



## Classical to Contemporary Management

### KEYWORDS

Creativity, Intrinsic, Extrinsic, Motivation, compensation

**Dr.K.SELVAKUMAR**

Assistant Professor, KKCP, Periyar Maniammai University, Vallam, Thanjavur

### ABSTRACT

*The speed of change in modern business has increased because of globalization and changes in technology. Management Innovation Defines creativity as problem solving and Problem solving depends on knowledge & expertise. Creativity is coming up with new ideas for improvements, and innovation is implementing those ideas. Most common things that every individual wants are Recognition of achievements (public and private), Intrinsic & extrinsic motivation and Compensation equal to peers. The human needs influence human behavior. In the organizational context, motivation implies a basic psychological process. Here the theories of individuals on motivation principles in specific the content theories are discussed in detail along with the lessons learned from these branches of classical approach for they are foundation for change in management.*

### INTRODUCTION

Only at the end of the 19<sup>th</sup> century, and the industrial revolution, that management as a concept was developed. Contemporary managers can benefit from the organized body of knowledge called "Management". It is a source of theories that managers can use to guide their actions. The scientific study of management as a science began in earnest with the classical management approaches. Individuals such as Frederick Taylor, Frank and Lillian Gilberth, Henri Fayol contributed greatly to the development of the scientific management, administrative principles and bureaucratic organization branches of classical management. Classical theorists focus on the job and management functions to determine the best way to manage in all organizations. Management Science theorists focus on the use of mathematics to aid in problem solving and decision making. Mathematical models are used in the areas of finance, management information systems (MIS), and operations management. Behavioral theory attempts to develop a single best way to manage in all organizations by focusing on people and making them productive. Systems theory manages by focusing on the organization as a whole and the interrelationship of its departments, rather than on individual parts. Sociotechnical theory recommends focusing on the integration of people and technology. Contingency theory recommends using the theory or the combination of theories that best meets the given situation. The speed of change in modern business has increased because of globalization and changes in technology. Management Innovation Defines creativity as problem solving and Problem solving depends on knowledge & expertise. Creativity is coming up with new ideas for improvements, and innovation is implementing those ideas. Most common things that every individual wants are Recognition of achievements (public and private), Intrinsic & extrinsic motivation and Compensation equal to peers. Thus theories of individuals on motivation principles in specific the content theories are discussed in detail along with the lessons learned from these branches of classical approach for they are foundation for change in management.

### MOTIVATION PRINCIPLES AND TYPES OF MOTIVATION THEORIES

Motivation is a psychological process through which unsatisfied wants or needs lead to drives that are aimed at goals or incentives. All needs theories of motivation propose a similar idea: individuals have needs that, when unsatisfied, will result in motivation. Content based theories emphasize the needs that motivate people. Process based theories emphasize on how people make choices to satisfy needs. Reinforcement based theories emphasize that when people are rewarded

for a particular behavior they tend to repeat the same.

### CONTENT THEORIES OF MOTIVATION PRINCIPLES

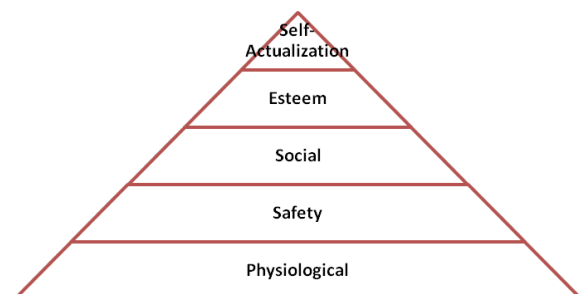
#### 1. Maslow's Theory of Human Needs

Maslow's famous theory, Hierarchy of Human Needs, has contributed much to understanding human relations and management. Human nature is basically good, not evil. Normal human development involves the actualization of this inherent goodness Maslow defined a Hierarchy of Human Needs that stated the lower needs must be met before an individual can strive to meet the higher needs. Deficit principle states that a satisfied need is not a motivator of behavior Progression principle states that a need at one level does not become activated until the next lower-level need is satisfied.

People are motivated on the basis of five classes of needs ordered in hierarchy of power or force. Once lower order needs are satisfied, other levels become more important. A satisfied need is not a motivator; only needs that remain unsatisfied can influence behavior. Knowing what level a person is located on helps him settle on a clear motivation. Maslow emphasizes need for self actualization is a healthy individual's prime motivation. Need means a lack of something required or desired. Needs motivates one to act.

People's needs are arranged in a hierarchy of importance starting from Physiological needs followed by Safety, Love, Esteem and Self-Actualization at the higher order. Once they satisfy one need, at least partially, another emerges and demands satisfaction. Self-Actualization means actualizing one's potential becoming all one is capable of becoming. Maslow defines a self-actualized person: "Has no mental illness, satisfied in basic needs, fully exploited talents and motivated by values"

Figure 1: Maslow's Hierarchy of Need



**2. McGregor’s Theory of X and Y:**

McGregor argued that managers should devote more attention to people’s social and self-actualizing needs at work. According to his theory X and Y assumptions, Theory X assumes that people dislike work, lack ambition, are irresponsible, resist change and prefer to be led rather than to lead. Theory Y assumes that people willing to work, capable of self-control, willing to accept responsibility, imaginative and creative and are capable of self-direction.

**3. Herzberg’s Two-Factor Theory of Motivation:**

Herzberg’s theory identifies two sets of factors that influence job satisfaction, motivators and hygiene factors. The motivators and hygiene factors are related to employee satisfaction, a more complex relationship than the traditional view that employees are either satisfied or dissatisfied. According to his theory Motivators are Job-content factors such as achievement, recognition, responsibility, advancement, and the work itself. Hygiene Factors are Job-context variables such as salary, interpersonal relations, technical supervision, working conditions, and company policies and administration. If hygiene factors are not taken care of or are deficient there will be dissatisfaction. There may be neither dissatisfaction nor satisfaction if hygiene factors are taken care of, and there will be satisfaction only when motivators are present. Hygiene factors help to prevent dissatisfaction whereas motivators lead to satisfaction

**LESSONS LEARNED**

With some minor modification researchers examined the need satisfaction and need importance of the four highest-level needs in the Maslow hierarchy. Studies indicated all these needs were important to the respondents across cultures. International managers indicated the upper-level needs were of particular importance to them. Findings for select country clusters (Latin Europe, United States/United Kingdom, and Nordic Europe) indicated autonomy and self-actualization were the most important and least satisfied needs for the respondents. Another study of managers in eight East Asian countries found that autonomy and self-actualization in most cases also ranked high George Hines concluded “the Herzberg model appears to have validity across occupational levels”. The studies indicated that overall Herzberg’s two-factor theory of job satisfaction generally held true, where Motivators tend to be more important to job satisfaction than hygiene factors and Job-satisfaction-related factors may not always be culturally bounded and finally Job content may be more important than job context.

**CONCLUSION**

Thus classic motivation theories provides behavioral approach to change, that is, how one individual can change another’s behavior using reward to achieve intended results. Motivators tend to be more important to job satisfaction than hygiene factors. The more choice people can exercise over both , the better motivated they will be. All the Needs and Job-satisfaction-related factors were important and may not always be culturally bounded. Job content may be more important than job context and Job insecurity undermines motivation at all levels.

**Figure 2. Comparison of Maslow’s and Herzberg’s motivation theories**

	Maslow	Herzberg
Higher-order needs	Self-Actualization Esteem	Motivators
Lower-order needs	Social Safety Physiological	Hygiene Factors

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