

The following is excerpted from: “Making Sense of Management Theory” by Harold Koontz

In the somewhat immature field of the science management there have been a plethora of theories both substantiated with empirical data and not, which have caused confusion and misinterpretation. I will, at the risk of over simplification classify and describe the six schools of management thought.

- I. The Management Process School – This approach to management theory perceives management as a process of getting things done by people who operate in organized groups. By analyzing the process, establishing a conceptual framework for it, and identifying the principles underlying the process, this approach holds a particular theory of management. It regards management as a process that is essentially the same whether in business, government, or any other enterprise, and which involves the same process whether at the level of president or foreman in a given enterprise. It does, however, recognize that the environment of management differs widely between enterprises and levels. According to this school, management theory is seen as a way of summarizing and organizing experience so that practice can be improved.

This school bases its approach to management theory on several fundamental beliefs. Specifically:

- Managing is a process that can best be dissected intellectually by analyzing the manager’s functions.
- Long experience with management in a variety of enterprise situations can be grounds for the distillation of certain fundamental truths or generalizations – usually referred to as principles that have a clarifying and predictive value in the understanding and improvement of managing.
- These fundamental beliefs can become focal points for useful research both to ascertain their validity and to improve their meaning and application in practice.
- Such beliefs can furnish elements, at least until disproved, of a useful theory of management.
- Managing is an art, but like medicine or engineering, one which can be improved by reliance on sound underlying principles.
- Principles in management, like principles in the biological and physical sciences, are true even if exceptions or compromises of the “rules” prove effective in a given situation.
- While there are, of course, many factors that affect the manager’s environment, management theory need not encompass all knowledge in order for it to serve as a scientific or theoretical foundation for management practice.

The basic approach this school takes, then, is to look first at the functions of managers – planning, organizing, staffing, leading, and controlling – and to distill from these functions certain fundamental principles that hold true in the understandably complicated practice of management.

- II. The Empirical School – This second approach to management is taken by those scholars who identify management as a study experience, sometimes with the intent to draw generalizations but often merely as a means of transferring this experience to practitioners and students. Typical of this school are those who see management as the study and analysis of cases.

The empirical school seems to be founded on the premise that if we analysis the experience of successful managers, or the mistakes made in management, we will somehow learn the application of the most effective kinds of management techniques.

*No one can deny the importance of studying managers' experiences, or of analyzing the "how it was done" of management. But management, unlike law, is not a science based on precedent, and situations in the future which are exactly comparable to the past are exceedingly unlikely to occur. Indeed, there is a positive danger in relying too much on past experience or on the undistilled history of managerial problem solving, since a technique or approach found "right" in the past will seldom fit a situation of the future.*

- III. The Human Behavioral School – This approach to the analysis of management is based on the central thesis that, since managing involves getting things done with and through people, the study of management must be centered on interpersonal relations. Various called the human relations, leadership, or behavioral sciences approach, this school brings to bear the existing and newly developed theories, methods and techniques of the relevant social sciences upon the study of inter- and intra-personal phenomena, ranging fully from the personality dynamics of individuals at one extreme to the relations of cultures at the other. This school concentrates on the "people" part of management and rests on the principle that since people work together in groups to accomplish objectives, "people should understand people," and this has as its primary focus the motivation of the individual as a socio-psychological being.

Adherents of this school, as a result, have a heavy orientation toward psychology and social psychology. Nevertheless, the emphasis of various groups within this school varies widely. There are those who emphasize human relations as an art that the manager should advantageously understand and practice. Some focus attention on the manager as a leader and sometimes equate managership with leadership, thus, in effect, tending to treat all group activities as "managed" situations. Still others see the study of the group dynamics and interpersonal relationships as simply a study of socio-psychological relationships and seem, therefore, merely to be attaching the term management to the field of social psychology.

- IV. The Social System School – Closely related to the human behavior school, the social system school includes those researchers who look upon management as a social system, a system of cultural interrelationships. Sometimes, as in the case of March and Simon, the system is limited to the formal organization. Sometimes the system is not limited to formal organizations, but rather encompasses any kind of system involving human relationships.

Heavily sociological in nature, this approach to management essentially does what any study of sociology does. It identifies the nature of the cultural relationships of various social groups and attempts to show these as a related and usually integrated system.

Chester Barnard, the spiritual father of this school, developed a theory of cooperations grounded in the needs of the individual to overcome, through cooperation, the biological, physical, and social limitations of himself and his environment. Barnard's definition of organization is any cooperative system in which there are persons able to communicate with each other and willing to contribute action toward a conscious common purpose.

Herbert Simon defined the subject of organization theory and the nature of human organizations as "systems of interdependent activity, encompassing at least several primary groups and usually characterized by a high degree of rational direction of behavior toward ends that are objects of common knowledge." Simon and others subsequently have apparently expanded this concept of social systems to include any cooperative and purposeful group interrelationship or behavior.

- V. The Decision Theory School – This group concentrates on rational approaches to decision making – the selection of a course of action or of an idea from various possible alternatives. In its approach, this school may deal with the decision itself, or with the persons or organizational group who make the decision, or with an analysis of the decision process. Some limit themselves primarily to the economic rationale of the decision, while others regard anything that happens in an enterprise as the subject of their analysis.

This approach looks at a wide variety of systems within the framework of the enterprise, from organization structure to information and communication systems to goal setting to rewards and incentives. The study of decision theory becomes selecting a course of action from various alternatives, using probabilities in assessing risk and uncertainty.

- VI. The Mathematical School – Grouped under this school are those who see management as a system of mathematical models and processes. Perhaps the most widely known group comprises the operations researchers or operations analysts, who have sometimes anointed themselves with the rather pretentious name of "management scientists." They view all processes, management, organizations, planning, and decision making as logical processes that can be expressed in terms of mathematical symbols and relationships.

The intent is to define the problem, the problem area, insert symbols for unknown data, and apply mathematical models as a tool for solving or simplifying complex phenomena. The approach forces people in management to see problems more clearly, to establish goals and measures of effectiveness, to reorganize information so that it has sensible quantitative meaning, and to view management as a logical system.