forms of organization were necessiated and did change as families grew into tribes and tribes evolved into nations. The earliest written record, the clay tablets of the Sumerians, recorded division of labor and supervision practices. In Sumerian society, as in various others since then, the wisest and best leaders were thought to be the priests and other religious leaders.

Likewise, the ancient Babylonian cities developed very strict codes, such as the code of Hammurabi. King Nebuchadnezzar used color codes to control production of the hanging

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gardens and there were weekly and annual reports, norms for productivity, and rewards for piecework. The Egyptians organized their human and their slaves to build cities and pyramids. Construction of one pyramid, around 5000 B.C., required the labor of 100,000 people working for approximately 20 years. Planning, organizing, and controlling were required elements.

China was perfected military organization based on line-and-staff principles and utilized these same principles in the early Chinese dynasties. Confucius wrote parables that offered practical suggestions for public administration. The city-states of ancient Greece were commonwealths, with councils, courts, administrative officials, and boards of generals. Socrates talked about management as a skill different from technical knowledge and experience. Plato wrote about specialization and suggested notions of a healthy republic. Many think the Roman Empire did well also because of the Romans' great ability to organize the military and conquer new lands. Similarly, those sent to govern the far-flung parts of the empire were successful administrators and were able to maintain relationships with the other provinces and the empire as a whole. There are various other ancient examples of organization development, such as Hannibal leading a massive army across the Alps, Alexander the Great building a vast inter-connected empire, and the first emperor of China building the Great Wall. Many of the practices employed today in leading, managing, and administering modern organizations have their origins in antiquity.

The Industrial Revolution caused occurence a need for new thinking and the refinement of old thinking. However, modern management theory, as discussed in this paper and applied specifically to organizations, is primarily a phenomenon of the 20th century with new theoretical constructs and practices emerging now in the early 21st century. Taylor, Fayol and Weber, continuing to come up to present with modern management methods and principles. The modern organization may be the most crucial innovation of the past 100 years and it is a theory which will never complete its evolution as the human being continues to exist. Organization theory comes from practice and the evolution of it depends on the evolution of organization practice. The development of productivity causes the development of organization theory. As environments have become more complex, organizations going to be flat-structure, class stratified, network relationship, flexible and fuzzy boundary. The paradigm of organization theory has developed to the complexity one as seen below (Chunxia et. al, 2013).

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Understanding how organizations work has been the focus of scientists and scholars until the early part of the 20th century. Just as organizations have evolved, so to have the theories explaining them. These theories can be divided into 9 different "schools" of thought (Shafritz, Ott, Jang, 2005): Classical Organization Theory, Neoclassical Organization Theory, Human Resource Theory, or the Organizational Behavior Perspective, Modern Structural Organization Theory, Organizational Economics Theory, Power and Politics Organization Theory, Organizational Culture Theory, Reform Though Changes in Organizational Culture and Theories of Organizations and Environments. This paper will concentrate on modern structural organization theory.

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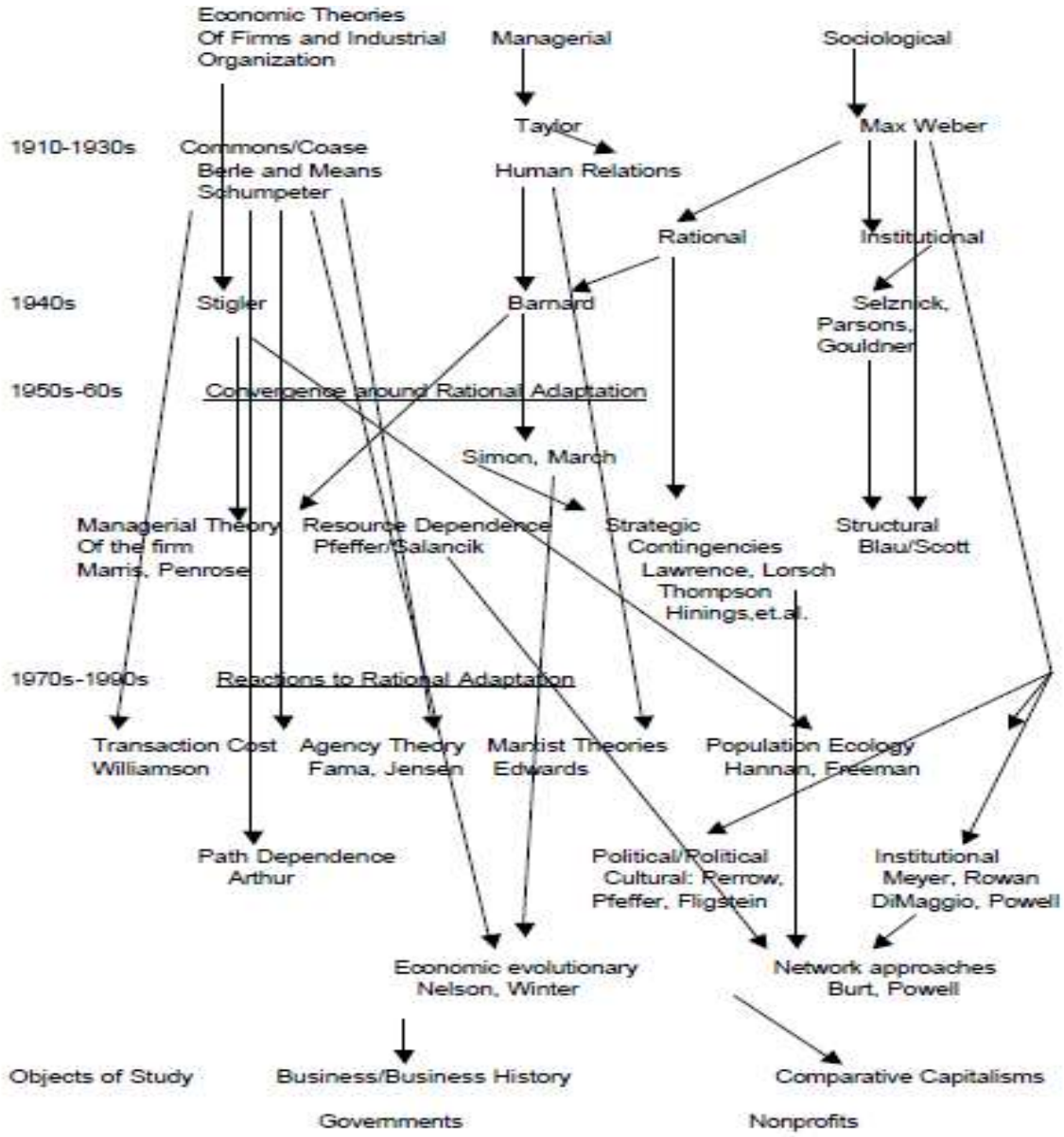

LITERATURE REVIEW

Classical organization theory was the first and main theory of organizations. The classical theory found itself in the industries of the 1930's and still has great influence today (Merkle, 1980). The classical theory is including professions of mechanical and industrial engineering and economics. The theory is based upon: (Shafritz, Ott, Jang, 2005).

- Organizations occur to implement production–related and economic goals.
- There is one best way to organize for production, and that way can be found via systematic, scientific inquiry.
- Production can be maximized through specialization and division of labor.
- People and organizations act in accordance with rational economic principles.
- Workers were seen as interchangeable parts in an industrial machine in which parts were made of flesh only when it was impractical to do them of steel.

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- Power driven machines resulted in production workers, and, in turn, shifted individual craftsmanship.
- Factory system: resulted in capital intensive, highly coordinated production.
- Organizations should work like machines, using people, capital, and machines as their inherited parts.
- Industrial and mechanical engineering-type thinking dominated theories about 'the best way' to organize for production.
- Deal with primarily the anatomy, or structure, of formal organizations.
- The job of the scientific manager, once 'one best way' was found, was to impose this procedure on his or her organization. Classical organization theory comes up from a corollary of this proposition. If there was one best way to implement any given production task, then correspondingly, there must also be one best way to accomplish any task of social organization – including organizing firms. Such principles of social organization were assumed to be exist and to be waiting to be discovered via diligent scientific observation and analysis.
- Organizations should be based on universally accepted scientific principles.

Moreover, classical organization theory is based on four key pillars. They include division of labor, the scalar and functional processes, structure, and span of control. Given these major elements just about all of classical organization theory can be derived.

- The division of labor is without doubt the cornerstone among the four elements. From it the other elements flow as corollaries. For example, scalar and functional growth needs an specialization and departmentalization of functions. Organization structure is naturally base upon the direction which specialization of activities travels in company development. Finally, span of control problems result from the various number of specialized functions under the jurisdiction of a manager.

- The scalar and functional processes deal with the vertical and horizontal growth of the organization, respectively. The scalar process means the growth of the chain of command, the delegation of authority and responsibility, unity of command, and the obligation to report. The division of the organization into specialized parts and the regrouping of the parts into compatible units are elements of pertaining to the functional process. This process concentrates on the horizontal evolution of the line and staff in a formal organization.

- Structure is the logical relationships of functions in an organization, arranged to implement the objectives of the company efficiently. Structure accomplishes system and pattern. Classical organization theory mostly works with two basic structures, the line and the staff. However, such activities as committee and liaison functions fall quite readily into the purview of structural considerations. Again, structure is the intermediary for introducing logical and consistent relationships among the diverse functions which comprise the organization.

- The span of control concept relates to the number of subordinates a manager can effectively supervise. Regardless of interpretation, span of control has importance, in part, for the form of the organization which evolves via growth. Wide span yields a flat structure; short span results in a tall structure. Further, the span concept directs attention to the complexity of human and functional interrelationships in an organization.

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Classical organization theory is dealt with hierarchical levels of authority and coordination along with horizontal differentiations between units (Shafritz et al., 2005). Early structural theorists include Adam Smith, Daniel McCallum, Fredrick Winslow Taylor, Max Weber, and Henri Fayol. Smith's (1776) division of labor underlines the positive effects of specialization in regards to overall productivity within the organization. This work came at the dawn of the industrial revolution and is the most serious and influential statement on the economic rationale of organization (Shafritz et al., 2005). McCallum (1856) dealt with general principles of Smith's organization, concentrated on the flow of information up and down and is credited with designing the first organizational chart (Shafritz et al., 2005).

``Taylor expanded on the work of Smith and McCallum by focusing on increasing output by using scientific methods to discover the fastest, most efficient, and least fatiguing production methods (Shafritz et al., 2005).`` Taylor's (1916) approach underlines scientific management and its use in making the worker more efficient, thereby generating more wealth for themselves and the world. Taylor looked for to find the most advantageous vehicle to get work done with in the design of the organization. Weber took a more macro view at the organization, drawing upon studies of ancient organizations in Egypt, Rome, China, and the Byzantine Empire (Shafritz et al., 2005). Weber (1922) defines a bureaucracy, a specific set of structural arrangements, and how those in the organization function. Fayol focused his study on the theory of management within the organization and believed that his concept of management was universally applicable as well (Shafritz et al., 2005). His primary contributions were his 14 principles that caused clear organizational success (Fayol, 1949). Each of these men built their theories through using each other's work. These theorists sought organizations as machines requiring boundaries between units. They based upon predictability and accuracy, achieved via control, specialization, the vertical flow of information, and limited exchanges with the external environment (Kuk, 2012).

The importance of these works is their collective progression explaining the efficiency of work and the definition of organizations. ``The maturation of classical organization theory parallels the development of student affairs organizations in that they have both expanded with time. Individual deans of men and women broadened into personnel departments and, eventually, divisions dedicated to student services (Ambler, 2000).`` As these new organizations developed, they used scientific management and established bureaucracy to more efficiently serve students, while their demands for service increased and diversified.

As one would expect, people are seen as a means to an end under this theory. Very little thought is put into how workers feel about doing a job or the ideas they may have for developing them. The main focus is on maximizing efficiency in order to meet financial goals. For each job there is thought to be one best way for achieving the goal. Specialization also defines this theory. The production worker, who is a specialist in only one or two steps of the process, is quickly replacing the craftsman, who in the past would implement a series of tasks to produce a product.

