

# Management and Systems Theory: A Prefatorial Note

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## ABSTRACT

Management can be conceptualised from a perspective of Systems Theory as the process by which an organisation generates a global representation of its own processes and management relies upon modelling an organisation. Modelling permits management to perform its distinctive information-processing activities such as monitoring, evaluation, prediction and control. The purposes to which these activities are directed define the function of management through various theories but currently Systems theory is emerging rapidly. This paper is focused on the introductory account of various theories summing up with systems theories.

**Key Words:** Approach, Function, Management, System, Theory

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## I. INTRODUCTION

This study brings forth the introductory account of management and systems theory in particular therefore this paper is suggestive not problem bound. Purpose of the paper is to highlight systems theory and approach for any organization for fetching better results by its suggestive major characteristics. Contribution of the paper lies in stressing upon systems theory among various theories of management.

### What is Management ?

Management is administrating any work method of an organization. It can be applied to a business, a not-for-profit organization, or government body. Management includes the activities of setting the strategy of an organization. It also coordinates the efforts of its employees to furnish its objectives through the application of various available resources, such as financial, natural, technological, and human resources. The term "management" can also refer to those who manage an organization.

The term Management comes from the English verb "manage" which was adopted from Italian maneggiare (to handle, especially tools or a horse) and also derives from the two Latin words manus (hand) and agere (to act). [1]

In the French language the word is used for housekeeping, ménagerie, derived from ménager ("to keep house"; compare ménage for "household"), also encompasses taking care of domestic animals. Ménagerie is the French translation of Xenophon's famous book Oeconomicus (Οἰκονομικός) on household matters and husbandry. The French word mesnagement (or ménagement) influenced the semantic development of the English word management in the 17th and 18th centuries.[2]

According to Henri Fayol, "to manage is to forecast and to plan, to organise, to command, to co-ordinate and to control." [3]

Fredmund Malik defines it as "the transformation of resources into utility." [4]

Ghislain Deslandes defines it as "a vulnerable force, under pressure to achieve results and endowed with the triple power of constraint, imitation and imagination, operating on subjective, interpersonal, institutional and environmental levels" [5]

## II. FUCTIONS OF MANAGEMENT

How is management processed and implemented can be looked at through many functions such as--

#### **Administrative –**

Management involves identifying the mission, objective, procedures and rules [6] All these functions come under the administration of any organisation and without these functions no organisation can proceed ahead.

#### **Applied –**

There has to be a channel through which sets of particular norms should be applied in an organisation. Management is everywhere and it has a wider range of application and for this application management must have humans. Communication, Plans, Measurements, Motivational and Psychological tools, Goals, and Economic measures (profit, etc.) may be applied.

#### **1..Planning2.Organizing3.Staffing4.Directing5.Controlling**

Mary Parker Follett explains the functions of management as "the art of getting things done through people by **directing** and **organising**". [8]

One school of thought regards the functions of management as equivalent to the functions of "business administration" and thus excludes management in places outside commerce. More broadly, every organization must function to "manage" its work, people, processes, technology, etc. to maximize effectiveness.

### **III.VARIOUS THEORIES OF MANAGEMENT**

What do we understand by the term theory? and ideologies say that a theory is a set of accepted beliefs or organized principles that explain and guide analysis and one of the ways that theory is defined is that it is different from practice, when certain principles are tested, so the traits can easily be observed in various Management theories--

#### **IV. SCIENTIFIC MANAGEMENT THEORY (1890-1940)**

Frederick Taylor developed the "scientific management theory" which espoused this careful specification and measurement of all organizational tasks. It is a theory of management that analyses and synthesizes workflows. Its main objective is improving economic efficiency, especially labour productivity. It was one of the earliest attempts to apply science to the engineering of processes and to management. Scientific management is sometimes known as Taylorism. Taylor observed that some workers were more talented than others, and that even smart ones were often unmotivated. He also observed that most workers who are forced to perform repetitive tasks tend to work at the slowest rate that goes unpunished. This slow rate of work has been observed in many industries and many countries and has been called by various terms. Taylor used the term "soldiering" [9] This theory worked well for long years.

