

A JOURNEY OF ORGANIZATION THEORIES: FROM CLASSICAL TO MODERN

Jannatul Ferdous

ABSTRACT

In the modern age, Organizations have to face a lot of challenges. Undoubtedly, management is the most vital thing in an organization. An organization cannot attain its purposes without appropriate management. Management is the skill of getting work done with the active assistance of other persons. For instance, every society always depends on group work, and as many systematized groups have turned into large, the workload of managers has been growing significantly and difficulty also arises. Organizational theory is the study of organizational arrangement and as all science has as its goal, forecasts, the understanding and control. The organizational theory is the course of generating understanding organizational arrangement therefore we can forecast and control organizational efficiency or output by planning organizations. There are a lot of management theories which are classified as Classical, Neo-classical and Modern Organization Theories. It is entirely a theoretical paper evaluating the theoretical matters that existed and are prevalent in organizations that may support us to overcome difficulties those in Management nowadays we face. Firstly, the paper focuses on the vital theories yielded by classical, neoclassical and modern theorists. Secondly, the paper evaluates the impact of these theories and overall impression of evolution of organizational theories. Finally, the paper expresses the overview of theories and validity of the concepts provides us future management guidelines.

Keywords: Classical, Neo-classical, Modern, Organization and Management.

INTRODUCTION

An organization is a deliberately organized social object, with a comparatively distinguishable frontier, that functions on a fairly continuous source to attain a common objective or set of objectives (Robbins & Mathew, 2009). Theories are supported managers understanding the arrangement of executive organizations. A theory is a statement or system of thoughts, clarifying something, grounded in broad-spectrum philosophies independent of the specific effects to be clarified or the range of theoretical understanding or abstract thought. Organizational theory purposes at empathetic to the structure within the organizations. It is envisioned to discover whether there is a greater way for organizing organizations, or else, whether it differs centered on the circumstances. One more objective is to recognize what sources the diverse structures concerning organizations (Mili & Nasrullah, 2014). In the present day, as the organizational surroundings have become to a greater extent complication, organizations seem to be flat-structure, network affiliation, stratified class, elastic and uncertain frontier. The development of organization theories conserved from exercise contingent on the development of organization carries out. The development of organization theories understands in three phases, i.e. classical, neoclassical and modern stage with the development of the dynamic forces (Yang et al, 2013). At diverse phases, the interpretations and approaches of organizational research have been transformed. These three phases give the organization three new knowledge of development. The sequence of research pattern moved new approaches and new ways to the research of modern theories of organization.

CLASSICAL THEORIES

The development of administrative theory is drawn here in footings of interactions, all phase being a development on the previous one. The classical theory of administration is as entitled as it is the eldest theory (Maheshwari, 2003). The classical theory of organization accepts that administration is a common structural concept, which has a common applicability, irrespective of the condition and framework, and is subject to similar kind of complications. Thus, the central character of this theory is the view that definite common philosophies of organization can be operated out to simplify the smooth working of an organization. Situational discourse, the classical organization theory was innate in a usual Western setting at the culmination of the eighteenth century and commencement of the nineteenth century as soon as the Industrial Revolution had stretched its apex and effectiveness and economy became the mottos of business production. The classical theory of organization with its intrinsic structural preference rose up to the event to rationalize the output. The classical theory of organization is erected about four vital supports. They are the scalar and functional procedures, the division of labor, span of control, and structure (Chakrabarty & Chand, 2012).

The classical theory creates some audacious suppositions. First, it undertakes that in an organization the individual is a reflexive tool, who can be influenced at determination by the owner or administration. Secondly, an individual is encouraged exclusively by financial inducements. Thirdly, the classical theorists trust that a business is a closed system unaffected by outward environment. In conclusion, on the formal organization, this theory as specified by organizational diagrams, guides, official procedure and therefore disregards the informal organization (Maheshwari, 2003).

One of the eldest of the classical theories is the scientific management theory which stresses on the assignment or task. Scientific management swayed public administration throughout its initial years, principally through the works of Frederick W. Taylor. Taylor's key thoughts and procedures contain cost analysis, incentive pay-scales, time and motion study, functional foremanship, the selection of employees scientifically, the training of employees carefully, etc. Entirely these swayed the philosophy of initial

academics in public administration. Yet again, Max Weber's bureaucracy, stresses on the formal theory of organization (Maheshwari, 2003). The manager and French mining engineer Henri Fayol's "General and Industrial Administration" (1916) is viewed as a magnificent impact to the devising of classical administration theory in footings of five efficient components including 1. Planning 2. Organizing 3. Commanding 4. Co-coordinating and 5. Controlling. He perceived administration as a common procedure which is appropriate correspondingly in both public and private administrations. Fayol established an agreed fourteen principles regarding the shaping of organizations (Naidu, 1996). The last, accompanied by Fayol demonstrated by the works of L.F. Urwick, J.D. Mooney, Luther Gulick, and A.C. Reiley recognize the significant essentials in the procedure of administration and the structures common structures of administration, building the approach for the expansion of generally adequate agreed principles (Maheshwari, 2003).