Structures are seen as the basic intermediaries for organizations to achieve the bounded rationality. In classical organization theory, the rationalization of organizational structure is the main object. Organizational issues are researched on static-structure-legal perspective, and the core is the rationalization. Classical organization theory underlines the organizational specialities are impersonal and rational; concentrates on the organizational structure designing, the basic principle and the basic management function of organizations. The classical organization theory is the typical management philosophy in the perspective of Human-

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Machine relationship, which based on the hypothesis of 'economic man'. People lost their humanity in society, into a machine, and lost initiative in the work.

As early as the 1920s, a various of social critics began to point out the potentially harmful effects of trying to standardize people as well as jobs. Although number of the basic tenets of classical management theory (e.g., formal structure, division of labor) were *not* directly challenged, criticism was concentrated on those individual managers and theorists who appeared to treat employees as little more than mere appendages to machines. In fact, when Taylor proposed his theory of Scientific Management, his work was often met with antagonism and hostility. Taylor defended his principles on the basis of a "mental revolution" that would take place in the attitudes of management and labor. In essence, Taylor felt that both sides would recognize the need for cooperation and the significance of scientific investigation rather than individual judgment as the basis for structuring work assignments. Critics, however, argued that while management might look for standardize skills and methods, it could not expect perfectly standard, emotionless behavior from its employees. (Bowditch, Buono and Stewart, 2008)

Studies during this period also started to draw attention to the possibility that coworkers may exert a greater influence on work behavior than the economic incentives offered by management. The recognition that workers had social needs led to a new set of assumptions about human nature. Rather than viewing people solely as rational, economic creatures, social considerations were now seen as the prime motivator of behavior and work performance. Since the increasing mechanization of work was stripping jobs of their intrinsic value, people would seek out meaning in their work through social relationships on the job. Management, it was argued, must therefore support people to satisfy these natural desires. Although these arguments may appear to be somewhat moralistic, they were tied to prescriptions for organizational effectiveness and efficiency. If managers did not answer to these socially oriented needs with greater consideration and warmth, lagging work performance and resistance to authority were viewed as likely outcomes. (Ibid.)

Thus, in an attempt to compensate for the neglect of human interaction in the classical school, neoclassical theory introduced the behavioral sciences into management thought. The underlying rationale was that since management involves getting things done with and through people, the study of management must be centered on understanding interpersonal relations. Within this context, the Neoclassical school of thought can be viewed as a critique of the classical doctrine: (Ibid.)

- Each organization should have a defined *structure;* however, human behavior can disrupt the most carefully planned organizational activities. While the formal structure may represent how things are supposed to exist, the informal organization that appears in response to people's social needs dictates how things are actually done.
- Although a *division of labor* might make sense from the organization's standpoint, some of the unintended outcomes for workers are feelings of isolation and anonymity due to insignificant jobs.
- While the *scalar and functional principles* might be theoretically passable, they deteriorate in practice due to the way in which these processes are carried out.
- Finally, a manager's *span of control* is a function of human factors and cannot be decreased to a precise, universally applicable ratio.

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There are two main sources of Neoclassical theory: (1) the sociologists and social psychologists who were concerned with interaction and relations within groups, often referred to as the Human Relations school, and (2) the psychologists who focused on individual behavior, or the Behavioral school. (Ibid.)

The classical approach was all about physiological and mechanical variables with no concern on behavioral aspect and that is why classical approach is also called as physiological theory where as neoclassical is also known as behavioral theory. As per behavioral theory organization should be taken into account consisting of social as well as economical and technical factors, consisting of both formal and informal groups ,the neoclassical approach takes the postulates of classical approach and hence the name neoclassical. One more contribution of neoclassical approach was the implementation of behavioral science at work place and the main propositions of neoclassical theory are:

- The organization in general is a social system.
- The social environment on the job affect people .
- In the formal organization, informal organization also occurs and it affects and is affected by formal organization.
- Man is interdependent and his behavior can be predicted in terms of social and psychological factors.
- Man is diversely motivated and wants to fulfill his different types of needs.
- Communication is required as it carries information to the functioning of the organization and the feelings and sentiments of people working in it.
- Collaboration is significant for sound functioning of the organization and work standards are achieved via behavioral approach.

The Several Best Ways

In his attack on the classical school of theorists, Simon was joined by the introducers of the human relations school of organizational thinking. The foundations for their arguments were relied upon even before the war, in the report from the Hawthorne studies by Roethlisberger and Dickson (1939), but, according to Scott (1987), it was Elton Mayo who gave the most influential interpretation.

The human relations school brought together the individual and the social relations between individuals into focus. People in organizations were no longer seen only – not even mainly – as rational beings working to achieve the goals of the organization. It was found out that they were just as much driven by feelings, sentiments and their own particular interests – which could be quite different from what classical theory assumed. Furthermore, the new studies also underlined that there was an informal structure in every organization, coming from the unofficial contacts people in the organization had with each other. This informal structure could be just as important as the formal one for predicting the outcome of decision making processes – sometimes even more crucial. According to Scott (1987), there were a various main themes investigated by the different approaches within the human relations school, and most of them are still actively pursued by researchers. The most basic is the insistence on the importance of individual characteristics and behaviors in understanding organizational behavior. This easily leads to an interest in the effects of various leadership styles, as well as in the effects of race, class and cultural background. Formalization in work is strongly repudiated on the grounds that it is detrimental both to worker commitment and psychological well-being, and participative management, job enlargement or at least job rotation is prescribed.

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In fact, human relations theorists have always been eager to support changes in organizations to produce what they see as more humane places to work, and claim that the less formal, more participative organization will also be the most productive. It is not unreasonable, therefore, to criticize at least the most ardent proponents of these views for prescribing "one best way" solutions just as much as the classical theorists (Mohr 1971). Mohr specifically mentions Likert, and groups him with Fayol, Gulick and Urwick in this respect. Mintzberg (1979) is especially harsh in his criticism, also referring to Likert. Scott (1987) notes that several decades of research has not be successful to substantiate most of the claims of the human relations theorists, and that they have also been criticized on ideological grounds for advocating a manipulative attitude toward workers on the part of management. With their emphasis on humans and their psychological and social properties, tools and technology were of course not a deal of great interest to the human relations theorists, except as a source of repressive formalization. However, even if we might say that they inherited a belief in optimal solutions from the classical theorists, their theories accomplished that it was human needs and qualities, and not technology, that dictated the optimal organizational forms. In other words, it was in their view possible to design and operate organizations mainly on the basis of human characteristics, and thus thwart what others viewed as technological imperatives. In Scott's (1987) classification, the human relations school belongs to the closed, natural system model. In contrast to the rational model, the natural model does not accept that organizations are rational instruments to achieve goals. On the contrary, they are first and foremost collectives of human beings, quite like social organizations like families, neighborhoods and societies. Their rational goals are often undermined by more personal or group goals, and the chief *real* goal of any organization tends to be survival at any cost. The informal structures are seen as the most the important ones, with the formal structures as little more than a stage set. Since the concentration of the human relations theorists was clearly on the internal situation in organizations, it is not unreasonable to label them closed system theorists, although there was also some concern for the effects of worker's organizational membership on their situation outside the organization.

Fundamental Assumptions of Human Resource Theory: (Shafritz, Ott, Jang, 2005).

- Organizations exist to serve human needs (not the reverse).
- Organizations and people need each other (Organizations need ideas, energy, and talent; people need careers, salaries, and work opportunities).
- When the fit between the individual and the organization is not enough adequate, one or both will suffer. Individuals will be exploited, or will seek to exploit the organization, or both.
- A good fit between individual and organization benefits both. Humans find meaningful and satisfying work, and organizations get the human talent and energy that they need.
- Behavioral scientists "focused attention on seeking to answer questions such as how organizations could and should allow and encourage their people to grow and develop".
- "From this perspective, it is assumed that organizational creativity, flexibility, and prosperity flow naturally from employee growth and development".
- "The essence of the relationship between organizations and people is redefined from dependence to codependence".
- "People are considered to be as important as or more important than the organization itself" (p. 149) Focuses on "people, groups, and the relationships among them and the organizational environment".

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- "Because the organizational behavior perspective places a very high value on humans as individuals, things typically are done openly, including providing employees with information they need to make informed decisions with free will about their future .
- "The organization is not the independent variable to be manipulated in order to change behavior, even though organizations pay employees to help them achieve organizational goals. Instead, the organization must be seen as the context in which behavior occurs. It is both an independent and dependent variable. The organization influences human behavior just as behavior shapes the organization".
- Enormous field of study with many subfields!

Most pervasive themes:

- Leadership,
- Motivation,
- Individuals in teams and groups,
- Power and influence.

The distinctive specialities of modern organization theory are its conceptual-analytical base, its reliance on empirical research data and, above all, its integrating nature. These qualities are framed in a philosophy which accepts the premise that the only meaningful way to study organization is to study it as a system. As Henderson put it, the study of a system must base on a method of analysis, ". . . involving the simultaneous variations of mutually dependent variables." Human systems, of course, include a huge number of dependent variables which defy the most complex simultaneous equations to solve. Nevertheless, system analysis has its own peculiar point of view that aims to study organization in the way Henderson suggests. It treats organization as a system of mutually dependent variables. As a result, modern organization theory, which accepts system analysis, changes the conceptual level of organization study above the classical and neoclassical theories. Modern organization theory asks a spectrum of interrelated questions which are not seriously considered by the two other theories.

Key among these questions are:

(1) What are the strategic parts of the system?
(2) What is the nature of their mutual dependency?
(3) What are the fundamental processes in the system which link the parts together, and facilitate their adjustment to each other?
(4) What are the goals sought by systems?

Modern organization theory is in no way a unified body of thought. Each writer and researcher has his special emphasis when he considers the system. Perhaps the most evident unifying thread in the study of systems is the effort to search at the organization for its totality. Representative books in this field are March and Simon, Organizations, and Haire's anthology, Modern Organization Theory." Instead of attempting a review of different writers' contributions to modern organization theory, it will be more useful to discuss the different ingredients involved in system analysis. They are the parts, the interactions, the processes, and the goals of systems (Scott, 1961).

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The Parts of the System and Their Interdependency

The first basic part of the system is the individual, and the personality structure he brings to the organization. Elementary to an individual's personality are motives and attitudes which condition the range of expectancies he hopes to satisfy by participating in the system.

The second part of the system is the formal arrangement of functions, generally called the formal organization. The formal organization is the interrelated pattern of jobs which make up the structure of a system. Certain writers, like Argyris, see a fundamental conflict resulting from the demands made by the system, and the structure of the mature, normal personality. In any event, the individual has expectancies regarding the job he is to perform; and, conversely, the job makes demands on, or has expectancies relating to, the performance of the individual. Considerable attention has been given by writers in modern organization theory to incongruencies caused from the interaction of organizational and individual demands.

The third part in the organization system is the informal organization. Enough has been said already about the nature of this organization. But it must be added that an interactional pattern occurs between the individual and the informal group. This interactional arrangement can be conveniently discussed as the mutual modification of expectancies. The informal organization has demands which it makes on members in terms of anticipated forms of behavior, and the individual has expectancies of satisfaction he desires to gather from association with people on the job. Both these sets of expectancies interact, resulting in the individual modifying his behavior to accord with the demands of the group, and the group, perhaps, modifying what it expects from an individual because of the impact of his personality on group norms.

Much of what has been said about the many other expectancy systems in an organization can also be treated utilizing status and role concepts. Part of modern organization theory bases on research findings in social-psychology relative to reciprocal patterns of behavior stemming from role demands generated by both the formal and informal organizations, and role perceptions peculiar to the individual. Bakke's fusion process is largely concerned with the modification of role expectancies. The fusion process is a force, according to Bakke, which acts to weld divergent elements together for the preservation of organizational integrity.