#### **Bureaucratic Management Theory (1930-1950)**

Max Weber embellished the scientific management theory with his bureaucratic theory. Weber focused on dividing organizations into hierarchies, establishing strong lines of authority and control. He suggested organizations develop comprehensive and detailed standard operating procedures for all routinized tasks.

Scientific management was concerned with individual efficiency tasks. Around the same time that Frederick Taylor was developing his theory of scientific management, other theorists were considering entire systems, such as government departments and large businesses, and trying to figure out how to manage them more effectively. The most influential of these theorists were Max Weber and Henri Fayol. Between them, they defined the characteristics of organizations and the functions of managers that we still accept today.

Weber was concerned that authority was not a function of experience and ability, but won by social status. Because of this, managers were not loyal to the organization. Organizational resources were used for the benefit of owners and managers rather than to meet organizational goals. Weber was convinced that organizations based on rational authority, where authority was given to the most competent and qualified people, would be more efficient than those based on who you knew. Weber called this type of rational organization a bureaucracy.

#### **Administrative Theory:**

This theory is set by Henry Fayol and he was a mining engineer who became the head of a large mining company. He wanted managers to be responsible for more than just increasing production. Unlike Weber, Fayol was concerned with how workers were managed and how they contributed to the organization. He felt that successful organizations, and therefore successful management, were linked to satisfied and motivated employees.

five objectives of management were as follows:

- Foresight: Create a plan of action for the future.
- Organization: Provide resources to implement the plan.
- Command: Select and lead the best workers through clear instructions and orders.
- Coordinate: Make sure the diverse efforts fit together through clear communication.
- Control: Verify whether things are going according to plan and make corrections where needed.

These duties evolved into the four functions of management: planning (foresight), organizing (organization), leading (command and coordinate), and controlling (control).

### **Human Relations Movement (1930-today)**

Eventually, unions and government regulations reacted to the rather dehumanizing effects of these theories. More attention was given to individuals and their unique capabilities in the organization. A major belief included that the organization would prosper if its workers prospered as well. Human Resource departments were added to organizations.

### **Traits of Progressive Management Development Programs**

With the Human Relations movement, training programs recognized the need to cultivate supervisory skills, e.g., delegating, career development, motivating, coaching, mentoring, etc. Progressive management schools now have students review a wide body of management topics and learn those topics by applying that knowledge in the workplace and reflecting on that application.

Effective management development programs help students (learners) take a **SYSTEM' S**view of their organizations, including review of how major functions effect each other. Assignments include recognizing and addressing effects of one actions on their entire organization.

## **V. CONTEMPORARY THEORIES OF MANAGEMENT**

### **Contingency Theory(currently)**

Basically, contingency theory asserts that when managers make a decision, they must take into account all aspects of the current situation and act on those aspects that are key to the situation at hand.

### **Chaos Theory (currently)**

Chaos theory, recognizes that events indeed are rarely controlled. Many chaos theorists refer to biological systems when explaining their theory. They suggest that functions naturally go to more complexity and must be expended more energy to maintain that complexity. As they expend more energy, they seek more structure to maintain stability.

### **Systems Theory (currently)**

Systems theory has had a significant effect on management science and understanding organizations. Though in chaos theory there is criticism on why system fails? and in defence it is generally brought forth that system has to be channelized in such a way so that it imparts needed results. Understanding this theory well and in collaboration with management, it is necessary to understand about system, systems theory, positivities of this theory and success bound results out of it. Beginning with --

#### **“what is a system?”**

1. A system is a collection of part unified to accomplish an overall goal. A set of detailed methods, procedures and routines created to carry out a specific activity, perform a duty, or solve a problem.
2. An organized, purposeful structure that consists of interrelated and interdependent elements (components, entities, factors, members, parts etc.). These elements continually influence one another (directly or indirectly) to maintain their activity and the existence of the system, in order to achieve the goal of the system.