NEO-CLASSICAL THEORIES

With the expansion of output and the development of employee level of education, the excessively severe principles and mechanical models of organization encouraged by classical theories of the organization have produced consequently outcomes: the inner communications are responsible for being misunderstood and the inner clashes become to a greater extent common. Entirely these inspire the new theories of administration that would pay more consideration to the human issue and inspire the humanize organization (Yang et al, 2013). Neoclassical theory has made important influence to a considerate human behavior at the job and in the organization. It has produced consciousness of the vast role of the human issue in production. This method has given fresh thoughts and practices for a well understanding of human behavior. Providers to this approach identify an organization, for instance, a social system matter of the thoughts and cultural forms of the associate of the organization, leadership, motivation, group dynamics, participation, the environment of the job, etc. organize the principal of the neoclassical theory. This method transformed the opinion that employees are apparatuses and promoted the acceptance that employees are treasured assets. Moreover, it placed the basis for future expansion in management theory. The neoclassical tactic is not beyond limitations. Firstly, it has deficiencies the accuracy of classical theory as human behavior is changeable. Secondly, its inferences have the shortage of scientific legitimacy and suffer from an experimental partiality, its conclusions are uncertain. Finally, its use, in reality, is very tough as it necessitates essential modifications in the philosophy and approach of both administration and workforces (Sarker & Khan, 2013).

Elton Mayo is well-known for his study which he started in 1924 at Hawthorne works, the western electric company in Chicago. He did several experimentations and accepted diverse approaches to investigate the affiliation of the style of leadership, working condition and other organizational issues with employee output. Elton Mayo recognized different motivating issues which contain appreciation, association, sense of belongingness and different societal facets connected to the workplace (Kashyap, 2015). Enchanting an evidence from the Hawthorne Experiments numerous theorists steered research in the ground of relational and societal affairs amongst the associates of the organization. These relationships are recognized as human relations. A sequence of research by Abraham H. Maslow, Frederick Herzberg, Douglas Mc Gregor, Rensis Likert, Keth Davis and others worked to what is the drive of human relation. Drive of human relation reasoned that workers react principally to the societal setting of the workplace, containing societal habituation, group customs and relational dynamics (Sarker & Khan, 2013).

MODERN THEORIES

Modern theories incline to be grounded in the thought that the organization is a system which has to acclimatize to variations in its environment. An organization is defined as an intended and organized procedure in which persons network for purposes in modern theory (Hicks and Gullet, 1975). Modern theory has an abundant influence in contemporary society. It can be alienated into two shares: one is system approach and another is contingency approach. Of these two approaches mutually are closed systems, however, this theory observed organization as the system. Modern theory titles to offer a basis for total assimilation of all the essentials: in an organization technical, financial, sociological, and psychological in the interface with its setting. The organization has reflected a sub-system which happens and interrelates within a much comprehensive system (Abdullah, 2012).

We contend with the organization, for instance, a system whole containing the reciprocally associated parts by a system approach. The approach of the system means to contend with these parts in their reciprocal linking as a part of the whole system. No system approach in the examining into the organization, yet, means contend with the parts of a whole, regardless of the reciprocal link. Just, it is for this purpose that the no system contends with the organization is simply a partial one and cannot elucidate the organizational spectacles in their whole. The whole of the organization and of its spectacles can be elucidated simply by the system approach. The theory of organization is essential to be, thus, system one. The inclinations in the expansion of the organizations are revealed in their difficulty of processes. Simply the complex system can perform the complex procedures. And for considering the complex system and their procedures it is essential to utilize the similar technique. We can express that the forthcoming progress of the organization science will utilize the system approach, regardless of the probable diverse methods and the improvement of the scientific organization (Ivanko, 2013). It can be said, a system contains four possessions: The first one is articles the parts, components, or variables inside the system. These may be somatic or intangible or both, contingent on the environment of the system; Second one, a system contains features - the potentials or possessions of the system and its things; the Third one, a system had inner relations amongst its things; and Fourth one, systems existent in an environment. Then, a system is an agreed of belongings that distress one another inside an environment and practice a greater form that is diverse as of any of the parts. The essential systems-collaborating paradigm structures the incessant phases of input, throughput (processing), and output that validate the thought of closedness / openness. A closed system ensures not intermingle with its environment. It ensures not yield in evidence and consequently is possible to degenerate, that is to disappear. An open system accepts facts, which it practices to network vigorously with its environment. Openness surges its probability to persist and flourish (Mili & Nasrullah, 2014).