The fifth part of system analysis is the physical setting in which the job is accomplished. Although this element of the system may be implicit in what has been said already about the formal organization and its functions, it is well to separate it. In the physical surroundings of work, interactions are present in complex man machine systems. The human "engineer" cannot approach the problems posed by such interrelationships in a purely technical, engineering fashion. As Haire says, these problems lie in the domain of the social theorist." Attention should be concentrated on responses demanded from a logically ordered production function, often with the view of minimizing the error in the system. From this standpoint, work cannot be effectively organized unless the psychological, social, and physiological characteristics of people participating in the work environment are taken into account. Machines and processes should be designed to fit certain generally observed psychological and physiological properties of men, rather than hiring men to fit machines.

In summary, the parts of the system which appear to be of strategic significance are the individual, the formal structure, the informal organization, status and role patterns, and the physical environment of work. Again, these parts are woven into a configuration called the organizational system. The processes which link the parts are taken up next. (Scott, 1961)

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The Linking Processes

One can say, with a good deal of glibness, that all the parts mentioned above are interrelated. Although this observation may be correct, it does not mean too much in terms of system theory unless some attempt is made to analyze the processes by which the interaction is achieved. Role theory is devoted to certain types of interactional processes. Besides, modern organization theorists point to three other linking activities which appear to be universal to human systems of organized behavior. These processes are communication, balance, and decision making.

(1) Communication is mentioned often in neoclassical theory, but the emphasis is on description of forms of communication activity, i.e., formal-informal, vertical-horizontal, line-staff. Communication, as a mechanism that links the parts of the system together, is overlooked by way of much considered analysis. One aspect of modern organization theory is study of the communication network in the system. Communication is seen as the method by which action is evoked from the parts of the system. Communication acts not only as stimuli resulting in action, but also as a control and coordination mechanism linking the decision centers in the system into a synchronized pattern. Deutsch points out that organizations are composed of parts which communicate with each other, receive messages from the outside world, and store information. Taken together, these communication functions of the parts comprise a configuration representing the total system.

(2) The concept of balance as a linking process deals with a series of some rather complex ideas. Balance refers to an equilibrating mechanism whereby the various parts of the system are continued in a harmoniously structured relationship to each other. The necessity for the balance concept logically flows from the nature of systems themselves. It is impossible to conceive of an ordered relationship among the parts of a system without also introducing the idea of a stabilizing or an adapting mechanism. Balance occurs in two varieties—quasi-automatic and innovative. Both forms of balance work to insure system integrity in face of changing conditions, either internal or external to the system. The first form of balance, quasi-automatic, means to what some think are "homeostatic" properties of systems. That is, systems seem to exhibit built-in propensities to let continue steady states. If human organizations are open, self-maintaining systems, then control and regulatory processes are required. The issue hinges on the degree to which stabilizing processes in systems, when adapting to change, are automatic. March and Simon have an interesting answer to this problem, which in part is relied on the type of shift and the adjustment required to adapt to the change. System' have programs of action which are put into effect when a change is perceived. If the change is relatively minor, and if the change comes within the purview of established programs of action, then it might be fairly confidently predicted that the adaptation done by the system will be quasi-automatic. The role of innovative, creative balancing efforts now requires to be examined. The requirement for innovation comes for real when adaptation to a change is outside the scope of existing programs designed for the purpose of keeping the system in balance.

New programs have to be occurred in order for the system to continue internal harmony. New programs are created by trial and error search for feasible action alternatives to cope with a given change. But innovation is subject to the limitations and possibilities inherent in the quantity and variety of information present in a system at a particular time. New combinations of alternatives for innovative purposes base on:

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(a) the possible range of output of the system, or the capacity of the system to supply information.
(b) the range of available information in the memory of the system.
(c) the operating rules (program) governing the analysis and flow of information along the system.
(d) the ability of the system to "forget" previously learned solutions to shift problems." A system with too good a memory can narrow its behavioral choices to such an extent as to stifle innovation. In simpler language, old learned programs might be utilized to adapt to change, when newly innovated programs are necessary."

Much of what has been said about communication and balance brings to mind a cybernetic model in which both these processes have vital roles. Cybernetics has to do with feedback and control in all kinds of systems. Its aim is to continue system stability in the face of change. Cybernetics cannot be studied without considering communication networks, information flow, and some kind of balancing process aimed at securing the integrity of the system. Cybernetics directs attention to key questions regarding the system. These questions are : How are communication centers connected, and how are they maintained? Corollary to this question: what is the structure of the feedback system? Next, what information is stored in the organization, and at what points? And as a corollary : how accessible is this information to decision-making centers ? Third, how conscious is the organization of the operation of its own parts? That is, to what extent do the policy centers receive control information with sufficient frequency and relevancy to create a real awareness of the operation of the segments of the system? Finally, what are the learning (innovating) capabilities of the system?

Answers to the questions given by cybernetics are significant to understanding both the balancing and communication processes in systems. Although cybernetics has been implemented largely to technical-engineering problems of automation, the model of feedback, control, and regulation in all systems has a good deal of generality. Cybernetics is a fruitful area which can be utilized to synthesize the processes of communication and balance.

(3) A wide spectrum of topics dealing with types of decisions in human systems causes to occur core of analysis of another important process in organizations. Decision analysis is one of the major contributions of March and Simon in their book Organizations. The two major classes of decisions they discuss are decisions to produce and decisions to participate in the system. Decisions to create and produce are largely a result of an interaction between individual attitudes and the demands of organization. Motivation analysis becomes main theme to studying the nature and results of the interaction. Individual decisions to participate in the organization reflect on such issues as the relationship between organizational rewards versus the demands made by the organization. Participation decisions also bring attention on the reasons why individuals remain in or leave organizations. March and Simon treat decisions as internal variables in an organization which rely on jobs, individual expectations and motivations, and organizational structure. Marschak looks on the decision process as an independent variable upon which the survival of the organization is based. In this case, the organization is seen as having, inherent to its structure, the ability to maximize survival requisites via its established decision processes. (Scott, 1961)

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The Goals of Organization

Organization has three goals which may be either intermeshed or independent ends in themselves. They are growth, stability, and interaction. The last goal means to organizations that occur mainly to supply a medium for association of its members with others. Interestingly enough these goals seem to apply to different forms of organization at varying levels of complexity, ranging from simple clockwork mechanisms to social systems. These similarities in organizational purposes have been investigated by many of people, and a field of thought and research called general system theory has came into light, dedicated to the task of discovering organizationed universals. The dream of general system theory is to create a science of organizational universals, or if you will, a universal science using common organizational elements found in all systems as a starting point.

Modern organization theory is on the periphery of general system theory. Both general system theory and modern organization theory studies:

(1) the parts (individuals) in aggregates, and the movement of individuals into and out of the system.
(2) the interaction of individuals with the environment found in the system.
(3) the interactions among individuals in the system.
(4) general growth and stability problems of systems. (Scott, 1961)

Modern organization theory and general system theory are similar in that they look at organization as an integrated complete. They differ, however, in terms of their generality. General system theory is deals with every level of system, whereas modern organizational theory focuses primarily on human organization. The question might be asked, what can the science of administration gain by the study of system levels other than human? Before attempting an answer, note should be made of what these other levels are. Boulding presents a convenient method of classification:

(1) The static structure—a level of framework, the anatomy of a system; for example, the structure of the universe.
(2) The simple dynamic system—the level of clockworks, predetermined necessary motions.
(3) The cybernetic system—the level of the thermostat, the system moves to maintain a given equilibrium through a process of self-regulation.
(4) The open system—level of self-maintaining systems, moves toward and includes living organisms.
(5) The genetic-societal system—level of cell society, characterized by a division of labor among cells.
(6) Animal systems—level of mobility, evidence of goal-directed behavior.
(7) Human systems—level of symbol interpretation and idea communication.
(8) Social system—level of human organization.
(9)Transcendental systems—level of ultimates and absolutes which exhibit systematic structure but are unknowable in essence.

This approach to the study of systems by finding universals common at all levels of organization offers intriguing possibilities for administrative organization theory. A good deal of light could be thrown on social systems if structurally analogous elements could be found in the simpler types of systems. For example, cybernetic systems have characteristics which seem

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to be similar to feedback, regulation, and control phenomena in human organizations. Thus, known facets of cybernetic models could be generalized to human organization. Considerable danger, however, lies in poorly founded analogies. Superficial similarities between simpler system forms and social systems are seen everywhere. Instinctually based ant societies, for example, do not yield particularly instructive lessons for understanding rationally conceived human organizations. Thus, care should be taken that analogies utilized to bridge system levels are not mere devices for literary enrichment. For analogies to have usefulness and validity, they must exhibit inherent structural similarities or implicitly identical operational principles.

Modern organization theory leads, as it has been shown, almost inevitably into a discussion of general system theory. A science of organization universals has some strong advocates, particularly among biologists. Organization theorists in administrative science cannot afford to overlook the contributions of general system theory. Indeed, modern organization concepts could offer a great deal to those working with general system theory. But the ideas interested with in the general theory are exceedingly elusive. Speaking of the concept of equilibrium as a unifying element in all systems, Easton says, "It (equilibrium) leaves the impression that we have a useful general theory when in fact, lacking measurability, it is a mere pretence for knowledge." The inability to quantify and measure universal organization elements undermines the success of pragmatic tests to which general system theory might be put.`` (Scott, 1961)

Below represent the fundamental assumptions and tenets of the modern structural organizational theory: (Shafritz, Ott, Jang, 2005).

Fundamental assumptions

1. “Organizations are rational institutions whose primary aim is to impelemt established objectives; rational organizational behavior is achieved best via systems of defined rules and formal authority. Organizational control and coordination are key for maintaining organizational rationality”.

2. “There is a ‘best’ structure for any organization, or at least a most appropriate structure in light of its given objectives, the environmental conditions surrounding, the nature of its products and/or services, and the technology of the production process”.

3. “Specialization and the division of labor increase the quality and quantity of production, particularly in highly skilled operations and professions”.

4. “Most problems in an organization result from structural flaws and can be solved by changing the structure”.

Tenets are similar:

- Organizational efficiency
- Organizational rationality
- Increase the production of wealth in terms of real goods and services.

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MAJOR THEORISTS AND CONTRIBUTIONS

Socrates - Generic Management

History demonstrates that management was involved whenever people wanted to implement something by means of joint effort. Think, for example, of the building of the pyramids in Egypt, the Coliseum in Rome or the Great Wall of China. When we consider how the stones were cut and transported over great distances in order for them to be used in such impressive construction projects, it is clear that leading and masterminding these projects must have demanded excellent management skills. No doubt that in the ancient documents of philosophers like Plato and Xenophon, we see passages which are devoted to management (Keuning, Bossink and Tjemkes, 2010).

For example, in one of his debates on management, Socrates says:

... if a man knows what he wants and can get it, he will be a good controller, whether he controls a chorus, an estate, a city or an army. Don't look down on businessmen ... for the management of private concerns differs only in point of number from that of public affairs ... neither can be carried on without men ... and the men employed in private and public transactions are the same ... and those who understand how to employ them are successful directors ... and those who do not, fail in both ... Taken from Socrates' debates as recorded by Xenophon in Memorabilia (III.IV. 6-12) and Oeconomicus.

Socrates also adds that if a manager could cope well with one organization, he/she would be able to cope with others, even regardless of purpose and function.

Adam Smith – Of the Division of Labor

The famous and known Scottish economist Adam Smith was one of the first to look at the effects of various manufacturing systems. He compared the relative performances of two different manufacturing methods. The first was similar to crafts-style production, in which each employee was responsible for all of the 18 tasks involved in producing a pin. The other had each employee implementing only one or a few of the 18 tasks that go into making a completed pin.

Smith found that factories in which employees specialized in only one or a few tasks had better performance than factories in which each employee implemented all 18 pin-making tasks. In fact, Smith could reach the result that 10 employees specializing in a particular task could, between them, make 48 000 pins a day, whereas those employees who performed all the tasks could make only a few thousand at most. Smith questioned that this difference in performance occurred due to the employees who specialized became much more skilled at their specific tasks, and, as a group, were thus able to produce a product faster than the group of employees in which everyone had to implement many tasks. Smith concluded that increasing the level of job specialization the process by which a division of labor occurs as various employees specialize in different tasks over time increases efficiency and causes higher organizational performance. (Wren, 2009)

Based on Adam Smith's observations and experiences, early management practitioners and theorists focused on how managers should organize and control the work process to maximize the advantages of job specialization and the division of labor.