People follow systems for work and thing as how to get managed for doing work , how to ride a cycle or car , and even how to mend the torn clothes. The fact that every work demands a system. A system can be observed as having inputs such as resources having raw materials, money, technologies and people; processes such as planning, organizing, motivating and controlling; outputs such as products or services and outcomes combining enhanced quality of life and productivity for customers/clients, productivity).

### What is a Systems Theory ?

It is a transdisciplinary study of the abstract organization of phenomena, independent of their substance, type, or spatial or temporal scale of existence. It investigates both the principles common to all complex entities, and the (usually mathematical) models which can be used to describe them. The word “transdisciplinary” explains why systems theory is so popular in many disciplines. This common framework or language to address problems in fields as diverse as engineering, biology, organization theory, sociology, and psychology is what gives systems theory its near universal appeal.

### Major characteristics of Systems Theory

While focusing upon the characteristics of systems theory Kast and Rosenzweig have identified several key concepts or characteristics--

**Synergy:** Interrelated subsystems. The first major theory of general systems theory is the notion of a system as a set of interrelated subsystems. This is a defining concept of any system and it captures the idea that the behavior of the whole is greater than the sum of its parts.

**Entropy:** Open to environment. The second characteristic of System Theory is the concept of open systems. Closed systems are characterized by a greater degree of certainty because they have no ability to import energy from the environment to counteract the buildup of entropy. Open systems can import energy from their environment and, therefore, can grow and change over time.

**Input-transformation-output process:** The third principle is that a system is a constant process of taking inputs and transforming them into outputs. The inputs are acquired from the environment and the output goes back into the environment in a constant exchange. For example, a business firm imports inputs such as raw materials and labor, transforms them into goods and services, and delivers this output to its customers. Both suppliers and customers are part of its external environment.

**Feedback:** The fourth key principle is the notion of feedback. Feedback is what allows a system to attain its steady state. There are two types of feedback loops. The first is called error-control feedback and feed forward control.

**Homeostasis:** The fifth principle of System Theory is the concept of homeostasis which refers to the ability of a system to achieve a state of dynamic equilibrium. Therefore, the organization should change but the changes would be enough to meet the environmental changes.

**Equifinality:** The final principle is the concept of attaining the ability of a system to result into many different initial conditions. That is, systems exhibit a many-one behavior on which the system can find the same end-state from many different initial starting positions.

## VI. SYSTEMS APPROACH TO MANAGEMENT

It is a concept which views a company as an interconnected purposive system that consists of several business sections. It studies a firm in its totality so that the men and material resources of the firm can be organized to realize the firm's overall objectives efficiently.

**S Model:** The 7-S model is a framework for analyzing organizations and their effectiveness. It looks at the seven key elements that make the organizations successful, or not: strategy; structure; systems; style; skills; staff; and shared values. To improve the organization, one has to pay attention to all of the seven elements at the same time. The System approach views the organization as a unified, purposeful system composed of interrelated parts. This way the manager can look at the organization as a whole or part of the larger outside environment. Activity of any part affects all other parts of the organisation.

## CONCLUSION

Systems theory may seem quite basic. Yet, decades of management training and practices in the workplace have not followed this theory fully whereas it can benefit research areas, organisations and private sectors very efficiently. Recently, with tremendous changes facing organizations and how they operate, have educators and managers come to face this new way of looking at things. This interpretation has brought about a significant change in the way of management studies and approaches to organizations through systems approach. The effect of systems theory in management is that writers, educators, consultants, etc. are helping managers to look at the organization from a broader perspective. Systems theory has brought a new perspective for managers to interpret patterns and events in the workplace.

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