The contingency organization theory has a more valued aspect to the outcomes of the contemporary theorists of the organization who had reckoned the systems theory of organizations. Burns concentrated on diverse types of organizations and their influence on communication forms and on the events of managers. Moreover, he discovered the applicability of diverse practices of organizations to shifting circumstances, particularly the influence of practical improvement. In association with Stalker, they advanced two "ideal" kinds of management that they said differ with environmental issues. These were the mechanistic graces of management. They contended that in a constant atmosphere, the mechanistic grace of management wins through. Difficulties and jobs of management in this environment are not working into specialization within which every individual brings out his organized responsibilities. On the other hand, organic style is improved to unsteady circumstances when innovative and unfamiliar difficulties rise. There are the frequent modification and demarcation of individual responsibilities, open and free communication for guidance (Dzimbiri, 2009).

Woodward tried to discover why there were dissimilarities between organizations in relations of the sum of levels of power concerning top and bottom, the usual number of juniors per supervisor, the span of control, the simplicity or want of simplicity and degree of division of purposes among specialists. Her research discovered the importance of technology in manipulating organizational features (Dzimbiri, 2009).

Lawrence and Lorsch's method is known as the "if-then" contingency organization theory. The short-term summary of the results of studies directed by the two scholars are in the following:

- a) If the environment is indeterminate and diverse, then the organization must be comparatively unstructured and have extensively shared effect amongst the management staff;
- b) If the environment is constant and varied, at that time a rigid structure of organization is applicable; and
- c) If the exterior environment is actually different and the inner environment is highly distinguished, then there essential to be the very intricate assimilating instrument in the structure of the organization (Sahni & Vayunandan, 2012).

EVALUATION OF THE THEORIES

The classical theorists of the late nineteenth century and early twentieth have made differently appreciated influences to the theories and application of management. However, their theories did not continually attain required consequences in the conditions that were emerging in the initial twentieth century. Modifications were happening in this arena that offered delivery to different standpoints on management. The classical theory of management was not simply vital in the past, and then as well lasts to be vital in present, equally in the building of modern-day organizations. The classical theories are grounded in a hierarchical structure, pyramid and autocratic administration, strong chain of command and little spans of control. The classical theory is seriously evaluated as being out of date in the modern world. The view of a sensible economic person is frequently and intensely critiqued. In the 19th century, the reward centered administration might be 100% appropriate and for limited individuals/organizations now. This might not foot well in the present effort where the desires and level of education of individuals have significantly transformed. Moreover, organizations have developed more difficult and therefore necessitate more creativeness, possession, and decision from all of the personnel. Besides, classical theory accepts that all kinds of administrations can be brought about permitting to one agreed of philosophies, however, this necessity is not factual in all circumstances. With variations in aims, organizations, and atmosphere, organizations have made variations in standard and how organizations essential to be achieved competently and efficiently for better output (Ehiobuche & Tu, 2012). The philosophies comprehensive by the classical theory are not exclusively scientific and besides did not get position for the assessment of time. They revealed the individual's experiential explanations and their personal reasonable inferences and not a factual scientific-centered research and proof. Though the classical theory is assessed as out-of-date and has turn out to the past, still this is the foremost school of thought and the utmost prevalent kind of organization seen actually in nowadays business organizations even yet they do not in applied terms reveal worldwide use and application (Önday, 2016).

The human relations and neo-classical method required to revise the hierarchical structures of the organization therefore enthusiastically adopted by classical writers. It distresses with the approaches and feelings of the employee and the significance it involved to societal sets in defining individual conduct obviously a key swing in the study of administrations. By leading its consideration to the societal and emotional facets of administrative behavior the human affairs method attracted to an extensive sort of human requirements that were measured vital to inspire employees working in organizations. Providers to this neo-classical method acknowledged an organization as a societal system dependent on the feelings and cultural forms of associates of the organization. Leadership, motivation, group dynamics, involvement and employment environmental issues were as well acknowledged as significant variables. This method transformed the assessment that workers are simple apparatuses and in the procedure progress the concept that personnel is valued properties (Nhema, 2015). Neo-classical theories are diverse in their method as associated to Classical theories but both goals at attainment one general objective specifically maximizing earnings. Motivation is a collective issue in equally the theories by which they effort to increase the production of employees. Theories from classical are more organized than Neo-classical arenas (Kashyap, 2015).