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Smith's underlying assumptions are as follows: (Shafritz et al., 2005)

- This great increase of the quantity of work, which, in consequence of the division of labor, the same number of people are capable of performing, is owing to three difference circumstances; first, to the increase of dexterity in every particular workman; secondly to the saving of the time which is generally lost in the passing from one species of work to another and lastly, to the invention of a great number of machines which ease and abridge labor, and enable one man to do the work of many.
- It is the great multiplication of the productions of all the various arts, in consequence of the division of labor, which occasions, in a well-governed society, that universal opulence which extends itself to the lowest ranks of the people.
- "If we examine, and consider what a variety of labor is employed about each of them, we shall be sensible that without the assistance and cooperation of many thousands, the very meanest person in a civilized country could not be provided, even according to, what we very falsely imagine, the easy and simple manner in which he is commonly accommodated.``

Owen and Babbage - On the Division of Labor

In the nineteenth century, Robert Owen and Charles Babbage seriously dealt with the quest for the development of management theory. Owen was an entrepreneur and social reformer while Babbage was a noted mathematician with a strong managerial interest.

Robert Owen's ideas originated from his ownership of a cotton mill in New Lanark, Scotland where he developed a strong interest in the welfare of the 400 to 500 child employees. Owen spearheaded a legislative movement to limit child employment to those over the age of ten while reducing the workday to 10 1/2 hours.

In 1813 Owen published a pamphlet, A New View of Society, where he explained his vision of society. He also became active in developing living conditions of employees via the accomplishment of developments in housing, sanitation, public works and establishing schools for the children. Owen strongly believes that character is a product of circumstances and that environment and early education is critical in forming good character. While being extremely controversial during his lifetime, Owen is known as with being the forerunner of the modern human relations school of management.

Charles Babbage, a noted English mathematician, is credited as being the "father of the modern computer" for implementing the main research for the first practical mechanical calculator as well as doing basic research and development on an "analytical engine" acknowledged to be the forerunner of today's modern computer. His interest in management came largely from his concerns with work specialization or the degree to which work is divided into its parts. This is now recognized as being the forerunner of contemporary operations research.

Babbage's other major management contribution stemmed from the development of a modern profit-sharing plan including an employee bonus for useful suggestions as well as a share of the company's profits. While both Owen and Babbage were significant nineteenth century management innovators, their efforts lacked the central tenets of a theory of management. Owen was primarily known as with making specific suggestions regarding management techniques in the areas of human relations while Babbage is credited with developing the

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concepts of specialization of labor and profit sharing. These pre-classicists paved the way for the theoretical ferment of the classical school of management. (Ibid.)

Daniel McCallum – Superintendent's Report

The Scot, Daniel McCallum, was general superintendent of the Eric Railroad in the USA. In the years between 1827 and 1861 railways were occurred as American's first "big business." By the 1850s major railways were emerging which were over 500 miles (800 km) long and with thousands of employees. Modern management concepts had their beginning as ways had to be found to operate these entire new and large and complex organizations. Daniel Craig McCallum was faced with this problem. McCallum was self-taught architect and civil engineer and in 1854 he became the general superintendent of the Erie Railroad. McCallum quickly gained reputation for being an innovator in railway operations and administration.

He adapted the electric telegraph to railway operations and management. Use of the telegraph in train dispatching made operations safer and more efficient and daily reports from train conductors and station agents covering all crucial matters of train operations, passenger movement and freight handling tabulated in the statistical data provided minute and accurate information which management required for complex business decisions. Furthermore, McCallum sharpened lines of authority and communications in the management structure of the Erie Railroad.

McCallum concluded this overall concept of corporate management in 1855 in six general principles of administration: (Sibul, 2012)

- A proper division of responsibilities
- Sufficient power conferred to enable the same to be fully carried out, that such responsibilities be real in their character
- Means of knowing if such responsibilities are faithfully executed
- Great promptness in the report of all derelictions of duty that the evils may be corrected
- Such information, to be obtained through a system of daily reports and checks that will not embarrass principal officers, nor lessen their influence with subordinates
- The adoption of a system, as a whole, which will not only enable the General Superintendent to detect errors immediately, but will also point out the delinquent.

Henry R. Towne – The Engineer as Economist

Henry R. Towne, President of the Yale and Towne Manufacturing Company, published a paper on "The Engineer as an Economist." Towne (1886, pp. 428-429) observed that:

"there are many good mechanical engineers: there are also many good 'businessmen'; but the two are rarely combined in one person. But, this combination of qualities ... is essential to the management of industrial works, and has its highest effectiveness if united in one person... the matter of shop management is of equal importance with that of engineering... and the management of works has become a matter of such great and far-reaching importance as perhaps to justify its classification also as one of the modern arts . . . [and] essential to the efficient management of the business, and especially to increased economy of production". Since no other engineering group appeared to be concerned with management, Towne proposed that the ASME (American Society of Mechanical Engineers) create an "Economic Section" to act as a forum for "shop management" and "shop accounting."

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Shop management would interest with the subjects of organization, responsibility, reports, and all that pertained to the "executive management" of works, mills, and factories. "Shop accounting" would treat the question of time and wage systems, determination and allocation of costs, methods of bookkeeping, and all matters that pertained to manufacturing accounts. Thus, a body of literature could be developed, existing experience could be recorded, and the ASME could provide for an interchange of ideas about management. Towne's paper was an important turning point in the development of management thinking because of his recognition that factories required engineers who would think in economic terms of efficiency.

Towne's underlying assumptions are as follows: (Shafritz et al., 2005)

- ``To ensure the best results, the organization of productive labor must be directed and controlled by persons having not only good executive ability, and possessing the practical familiarity of a mechanic or engineer with the goods produced and he processes employed, but having also, and equally, a practical knowledge of how to observe, record, analyze and compare essential facts in relation to wages, supplies, expense accounts, and all else that enters into or affects the economy of production and the cost of the product.``

- ``There are many good mechanical engineers; -- there are also many good business men; -- but the two are rarely combined in one person. But this combination of qualities, together with at least some skill as an accountant, either in one person or more, is essential to the successful management of industrial works, and has its highest effectiveness if united in one person, who is thus qualified to supervise, either personally or through assistants, the operations of all departments of a business and to subordinate each to the harmonious development of the whole.``

- ``Under the head of Shop Management fall the questions of organization, responsibility, reports, systems of contract and piece work, and all that relates to the executive management of works, mills and factories. Under the head of Shop Accounting fall the questions of time and wages systems, determination of costs, whether by piece or day-work, the distribution of the various expense accounts, the ascertainment of profits, methods of book keeping, and all that enters into the system of accounts which relates to the manufacturing departments of a business, and to the determination and record of its results.``

James Watt – Steam Engine

James Watt was an inventor and mechanical engineer whose developments in steam engine technology drove the Industrial Revolution. Watt did not invent the steam engine. Steam engines were already in existence, mainly being used to pump water out of mines. He made crucial changes to the design, increasing efficiency and making steam engines cheaper to run. Watt was one of the individuals with Smith who was the most responsible for pushing the world into industrialization.

Captain Henry Metcalfe – The Cost of Manufactures and the Administration of Workshops

Metcalfe was urged managers to record production events and experiences systematically so that they could use information to improve production processes. He published *the Cost of Manufactures and the Administration of Workshops* and he was pioneered in the application of

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pre-scientific management methods to the problems of managerial control and asserted that there is a "science of administration".

Henri Fayol – General Principles of Management

Fayol discussed personal efforts and team dynamics create ideal organization. Before the publishing of "The Principles of Scientific Management" in the USA in 1911, Fayol was a successful French mining engineer and senior executive. Fayol believed into that management theories could be developed, then taught for the overall good of organizations and society. He advocated that if a manager wants to be successful, he is required to learn his main management roles-functions: to forecast and plan, to organize, to command, to co-ordinate and to control. Fayol thought that his principles would be useful to all types of managers, indeed 90 years passed his six principle roles of management are still actively practiced today.

He developed the first comprehensive theory of management. Believed his concept (6 principles) was universally applicable to every type of organization: (Ehiobuhe and Tu, 2012)

- Technical (production of goods)
- Commercial (buying, selling, and exchanging activities)
- Financial (raising and using capital)
- Security (protection of property and people)
- Accounting
- Managerial (coordination, control, organization, planning, and command of people)

His major emphasis was on people. It addressed such variables as division of work, authority and responsibility, discipline, unity of command, unity of direction, subordination of individual interest to general interest, remuneration of personnel, centralization, scalar chains, order, equity, stability of personnel tenure, initiative and esprit de corps.

Fayol's 14 principles are as follows: (Shafritz et al., 2005)

- **Division of Work:** The object of division of work is to produce more and greater work with the same effort. Division of work allows reduction in the number of objects to which attention and effort must be directed and has been recognized as the best means of making use of individuals and of groups of people.
- **Authority and Responsibility:** Authority is the right to give orders and the power to exact obedience. Authority is not to be conceived of apart from responsibility that is apart from sanction – reward or penalty – which goes with the exercise of power. Responsibility is a corollary of authority, it is its natural consequence and important counterpart, and wheresoever's authority is exercised responsibility arises. Nevertheless, generally speaking, responsibility is feared as much as authority is sought after, and fear of responsibility paralyses much initiative and destroys many good qualities. A good leader should possess and infuse into those around him courage to accept responsibility.
- **Discipline:** Discipline is in essence obedience, application, energy, behavior, and outward marks of respect observed in accordance with the standing agreements between the firm and its employees, whether these agreements have been freely debated or accepted without prior discussion, whether they derive from the wish of the parties to them or from rules and customs, it is these agreements which determine the formalities of discipline. Nevertheless, general opinion is deeply convinced that discipline is

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absolutely essential for the smooth running of business and that without discipline no enterprise could prosper. Discipline what leaders make it.

- **Unity of Command:** In all human associations, in industry, commerce, army, home, state, dual command is a main source of conflicts, very grave sometimes, which have special claim on the attention of superiors of all ranks.
- **Unity of Direction:** The principle is expressed as: one head and one plan for a group of activities having the same objective. Unity of direction (one head one plan) should not be confused with unity of command (one employee to have orders from one superior only). Unity of direction is provided for by sound organization of the body corporate, unity of command turns on the functioning of the personnel. Unity of command cannot occur without unity of direction, but does not flow from it.
- **Subordination of Individual Interest to General Interest:** This principle brings to mind the fact that in a business the interest of one employee or group of employees should not prevail over that of the concern, that the interest of the home should come before that of its members and that interest of the state should have pride of place over that of one citizen or group of citizens. It seems that such an admonition must not need calling to mind. But ignorance, ambition, selfishness, laziness, weakness, and all human passions tend to cause the general interest to be lost sight of in favor of individual interest and a perpetual struggle has to be waged against them.
- **Remuneration of Personnel:** Remuneration of personnel is the price of services rendered. It should be fair and, as far as is possible, afford satisfaction both to personnel and firm (employee and employer). The rate of remuneration bases, firstly, on circumstances independent of the employer's will and employee's worth, cost of living, abundance or shortage of personnel, general business conditions, the economic position of the business, and after that it depends on the value of the employee and mode of payment adopted.
- **Centralization:** Like division of work, centralization relates to the natural order; this turns on the fact that in every organism, animal or social, sensations converge towards the brain or directive part, and from the brain or directive part orders are sent out which set all parts of the organism in movement.
- **Scalar Chain:** The scalar chain is the chain of superiors ranging from the ultimate authority to the lowest ranks. The line of authority is the route followed – through every link in the chain – by all communications which start from or go to the ultimate authority. This path is dictated both by the need for some transmission and by the principle of unity of command, but it is not generally the swiftest.
- **Order:** Material order means a place for everything and everything in its place. Social order means a place for everyone and everyone in his place.
- **Equity:** Why equity and not justice? Justice is putting into execution established conventions, but conventions cannot foresee everything, they need to be interpreted or their inadequacy supplemented. For the personnel to be encouraged to carry out its duties with all the devotion and loyalty of which it is capable it must be treated with kindliness and equity results from the combination of kindliness and justice. Equity excludes neither forcefulness nor sternness and the application of it needs much good sense, experience, and good nature.
- **Stability of Tenure of Personnel:** Time is needed for an employee to get used to new work and succeed in doing it well; always assuming that he possesses the requisite abilities. If when he has got used to it, or before then, he is removed, he will not have had time to render worthwhile service. If this be repeated indefinitely the work will

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never be properly done. The undesirable consequences of such insecurity of tenure are especially to be feared in large concerns, where the settling in of managers is generally a lengthy matter. Much time is required indeed to get to know men and things in a large concern in order to be in a position to decide on a plan of action, to gather confidence in oneself, and in spite it in others.

- **Initiative:** Thinking out a plan and ensuring its success is one of the keenest satisfactions for an intelligent man to experience. It is also one of the most strongest stimulants of human endeavor. This power of thinking out and executing is what is called initiative, and freedom to propose and to execute belongs too, each in its way, to initiative. At all levels of the organizational ladder zeal and energy on the part of employees are augmented by initiative. The initiative of all, added to that of the manager, and supplementing it if need be, shows a great source of strength for businesses. This is mainly apparent at difficult times; hence it is required to encourage and develop this capacity to the full.
- **Esprit de Corps:** Union is strength. Business heads would do well to ponder on this proverb. Harmony, union among the personnel of a concern, is great strength in that concern. Effort, then, should be made for creation of it.

Frederick Winslow Taylor – The Principles of Scientific Management

Known as the father of the Scientific Management movement. His best work acknowledged as *the Principles of Scientific Management.* Pioneered time and movement studies – a.k.a. "Taylorism" or "Taylor system". Offered scientific management as the way for firms to increase profits, get rid of unions, "increase the thrift and virtue of the working classes," and raise productivity so that the broader society could enter a new era of harmony based on higher consumption of mass-produced goods by members of the laboring classes. Gathered credence for the notion that organizational operations could be planned and controlled systematically by experts using scientific principles. He concentrated on the notion that there was 'one best way' for implementing any given task, Taylor's scientific management sought to increase output by using scientific methods to discover the fastest, most efficient, and least fatiguing production methods. In some senses, he spread Adam Smith's "gospel".

Taylor's underlying assumptions are as follows: (Shafritz et al., 2005)

- ``What is the real meaning of this? All that you have to do is to bring wealth into this world and the world uses it. That is the real meaning. The meaning is that where in 1840 cotton goods were a luxury to be worn only by rich people when they were hardly ever seen on the street, now every man, woman, and child all over the world wears cotton goods as a daily necessity.``
- ``The one great thing that marks the improvement of this world is measured by the enormous increase in output of the individuals in this world. There is fully twenty times the output per man now than there was three hundred years ago. That marks the increase in the real wealth of the world; that marks the increase of the happiness of the world, that gives us the opportunity for shorter hours, for better education, for amusement, for art, for music, for everything that is worthwhile in this world.``
- ``Scientific management at every step has been an evolution, not a theory. That series of proper eliminations, that evolution, is what is called scientific management. Every element of it has had to fight its way against the elements that preceded it, and prove itself better or it would not be there tomorrow.``

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- ``Scientific management does not exist and cannot exist until there has been a complete mental revolution on the part of the workmen working under it, as to their duties toward themselves and toward their employers, and a complete mental revolution in the outlook for the employers, toward their duties, toward themselves, and toward their workmen. ``
- ``The new outlook that comes under scientific management is this: The workmen, after many object lessons, come to see and the management come to see that this surplus can be made so great, providing both sides will stop their pulling apart, will stop their fighting and will push as hard as they can to get as cheap an output as possible, that there is no occasion to quarrel. Each side can get more than ever before. The acknowledgement of this fact represents a complete mental revolution…``
- ``These are things which make scientific management a success. These new duties, these new burdens undertaken by the management have rightly or wrongly been divided into four groups, and have been called the principles of scientific management. The first of the great principles of scientific management, the first of the new burdens which are voluntarily undertaken by those on the management side is the deliberate gathering together of the great mass of traditional knowledge which, in the past, has been in the heads of the workmen, recording it, tabulating it, reducing it in most cases to rules, laws, and in many cases to mathematical formulae, which, with these new laws, are applied to the cooperation of the management to the work of the workmen. The next of the four principles of scientific management is the scientific selection of the workman, and then his progressive development. The third principle is the bringing together of this science of which I have spoken and the trained workmen. The fourth principle is the plainest of all. It involves a complete re-division of the work of the establishment.``
- ``Under scientific management you ask no one. Every little trifle, here is nothing too small, becomes the subject of experiment. The experiments develop into a law; they save money; they increase the output of the individual and make the thing worthwhile.``
- ``One of the first principles, we adopted was that no man in that labor gang could work on the new way unless he earned sixty percent higher wages than under the old plan.``
- ``Under the new, the teacher is welcomed; he is not an enemy, but a friend. He comes there to try to help the man get bigger wages, to show him how to do something. It is the great mental change, the change in the outlook that comes, rather than the details of it.``
- ``The very fair and proper question, the only question to ask is "Does it pay?" because if scientific management does not pay in dollars and cents, it is the rankest kind of nonsense. There is nothing philanthropic about it. It has got to pay because business which cannot be done on a profitable basis, ought not to be done on a philanthropic basis, for it will not last.``
- ``The case of which I am going to tell you is one in which my friend Barth went to introduce scientific management in the works of an owner, who, at between 60 and 70 years of age, had built up his business from nothing to almost five thousand men.``
- ``Scientific management makes no pretense that there is any finality in it. We merely say that the collective work of thirty or forty men in this trade through eight or ten years has gathered together a large amount of data. Every man in the establishment must start that way, must start our way, I do not care what it is, and we will make an experiment to see if it is better. It will be named after him, and he will get a prize for having improved on one of our standards. There is the way we make progress under scientific management. There is your justification for all this. It does not dwarf initiative, it makes

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true initiative. Most of our progress comes through our workmen, but comes in a legitimate way.``

Henry Gantt - Gantt Chart

Henry L. Gantt worked with Taylor on several projects. But when he went out on his own as a consulting industrial engineer, Gantt began to reconsider Taylor's incentive system. Abandoning the differential rate system as having too little motivational impact, Gantt found a new idea. Every worker who finished a day's assigned work load would win a 50-cent bonus. Then he added a second motivation. The *supervisor* would earn a bonus for each worker who reached the daily standard, plus an extra bonus if all the workers reached it. This, Gantt reasoned, would spur supervisors to train their workers to do a greater job. Every worker's progress was rated publicly and recorded on individual bar charts, in black on days the worker made the standard, in red when he or she fell below it. Going beyond this, Gantt originated a charting system for production scheduling; the "Gantt chart" is still in use today. In fact, the Gantt Chart was translated into eight languages and used all over the world. Starting in the 1920s, it was in use in Japan, Spain, and the Soviet Union. It also shaped the basis for two charting devices which were created to assist in planning, managing, and controlling complex organizations: the Critical Path Method (CPM), originated by Du Pont, and Program Evaluation and Review Technique (PERT), developed by the Navy. Lotus 1-2-3 is a creative application of the Gantt Chart. (Witzel, 2012)

Frank Gilbreth & Lillian Gilbreth - THERBLIGs

Gilbreth was particularly dealt in how could decrease the unnecessary motions caused from bricklaying at a construction site; succeeded in reducing the motions from 18 to 4. Then proposed that each worker should took place in doing his or her own work, prepare for the next higher level, and training their successors. Time and motion study including THERBLIGs, “cheaper by the dozen” movie: raised dozen children through scientific management principles. (Shafritz et al., 2005)

Frank B. and Lillian M. Gilbreth made their contribution to the scientific management movement as a husband-and-wife team. Lillian and Frank collaborated on fatigue and motion studies and focused on ways of promoting the individual worker's welfare. To them, the ultimate aim of scientific management was to help workers reach their full potential as human beings. In their conception, motion and fatigue were intertwined every motion that was eliminated reduced fatigue. Using motion picture cameras, they tried to find the most economical motions for each task in order to upgrade performance and reduce fatigue. The Gilbreths argued that motion study would raise worker morale because of its obvious physical benefits and because it demonstrated management's concern for the worker.

Carl O. Barth –

Norwegian Carl Barth was born in 1860 and immigrated to the United States at the age of 21. Carl Barth gave up working directly with Frederick Taylor and Henry Gantt at Bethlehem Steel. Barth left Benthlehem Steel in order to continue at the side of his new mentor, Frederick Taylor. Eventually Barth went out his own helping firms adopt Scientific Management. He enjoyed great success accomplishing Taylor's version of Scientific Management, from which Barth rarely ever strayed. Barth shared his opinion that only those who personally knew and worked with Taylor could accurately teach the principles of Scientific Management (Wren, 2005). He

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also convinced Harvard Business School's dean to use Taylorism model for modern management.

Max Weber – Bureaucracy

Greatly influenced by Taylor, his work on implications of bureaucracy. He benefited from an ideal type approach to extrapolate from the real world the central core of features characteristic of the most fully developed bureaucratic form of organization.

Characteristics of Bureaucracy (Shafritz et al., 2005)

- There is the principle of fixed and official jurisdictional areas, which are mostly ordered by rules, that is, by laws or administrative regulations.
- The principles of office hierarchy and of levels of graded authority mean a firmly ordered system of super and subordination in which there is a supervision of the lower offices by the greater ones.
- The management of the modern office is act upon written documents (the files) which are secured in their original or draught form.
- Office management, at least all specialized office management and such management is distinctly modern usually presupposes via and expert training.
- When the office is fully developed, official activity demands the full working capacity of the official, irrespective of the fact that his obligatory time in the bureau may be firmly delimited.
- The management of the office follows general rules, which are more or less stable, more or less exhaustive, and which can be learned.

Luther Gulick - POSDCORB

Influenced by Fayol. He invented POSDCORB – the seven major functions of executive management appeared in the Papers of Science and Administration (1937).

POSDCORB: If these seven elements may be accepted as the major duties of the chief executive, it follows that they may be separately organized as subdivisions of the executive.

- Planning
- Organizing
- Staffing
- Directing
- Coordinating
- Reporting
- Budgeting

Chester Bernard – *The Economic of Incentives*

Chester Irving Bernard was the pioneer of management theories and organizational studies. In 1938, Bernard supplied organizational theories based on some structural concepts of the worker and cooperation, formal & informal organization Barnard emphasized two different theories: one on authority and the other on incentives. Both are seen in a situation of a communication system based on seven several rules :

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- The channels of communication have to be defined;
- Everyone has to know these channels of communication;
- Everyone should have access to the official channels of communication;
- Lines of communication should be as short and as direct as possible;
- Centers of communication have to be managed by skilled people;
- The line of communication should not be interrupted when the organization is working;
- Each communication has to be authenticated.

Furthermore, what makes a communication authoritative is when the high personal of a company's hierarchy creates communication with their coworkers. Bernard's theory had links with Mary Parker Follett and was it was a very modern theory for this time, and that has persisted until today's management. He seems logical that managers should get authority by taking into account lower workers with respect and competence.

As for incentives, he developed two ways of convincing subordinates to cooperate: tangible incentives and persuasion. Indeed, he supports the idea that persuasion is more important than economic incentives. He provided four general and four specific incentives. The specific incentives were:

- Money and other material incitation;
- Personal non-material opportunities for distinction;
- Desirable physical conditions of work;
- Ideal benefits, such as pride of workmanship, etc.

For Bernard, the hierarchy is not a punctual and coordinated, but "aware, intentional and desired" adaptation to the goals of the company. Bernard presents a systems approach to the study of a company's organization, which bases on a theory about motivation and behavior.