The modern organization theory very seldom reveals a search for the form of affairs (concerning personnel, organization and the conforming environment) formation amongst sub-system and a contingency assessment. The systems method to management contains inputs from the exterior environment and from contenders, the transformation procedure, and the communication arrangement, outside issues, outputs, and a method to reactivate the system. Undoubtedly, a manager who creates severe efforts to interpret theory into actuality is inevitable to raise output above a manager who takes to practice the 'fire brigade' or experimental and fault method (Olum, 2004). In contrast, the contingency theory of organization forms the relationship and affiliation of the environment to specific arrangements of the organizations.

CONCLUSION

The 21st century has conveyed with it a different place of work, one in which everybody needs to adjust to a quickly changing society with continually ever-changing demands and prospects. The economy has converted worldwide and is focused on modernizations and technology and organizations have to convert themselves to attend different client expectations. Currently economy offers inspiring prospects in addition to melodramatic ambiguity. The innovative economy has converted knowledge centered and is performance focused. F. W. Taylor's scientific management utilized the scientific technique to regulate the "one best way" for a work to be completed. Various existing management thoughts and theories can be found in the effort of the common administrative theorists. The practical observation of a manager's job relates to Henri Fayol's thought of management. Bureaucratic management of Weber has the features are apparent in several of nowadays large organizations—though in extremely flexible organizations that hire brilliant professionals. A number of bureaucratic apparatuses are essential in extremely innovative organizations to confirm that possessions are used professionally and successfully. In the current day perspective behavioral method/neo-classical theories helps managers in planning jobs that stimulate workers, in functioning with worker teams, and in assisting the stream of communication inside the organizations. The behavioral method / neo-classical theory deliver the basis for contemporary theories of leadership, motivation, and group development and behavior. Managers visualize an organization as a form with many inter-reliant parts, all of which is significant to the welfare of the organization, for instance, a whole employing the systems method. Managers organize the effort actions of the diverse parts of the organization, understanding that judgments and activities taken in one organizational space will distress other extents. The contingency method to management is an assessment that the organization identifies and reacts to conditional variables as per they ascend. In these situations, the subjects in the current perspective extent are esteem, involvement, empowerment, communication and self-management. In the condition of the above tasks, a different kind of leader is desired to lead the business through unrest. In organizations, managers do this job. A manager is somebody who organizes and supervises the effort of other individuals so that administrative goals can be able to achieve. It is not almost individual attainment but facilitating others to do their work. Managers could as well have extra duties of work not linked to organizing the effort of others.

REFERENCES

- Abdullah, M. M. (2012). *Public Administration*. Dhaka: Jahan Publications.
- Chakrabarty, B. & Chand, P. (2012). *Public Administration in a Globalizing World: Theories and Practices*. New Delhi: Sage Publications.
- Dzimbiri, L. B. (2009). *Organisation and Management Theories: an African Focus: Integrating Structure, People, Processes and the Environment for Human Happiness*. Cuvillier Verlag.
- Ehiobuche, C., & Tu, H. W. (2012). Towards The Relevance of Classical Management Theories and Organizational Behavior. *ASBBS Proceedings*, 19(1), 310.
- Hicks, G. H. & Gullet, C. R. (1975). *Organizations: Theory and Behaviour*. New York, NY: McGraw-Hill.
- Ivanko, Š. (2013). *Modern Theory of Organization*. Ljubljana: University of Ljubljana.
- Kashyap, H. (2015). Relevance of Classical and Neo-Classical Theories in Present World. *Indian Streams Research Journal*, 5(1), 104.
- Maheshwari, S. (2003). *Administrative Theory: An Introduction*. New Delhi: Mcmillan India Ltd.
- Mili, B. R. & Nasrullah, A. N. (2014). *Fundamentals of Public Administration*. Dhaka: Bangladesh Institute of Islamic Thought (BIIT).
- Naidu, S. P. (1996). *Public Administration: Concepts and Theories*. Delhi: New Age International Publishers.
- Nhema, A. G. (2015). Relevance of Classical Management Theories to Modern Public Administration: A Review. *Journal of Public Administration and Governance*, 5(3), 165-179.
- Olum, Y. (2004). *Modern management theories and practices*. Uganda: Makerere University.
- Ónday, O. (2016). Classical Organization Theory: From Generic Management of Socrates to Bureaucracy of Weber. *International Journal of Business and Management Review*, 4(1), 87-105.
- Robbins, S. P. & Mathew, M. (2009). *Organization Theory: Structure, Design and Applications*. New Delhi: India.
- Sarker, S. I., & Khan, M. R. (2013). Classical and neoclassical approaches of management: An overview. *IOSR Journal of Business and Management*, 14 (6), 1-5.
- Sahni, P. & Vayunandan, E. (2012). *Administrative Theory*. New Delhi: PHI Learning Private Limited.
- Yang, C. X., Liu, H. M., & Wang, X. X. (2013). Organization Theories: From Classical to Modern. *Journal of Applied Sciences*, 13(21), 4470-4476.