- From the viewpoint of the organization need or seeking contributions from individuals, the problem of effective incentives may be either one of finding positive incentives or of decreasing or eliminating negative incentives or burdens.
- A great list of classes of incentives
- Methods of persuasion
- Sought to create a comprehensive theory of behavior in organizations that was centered on the need for people in organizations to cooperate – to enlist others to help accomplish tasks that individuals could not accomplish alone.
- The responsibility of an executive is (1) to create and maintain a sense of purpose and a moral code for the organization – a set of ethical visions that established “right or wrong” in a moral sense, a deep feeling or innate conviction, not arguable; emotional, not intellectual in character”; (2) to develop systems of formal and informal communication; and (3) to be sure about the willingness of people to cooperate.
- Individuals must be induced to cooperate, “the executive needs to employ different strategies for inducing cooperation, including ways not only to find and use objective positive incentives and reduce negative incentives but also to change the state of mind, or attitudes, or motives so that the available objective incentives can become effective``.

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Robert Merton – *Bureaucratic Structure and Personality*

Bureaucratic Structure and Personality was the basic contribution to neoclassical school. A formal, rationally organized social structure deals with clearly defined patterns of activity in which, ideally, ever series of actions is functionally related to the purposes of the organization. In such an organization there is integrated a series of offices, of hierarchized statuses, in which inhere a number obligations and privileges closely explained by limited and spesific rules. Each of these offices takes into account an area of imputed competence and responsiblity. Authority, the power of control which comes from an acknowledged status, inheres in the office and not in the particular person who implements the official role. Official action ordinarily exists within the framework of preexisting rules of the organization. The system of prescribed relations between the different offices involves a considerable degree of formality and clearly defined social distance between the occupants of these positions. Formality is manifested by means of more or less complicated social ritual which symbolizes and supports the pecking order of the various offices. Such formality, which is integrated with the distribution of authority within the system, serves to minimize friction by largely restricting contact to modes which are previosuly defined by the rules pof the organization.

Like Follett, Merton argued the meaning of organization depended upon the personalities and groupings of individuals within bureaucracy. He went so on by speculating that the individual that tried to act according to the stipulations of classic bureaucracy would have a dysfunctional personality, especially in public service organizations.

Merton's underlying assumptions are as follows: (Shafritz et al., 2005).

- "Bureaucracy is administration which almost completely voids public discussion of its techniques, although there may be public discussions of its policies".
- "Another feature of the bureaucratic structure, the stress on depersonalization of relationships, also plays its part in the bureaucrat's trained incapacity".
- ``Discusses dysfunctions of bureaucracy and problems this creates for research``.
- ``Proclaimed that the 'ideal type" bureaucracy as described by Max Weber inhibiting dysfunctions – characteristics that prevented it from being optimally efficient and negative effects on the people who worked in it``.

Herbert A Simon – *The proverbs of Administration*

The criticism of Taylorism and orthodoxy was based on different perspectives in case of limitations and problems dealt with the science of administration in the field. One of the strongest voices to criticize scientific management and orthodoxy in public administration was Herbert Simon in his 1946 article the proverbs of administration (and later in his 1947 book, the administrative behavior), although, he is credit with Taylor's work. He argued that a true scientific method should be used in the study of administration, but what was used by the orthodoxy lacked the empirical basis to do so. Simon (1946) believed that for "almost every principle (of orthodoxy) one can find an equally plausible and acceptable contradictory principle." For Simon (1946), the POSDCORB functions of the public administration orthodoxy were inconsistent, conflicting, and inapplicable in public administration (Shafritz et al.,2004). Thus, he maintained that what were called the (POSDCORB) principles of administration are only proverbs of administration because public administration should only deal with facts. Simon supported the fact value dichotomy because it provides a stronger basis for a science of administration. Via the behavioral approach, Simon narrowed the scope of

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rationalism by separating facts from values and introducing his concept of bounded rationality. According to Fry (1998), Simon did not support the politics-administration dichotomy because of its failure to "define a value-free domain required for the development of a science of administration, since administrators are involved in policy functions and thus values consideration". Simon (1946) called for empirical research and experiments to determine the appropriate administrative arrangements that can run organizations effectively.

Simon's underlying assumptions are as follows: (Shafritz et al., 2005).

- For almost every principle one can find an equally plausible and acceptable contradictory principle.
- He attacks classical organization/administrative theory.
- Points out, with a topic of centralization vs. decentralization, that each has their benefits/advantages.
- Satisfice!
- Stated that classical organization theory was "inconsistent, conflicting, and inapplicable to many of the administrative situations facing managers".
- Stated that the "so-called principles of administration are instead proverbs of administration".
- Asserted that "organizational theory is, in fact, the theory of the bounded rationality of human beings who 'satisfice' because they do not have the intellectual capacity to maximize``.
- He developed the "science" of developing decision making via quantitative measures.
- He "was the leader in studying the processes by which administrative organizations make decisions".

Philip Selznick – *Foundations of the Theory of Organization*

Philip Selznick (1948) Foundations of the Theory of Organization was the basic contribution to Neoclassical School. The three major ideas in Selznick's theory of organization are; organizations as cooperative, adaptive social systems; the conflict of personal and organizational goals and needs; and controlling conflict for the good of the organization. He was also the first person to talk about co-optation, which is a method of protecting the organization and its mission by taking into account threatening elements into the policy making process. Organizations exist to serve human needs (rather than the reverse). Organizations and people need each other. (Organizations need ideas, energy, and talent; people need careers, salaries, and work opportunities.) When the fit between the individual and the organization is poor, one or both will suffer: individuals will be exploited, or will seek to exploit the organization, or both. A good fit between individual and organization benefits both: human beings find meaningful and satisfying work, and organizations get the human talent and energy that they need. No other perspective of organizations has ever had such a wealth ıf research findings and methods at its disposal. According to this theory, the organization is not the independent element to the manipulated in order to change behavior (as a dependent variable), even though organizations pay employees to support them to achieve organizational goal.

Selznick's underlying assumptions are as follows: (Shafritz et al., 2005).

- "But as we inspect these formal structures we begin to see that they never succeeded in conquering the non-rational dimensions of organizational behavior".

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- "On one hand, any concrete organizational system is an economy; at the same time, it is an adaptive social structure".
- Sociologist, asserted that "while it is possible to describe and design organizations in a purely rational manner, such efforts can never hope to cope with the non-rational aspects of organizational behavior".
- Stated that "organizations consist not simply of a number of positions for management to control, but of individuals, whose goals and aspirations might not necessarily coincide with the formal goals of the organization".
- Known for his concept of "Cooptation" which "describes the process of an organization taking together and subsuming new elements into its policy-making process in order to prevent such elements from becoming a threat to the organization or its mission".

Richard M. Cyert and James G. March – *A Behavioral Theory of Organizational Objectives*

A Behavioral Theory of Organizational Objectives was the basic contribution to neoclassical school. Organizations make decisions. They do decisions in the same sense in which individuals make decisions. The organization as a whole behaves as though there existed a central coordination and control system capable of directing the behavior of the members of the organization sufficiently to allow the meaningful imputation of aim to the total system. Because the central nervous system of most organizations appears to be somewhat various from that of the individual system, we are understandbly cautious about viewing organization decision making in quite the same terms as those implemented to individual choice. Nevertheless, organizational choice is a legitimate and significant concentration of research attention.

Cyert and March's underlying assumptions are as follows: (Shafritz et al., 2005).

- Firms seek to maximize profits
- Firms operate with perfect knowledge.
- "Our interest is in understanding how complex organizations make decisions, not how they ought to do so".
- Includes four major subsystems "required for a behavioral theory of organizational decision-making".
- "Discussed the formation and activation of coalitions as well as negotiations to impose coalitions' demands on the organization".
- "Postulated that corporations tended to 'satisfice' rather than engage in economically rational profit-maximizing behavior".

Elton Mayo - Hawthorne Experiments

The main scholar under this category is ``Elton Mayo``. The origin of behavioralism is the human relations movement that was a result of the Hawthorne Works Experiment carried out at the Western Electric Company, in the United States of America that started in the early 1920s (1927-32). Elton Mayo and his associates' experiments disproved Taylor's beliefs that science dictated that the highest productivity was found in 'the one best way' and that way could be gathered by controlled experiment. The Hawthorne studies tested to determine the effects of lighting on worker productivity. When these experiments showed no clear correlation between light level and productivity the experiments then started looking at other factors. These factors that were considered when Mayo was working with a group of women included rest breaks, no rest breaks, no free meals, more hours in the work-day/work-week or fewer hours in the

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workday/work-week. With each of these changes, productivity went up. When the women were put back to their original hours and conditions, they set a productivity record (Olum, 2004).

These experiments proved five things. First, work satisfaction and hence performance is basically not economic and relies more on working conditions and attitudes, communications, positive management response and encouragement, working environment. Second, it did not accept Taylorism and its emphasis on employee self-interest and the claimed over-riding incentive of monetary rewards. Third, large-scale experiments involving over 20,000 employees showed highly positive responses to, for instance, developments in working environments (e.g., improved lighting, new welfare/rest facilities), and expressions of thanks and encouragement as opposed to coercion from managers and supervisors. Fourth, the influence of the peer group is very high hence, the significance of informal groups within the workplace. Finally, it denounced 'rabble hypotheses' that society is a horde of unorganized individuals (acting) in a manner calculated to secure his or her self-preservation or self-interest. (Ibid.)

These results underlined that the group dynamics and social makeup of an organization were an extremely crucial force either for or against higher productivity. This outcome caused the call for greater participation for the workers, greater trust and openness in the working environment, and a greater attention to teams and groups in the work place. Finally, while Taylor's impacts were the establishment of the industrial engineering, quality control and personnel departments, the human relations movement's greatest impact came in light what the organization's leadership and personnel department were doing. The seemingly new concepts of "group dynamics", "teamwork", and organizational "social systems", all stem from Mayo's work in the mid-1920s. (Ibid.)

Mary Parker Follett - The Giving of Orders

In this article, by Mary Parker Follett, she discusses the giving of orders and how the way in which an order is given can have an effect on how the task is accomplished, and how the person given the order feels. Follett makes the point that if an order is given and it is demanded with unquestionable obedience it is not a positive business practice. She also points out that by ordering someone to do something, a task will not necessarily be done satisfactorily. The classic method of simply giving an order and expecting it to be done is a thing of the past.

It is significant for supervisors to keep in mind that the employees that they are giving orders to have set methods of doing tasks therefore when they are told to complete a task in a manner that is out of the ordinary for them it is not easy for them to adapt and change. People do not like change. They have beliefs, experiences, prejudices and desires that may hold them back from changing the way in which they do something. Although a supervisor may be able to reason with them on an intellectual plane the beliefs that are ingrained in them are difficult to shift. In order to change the persons thought process and beliefs one must actually change the habit patterns. Follett tells the reader that there are three things that must be done in order to alter the habit patterns of employees. These three things are build up the desired attitudes, present new ways in which these desired attitudes can be expressed, and finally expand the released response when it is being carried out. By changing the habit patterns one is able to then change how an employee reacts to an order.

Follett then follows these three things up with the idea that although habit patterns may alter, orders do not take the place of training. Training allows the employer to be better understood

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as well as the employee to better understand what their job description entails. Follett also brings up the point that depending on who gives the order the outcome may be not the same. In order to counter-balance this problem it is the supervisor's job to understand where the employee's beliefs are, so that they can better adapt to the task given. The issue of respect is then brought into the article and what happens when an employee feels that they have been disrespected when given an order. In this situation the desired outcome of accomplishing tasks would be destroyed because rather than completing the order the employee gathers defensive and wants nothing more to do with the task or the employer.

Follett believes that by depersonalizing the situation everyone must follow the law of the situation instead of the person giving the orders. This way the supervisor must also adapt to the task at hand and change as the task changes. This is a more scientific approach, which seems as though it could be quite successful if followed correctly. She also supports the idea that authority should be utilized however only in relation to the situation at hand. The only problem with this idea is that by depersonalizing the workplace one eliminates the persons meaning and value, which should never be done.

Moreover, giving and receiving orders is a human resource issue that should not be taken lightly since consequences of not understanding the impact of an order on an employee's work and attitude could be ineffective management if not also ruinous organizational behavior. In the essay "The Giving of Orders" published in 1926, Mary Parker Follett argues that both the employer and the employee should study the situation and discover the law of the situation. Both employer and employee should obey the law of the situation. Employers should avoid acting as if the employee is "under" the employer. The attitude of the employee, previous behavior, the education and training, the circumstances and environment of the work situation need to be carefully considered before so-called "orders" are given. Orders should be depersonalized. Rather than delivering orders from on high, employers would do better to have face-to-face conversation that looks at the situation, and then both employer and employee should accept to "take their orders from the situation."

Follett says that no one likes to be bossed; one feels a lack of self-respect, becomes defensive, and acts angry or sullen. The wrong mindset is created in the employee and the result is likely to be the wrong behavior. Follett says that, "One person should not give orders to another person, but instead managers should concentrate on "how to devise methods by which we can best discover the order integral to a particular situation. The manager's authority should be an exercise of the "authority of the situation." The manager should create in himself the suitable mindset and attitude; this work must be done in advance of the situations that will arise necessitating orders. Managers must consider, within themselves, the "attitude required for cooperative study and decision."

Follett discusses other aspects of human behavior that influence the giving of orders. Because people have a wish to direct their own lives, they usually resent the order itself. People feel a fundamental need to self-assert. ``No one likes to be under the will of another``. Even the issue of pride in one's work can be optimized, according to Follett, not by orders that may conflict with one's expertise or sense of self-worth, but by "joint study of the situation." Proper regard is given to the worker who takes pride by allowing shared decision-making and input rather than ordering. Allowing the worker to get into in the process of work increases the responsibility that the worker will feel for the situation. Managers must unify the work order to the responsibility of the situation by allowing the order to serve as a symbol of an agreed

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upon course of action. Follett recognizes that work situations are changing and must be understood as such so that orders may keep up with the evolving circumstances of work.

Managers must develop a "conscious attitude toward experience," always aware that the changing work situation, environment, level of training and expertise, necessiating an awareness of the change that the "developing situation makes in ourselves." Managers must know that the "situation does not change without changing us." Though writing seventy-five years ago, Follett calls upon managers to develop themselves." (Follett, 1996)

Abraham Harold Maslow - A Theory of Human Motivation

Maslow's hierarchy of needs is a theory in psychology originated by Abraham Maslow in his 1943 paper "A Theory of Human Motivation". Maslow consequently extended the idea to include his observations of humans' innate curiosity, over the years researches and authors has tend to criticizes the theory as being irrelevant in most part of the world for is western in nature contrary to such assertion, Maslow's hierarchy of needs theory continues to be relevant in every sector of our business today as its best analyzes below Maslow's hierarchy of needs where the lower order needs (physiological and safety needs) may be linked to organizational culture. Every new organization passes through this lower order stage in which they struggle with their basic survival needs. At the third level of the Maslow's hierarchy, social needs would correspond to the formation of organized roles within the organization into distinct units, depicting the human resource management function which resonates due to tone set by organizational culture. The positive interaction of organizational culture and human resource management would result in self-esteem and self-actualization. This is shown via the employees' performance which showcases the strength and reliability of their organization in the face of competitors. It also accomplishes that the organization via its employees has excelled and met their objectives, mission and vision statement.

The different levels of needs on Maslow's hierarchy are discussed as follows:

- **Physiological needs:** ``These are biological needs which consist of the need for oxygen, food, water, and a relatively constant body temperature. They are the strongest needs because if a person were deprived of all needs, it is these physiological ones that would come first in the person's search for satisfaction``.
- **Safety needs:** ``When all physiological needs are met and are no longer controlling thoughts and behaviors, the needs for security can become active. While adults have

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little awareness of their security needs except in times of emergency or periods of disorganization in the social structure (such as widespread rioting), children often display the signs of insecurity and the need to be safe``.

- **Needs for love, affection and belongingness:** ``When the needs for safety and for physiological well-being are satisfied, the next class of needs for love, affection and belongingness can emerge. Maslow states that people seek to overcome feelings of loneliness and alienation. This involves both giving and receiving love, affection and the sense of belonging``.
- **Needs for esteem:** ``When the first three classes of needs are satisfied, the needs for esteem can become dominant. These involve needs for both self-esteem and for the esteem a person gets from others. Humans have a need for a stable, firmly based, high level of self-respect, and respect from others. When these needs are satisfied, the person feels self-confident and valuable as a person in the world. When these needs are frustrated, the person feels inferior, weak, helpless and worthless``.
- **Needs for self-actualization:** ``When all of the foregoing needs are satisfied, then and only then are the needs for self-actualization activated. Maslow describes self-actualization as a person's need to be and do that which the person was "born to do." "A musician must make music, an artist must paint, and a poet must write." These needs make themselves felt in signs of restlessness. The person feels on edge, tense, lacking something, in short, restless. If a person is hungry, unsafe, not loved or accepted, or lacking self-esteem, it is very easy to know what the person is restless about. However, it is not always clear what a person wants when there is a need for self-actualization. The aforementioned theory may be applied to the roles of organizational cultural and human resource management in improving employee's performance despite some criticism or limitations of the theory. While some research has shown support for Maslow's theory, others have not been able to substantiate the idea of a needs hierarchy that is considered to be influenced by Western culture, and thus cannot apply to all scenarios`` **(**Richard, 2000).

McGregor - The Human Side of Enterprise

Douglas McGregor found out the labels Theory X and Theory Y to capture two views of human motivation. The Theory X view accepts that employees must be monitored and controlled. The Theory Y view assumes that employees work hard to implement crucial social and personal needs. McGregor argued that the assumptions managers make about motivation can become self-fulfilling.

In a 1957 article and 1960 book entitled The Human Side of Enterprise, Douglas M. McGregor explained a basic tension in how managers and business scholars view the motivation of employees: Are they lazy, driven by money, needing to be tightly controlled and monitored? Or are they engaged, committed and interested in fulfilling themselves via work by contributing to their firm and society? McGregor argued that a good deal of managerial practice was based on the former view, which he labeled as 'Theory X'. The assumptions of Theory X were that management is responsible for organizing and directing work, and 'without this active intervention by management, people would be not active even resistant to organizational needs``. He underlined that less explicit assumptions tended to underlie Theory X: ``the average man is by nature indolent . . . he lacks ambition, dislikes responsibility . . . and is inherently self-centered''. (Larrick and Feiler, 2013)

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These assumptions make managers to create rigid structures of evaluation, pay and control to manage 'indolent' workers. McGregor went on to argue, however, that money and job security are only the most basic needs. Drawing on earlier ideas developed by Abraham Maslow, McGregor argued that once basic needs have been fulfilled at work, employees crave to fulfill higher-order needs: to be agreed by others, to be independent and implement things, to be creative. This latter view he described as the Theory Y view. A central theme in his writing was that ``employees can often achieve higher levels of productivity when they are treated as responsible contributors to an organization rather than shirkers in need of prodding``.

McGregor pointed out to contemporary trends in management decentralization and delegation, job enlargement and participation as evidence that the Theory Y view had a developing presence in organizations, and his ideas anticipated a great deal of management theory and practice in the ensuing decades. Modern theories of job design (Hackman and Oldham, 1976), intrinsic motivation (Deci and Ryan, 1985) and organizational justice, especially procedural and interactional fairness (Lind and Tyler, 1988), are heirs of this view. The recent interest in adding psychology to economics in the new subfield 'behavioral economics' can be viewed as a Theory Y correction of a Theory X view. (Ibid.)

Management thinking tends to go via cycles, with the tenor of theories changing from one emphasis to another (Abrahamson and Eisenman, 2008), and Theory X and Theory Y capture a key dimension along which perspective shifts. This raises an interesting question of which perspective is true. Although subsequent researchers sometimes took one side or the other in their theorizing, main insight in McGregor's work was not a claim about the truth of each view (although he believed in the assumptions of Theory Y), but that the unexamined assumptions of Theory X easily become self-fulfilling (Heath, 1999). McGregor noted) that 'human behavior in industrial organization today' corresponds to Theory X, but 'this behavior is not a consequence of man's inherent nature'. It is a consequence of ``management philosophy, policy, and practice', leading workers to behave exactly as predicted – with indolence and passivity. By acting on their pessimistic assumptions, managers evoke the behaviors they expect and arbitrarily confirm their initial pessimism. He concludes that 'it would seem that we are caught in a web of our own weaving''. This theme is an enduring contribution of McGregor's work, and is reflected in a vibrant stream of current work showing the limitations of a purely Theory X perspective on employee behavior (Ferraro, Pfeffer and Sutton, 2005; Markle, 2011). Because McGregor did not point out a specific theory of motivation but a summary of competing perspectives on motivation, his work did not generate directly testable hypotheses. Nevertheless, his proposal captured basic truths that will endure in organizations and will underpin future management research: employees are motivated by a range of interests; a focus on money and control ignores important motivations; and the assumptions that managers and scholars make about employee motivation can consequently be self-reinforcing. (Ibid.)

Irving Janis - Groupthink: The Desperate Drive for Consensus at Any Cost

Irving Janis introduced the theory of groupthink in his classic study of Victims of Groupthink at 1972. He tried to determine why groups, often consisting of individuals with exceptional intellect and talent, made irrational decisions. He summed up that groups often experienced groupthink, a mode of thinking that people engage in when they are deeply involved in a cohesive group, when the members striving for unanimity override their motivation to realistically appraise alternative courses of action. His major proposition was groups that showed groupthink symptoms were more likely to produce poor decision outcomes. His first

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works relied upon an explosion of research into how group behaviors, biases, and pressures affect group decision-making.

Groupthink is a broadly used theory in social psychology, organizational theory, group decision-making sciences, and management fields. Groupthink, a term coined by social psychologist Irving Janis (1972), exists when a group makes faulty decisions because group pressures lead to a deterioration of ―mental efficiency, reality testing, and moral judgment. Groups affected by groupthink do not take into account alternatives and laid to take irrational actions that dehumanize other groups. Groupthink is a psychological phenomenon that exists within a group of people, in which the desire for harmony or conformity in the group results in an incorrect or deviant decision-making outcome. Group members try to minimize conflict and reach a consensus decision without critical evaluation of alternative ideas or viewpoints, and by isolating themselves from outside influences. Research into the phenomenon of groupthink is a fundamental area of study that takes into account understanding how group processes influence the making of decisions. This includes the analysis of the conditions under which miscalculations; faulty information processing, inadequate surveys of alternatives, and other potentially avoided errors are most probable.

Groupthink has not yet been fully analyzed in temporary organizations but it has been discovered to contribute to similar disasters (Janis, 1982). More importantly, although central to the initial model of groupthink, provocative situational contexts have been neglected in the analysis (Chapman, 2006). Essentially, the question is whether the structure of organization shows features of groupthink. However, it is significant to note that cohesiveness is a adequate but insufficient condition for groupthink to pervade a decision-making group. Janis postulated a number of secondary conditions necessary for groupthink to occur. Some of these secondary conditions related to the structural or administrative faults of the organization. These include:

- Insulation of the group;
- Leader preference for a certain decision;
- Lack of norms requiring methodical procedures;
- Homogeneity of members‘ social background and ideology.

Tom Burns & G. M. Stalker - Mechanistic and Organic Systems

Burns and Stalker set out to discover whether differences in the technological and market environments affect the structure and management processes in firms. They observed 20 manufacturing firms in depth, and classified environments into ‘stable and predictable’ and ‘unstable and unpredictable’. They found that firms could be classified into one of the two main types, mechanistic and organic forms, with management practices and structures that Burns and Stalker considered to be logical responses to environmental conditions.

The Mechanistic Organization has a more rigid structure and is typically found where the environment is stable and predictable. Its characteristics are:

a. tasks necessitiated by the organization are broken down into specialized, functionally differentiated duties and individual tasks are pursued in an abstract way, that is more or less distinct from the organization as a whole;
b. the strong and certain definition of rights, obligations and technical methods is belonged to roles, and these are translated into the responsibilities of a functional position; moreover a hierarchical structure of control, authority and communication;

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c. knowledge of the whole organization is located exclusively at the top of the hierarchy, with better significance and prestige being belonged to internal and local knowledge, experience and skill rather than that which is general to the whole organization;
d. there is a look for interactions between members of the organization to be vertical, i.e. between superior and subordinate.

The Organic Organization has a much more fluid set of arrangements and is an appropriate form for changing environmental conditions which necessiate emergent and innovative responses. Its characteristics are:

a. individuals contribute to the common task of the organization and there is continual adjustment and re-definition of individual tasks through interaction with others;
b. there is spread of commitment to the organization beyond any technical definition, a network structure of control authority and communication, and the direction of communication is lateral rather than vertical;
c. knowledge may be located anywhere in the network, with this ad hoc location getting the centre of authority and communication;
d. importance and prestige attach to affiliations and expertise valid in industrial, technical and commercial milieus external to the firm.

Mechanistic and organic forms are polar types at the opposite ends of a continuum and, in some organizations, a mixture of both types can be observed (Lam, 2011).

Peter M. Blau & W. Richard Scott - The Concept of Formal Organization

- "Assert that all organizations include both a formal and informal element. The informal organization by its nature is rooted in the formal structure and supports its formal organization by establishing norms for the operation of the organization that cannot always be spelled out by rules and policies".
- "It is impossible to know and understand the true structure of a formal organization without a similar understanding of its parallel informal organization".
- "Social organization refers to the ways in which human conduct becomes socially organized, that is, to the observed regularities in the behavior of people that are due to the social conditions in which they find themselves rather than to their physiological or psychological characteristics as individuals".
- "Since the distinctive characteristics of these organizations is that they have been formally established for the explicit purpose of achieving certain goals, the term 'formal organization' is used to designate them" (Shafritz, Ott, Jang, 2005).

Arthur H. Walker and Jay W. Lorsch - Organizational Choice: Product vs. Function

- "Should an organization be structured according to product or function?".
- "Should all specialists in a given function be grouped under a common boss, regardless of differences in products they are involved in, or should the various functional specialists working on a single product be grouped together under the same superior?".
- ``They concluded that either structural arrangement can be appropriate, depending upon the organization's environment and the nature of the organization itself".
- Very detailed piece outlining when (a) organization based on product line or (b) based on function, should be used (Shafritz, Ott, Jang, 2005).

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Henry Mintzberg - The Five Basic Parts of the Organization

- "Synthesized many schools of organizational management theory".
- ``Created "a model of organizations with five interdependent parts: the strategic apex, the middle line, the operating core, the techno structure, and the support staff".
- Operating Core – "the operators carry out the basic work of the organization".
- Strategic Apex – "Those at the very top of the hierarchy, together with their own staff".
- Middle Line – Managers that join the apex to the core.
- Techno structure – "the analysts carry out their work of standardizing the work of others, in addition to applying their analytical techniques to help the organization adapt to its environment".
- Support Staff – "supports the functioning of the operating core indirectly, that is, outside the basic flow of operating work.
- Pooled coupling – "where members share common resources but are otherwise independent".
- Sequential coupling – "members work in series as in a relay race".
- Reciprocal coupling – "the members feed their work back and forth among themselves' in effect each receives inputs from and provides outputs to the others" (Shafritz, Ott, Jang, 2005).

Richard M. Burton and Borge Obel - Technology as a Contingency Factor

- Covers "technology's effect on formalization, centralization, complexity, configuration, coordination and control, and incentives".
- Studied "the effects that many dimensions of technology have on organizational design".
- The effects of technology "assessed on six dimensions of organization: formalizations, centralizations, complexity, configuration, coordination and control, and incentives".
- Also, interdependency between organizational structure and information technology, organizations as information processing entities, the effects of media richness on design, and design criteria for fitting information technology to decentralized organizations (Shafritz, Ott, Jang, 2005).

DISCUSSION AND CONCLUSION

The classical thinkers of the late nineteenth and early twentieth century have made various valuable contributions to the theories and practices of management. But, their theories did not always achieve wanted results in the situations that were developing in the early twentieth century. Shifts were occurring in these fields that gave birth to new perspectives on management. The classical management theory was not only crucial in the past, but also continues to be crucial in present, both in the erection of modern-day edifices.

Successful management needs an understanding of the fundamental concepts of effective management techniques and principles. In order to gain such insight, and manage effectively and efficiently, managers must be having an awareness of past management principles, models and theories. From the turn of the 19th Century, the requirement for a formal management theory was growing evidence that organizations required a system to guide managers in an attempt to improve productivity and efficiency of workers. (Ehiobuche and Tu, 2012)

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The classical theories are based on a pyramid, hierarchical structure and autocratic management, clear chain of command and short spans of control. Classical management theory is a group of similar ideas on the management of organization that evolved in the late 19th and early 20th centuries. As stated above in the paper Scientific, Bureaucratic Autocratic, Administrative are presented as the 3 main categories under classical theory. The predominant and common characteristics of all the 3 branches is they underline the economic rationality of management and the organization. The economic rationality is based on the assumption that people are motivated to by the economic incentives and that they make choices that yield the greatest monetary benefits. Classical theorists recognized human emotions but also felt that a logical and rational structuring of jobs could control human emotions. The primary contribution of the classical school of management includes applying science in practical management, developing basic management function and processes, and determining the application of specific principles of management. (Ibid.)

In the modern world, the classical theory is greatly criticized as being out-dated. The notion of rational economic person is often strongly criticized. Reward based management might be 100% applicable in the 19th century and for few people/organizations today. This might not hold good in the current work where the aspirations and education levels of people has greatly changed. Also organizations have grown more complex and hence require more creativity, ownership and judgment from each of the employees. Classical theory also assumes that all types of organizations can be managed according to one set of principles, but this need not be true in all cases. With changes in objectives, structures and environment, Organizations have made changes in principle and how organizations need to be managed efficiently and effectively for better productivity. (Ibid.)

The principles detailed by the classical theory are not wholly scientific and also did not stand for the test of time. They reflected the individual's empirical observations and their own logical deductions and not a true scientific-based research and evidence. Although the classical theory is criticized as outdated and has become history, still this is the leading school of thought and the most popular kind of management found in practice in today's business structures even though they do not in practical terms reflect universal application and appeal.

It should be clear from this introductory paper that models we use and ways we examine people and organizations have become more dynamic and complex. The concentration of attention gradually changed from an emphasis on physical and structural factors, to human relationships and interactions, to the application of quantitative methods and computer technology in organizational decision making. Nowadays, management theorists have developed a more integrated approach in the systemic analysis of organizations, their members, and their environments. We have shifted from "one-best-way" approaches to a situational or contingency perspective. Different theories of organization have been, are being evolved and continued to be evolving since people continued to be exist.

The field itself has evolved from what has been termed a *micro*-orientation (concentration on the structures and processes within and between individuals, small groups, and their leaders) to include more of a *macro*-perspective (concentration on the structures and processes within and among major sub-systems, organizations, and their environments) as well. There is an attempt to combine the logic of the classical school and the nonlogical feelings of the neoclassical tradition via more systematic, integrated analyses of behavior and structure at the individual, small group, organizational, and inter-organizational levels.

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The classical approaches to organizations has been interested with both reflected and contributed to building a powerful and influential edifice. This edifice presents it as self-evident that we live in an organizational world and furthermore an organizational world of a particular, managerial sort. The significance of this is not, primarily, the rise of an elite group of managers but rather the rise of a managerial apprehension of the organizational world. Because such a view is relatively detached from the fate of managers as an occupational group, an increasing accent upon self-management relies upon this managerial apprehension even when it also dangers the position of managers as such.

It is so normal when studying organizations as part of a management degree to understand things like bureaucratic theory, scientific management, human relations theory and management generally as wholly unproblematic. That is, to take the managerial representation of the organizational world as if it is the only representation (as if, in fact, it is simply reality). First and foremost, it excludes the way that it is a construction. Related to that, it also fails to understand how organization theory is part and parcel of a particular philosophical and historical context. And related to this, it fails to acknowledge the ways that organization theory gathers a technical and ideological legitimating of management, rather than simply the analysis of organizational life it purports to be.

Finally, by a relentless focus on a one-sided picture of instrumental rationality and control whether overtly or, as with human relations approaches, covertly it fails to understand the severe limitations, both in principle and practice of this picture.

The whole tenor of the human relations approach is bound up with the idea of people management. So much so, that nowadays management courses always fall into three kinds of components. One is interested with, precisely, people and is found in modules on organizations, human resource management or some variant of these. Another is concerned with management 'science' – operations, technology and so on. A third straddles the first two, for example, strategy or marketing. The second kind of module addresses 'people' by ignoring them in favor of some fantasy about organizations in which human beings are just removed. The third kind of module usually adopts some quasi-economic model of people as, for example, rational consumers. The first, which treats human beings as a recalcitrant but potentially manageable resource – the human resource as we point out nowadays. The fact that to do so entails both an impoverished view of people and an at best optimistic and at worse immoral view of management has hardly dented the enthusiasm with which 'people management' has come to occupy a central place in the contemporary study, and practice, of organizations.

In the organizational science the paradigm is developing that will bridge the macro-micro gap both in theory and in empirical research. There are positive shifts occurring in organizational research where a huge concentration is put on organizations as systems, while the systems theory of organizations and multilevel approach to organizations are more frequently used. A multi-level understanding of organizational reality will cause preconditions for further improvement of organizational theory and practice by encouraging integration of the field. Starting from strongly decomposing the system on different sub-elements, but at the same time accepting its context, it offers potentially useful cognitions of interconnectivity and cause-and effect relationships between various aspects.

In order to design organizations that will be able to confront successfully with upcoming competition and increasing changes in consumer expectations, it is required to look for systemic and cause-and-effect relationships between emerging practice at many levels of

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analysis – industry, organization, and work. Namely, job is not being done in vacuum but in organizations that make a part of a market or of a global economy in complete. The most successful organizations today are the ones capable of aligning flexible organizational solution with flexible forms of work design (Gyan-Baggour, 1999). Therefore, organization design does not only form, but also simultaneously limits possible choice, i.e. shapes of work design. In order to identify basic links and guidelines, in the paper current trends in doing business are presented, jointly with consequential tendencies at the organizational and work level. Furthermore, it is possible to propose that certain contextual factors can have a direct and stronger, and others indirect and weaker, impact on work design. Equally, certain trends in work design can be more limited by broader organizational context, while others can be under their minimal impact. Very significant issue is a problem of alignment. Although the problem comes out from their various dynamics and change tendencies, organization design and work design should be and need to be analyzed as naturally complementary concepts. Moreover, inability to precisely determine cause-and-effect relationships between various variables should be also underlined as a research shortcoming. Although systems perspective conceptually strive for presenting realistic picture of the world with all the required interdependencies, thorough insights about the nature of particular relationships is almost impossible without ceteris paribus assumption.

Furthermore, cross-level and multi-level relationships can be, and generally they are, reciprocal in nature. In the paper, only top-down approach has been implemented, leaving a plenty of space for future research activities aimed at investigating micro-macro influences. In both directions, additional empirical investigations should be conducted in order to gain much better understanding of many bivariate and multivariate relationships. Such reciprocal influence between organizational behavior and work design from one side, and organizational theory and design from the other, is in compliance with main characteristics of systems theory of organizations, as well as supported by the emerging multi-level approach.

Finally, achieving a better understanding and harmonization can result in significant development of work and organizational success. At the same time, one should have in mind that business trends, and especially tendencies of organization design at macro level define the "playing field", while each organizational unit, team and/or individual in the organization should learn how to be effective and to "play" successfully in mainly various situations. In spite of existing constraints, there is still enough space and possibilities for differentiating successful from unsuccessful business practice at micro level of work design.

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