

ORGANIZATION MANAGEMENT

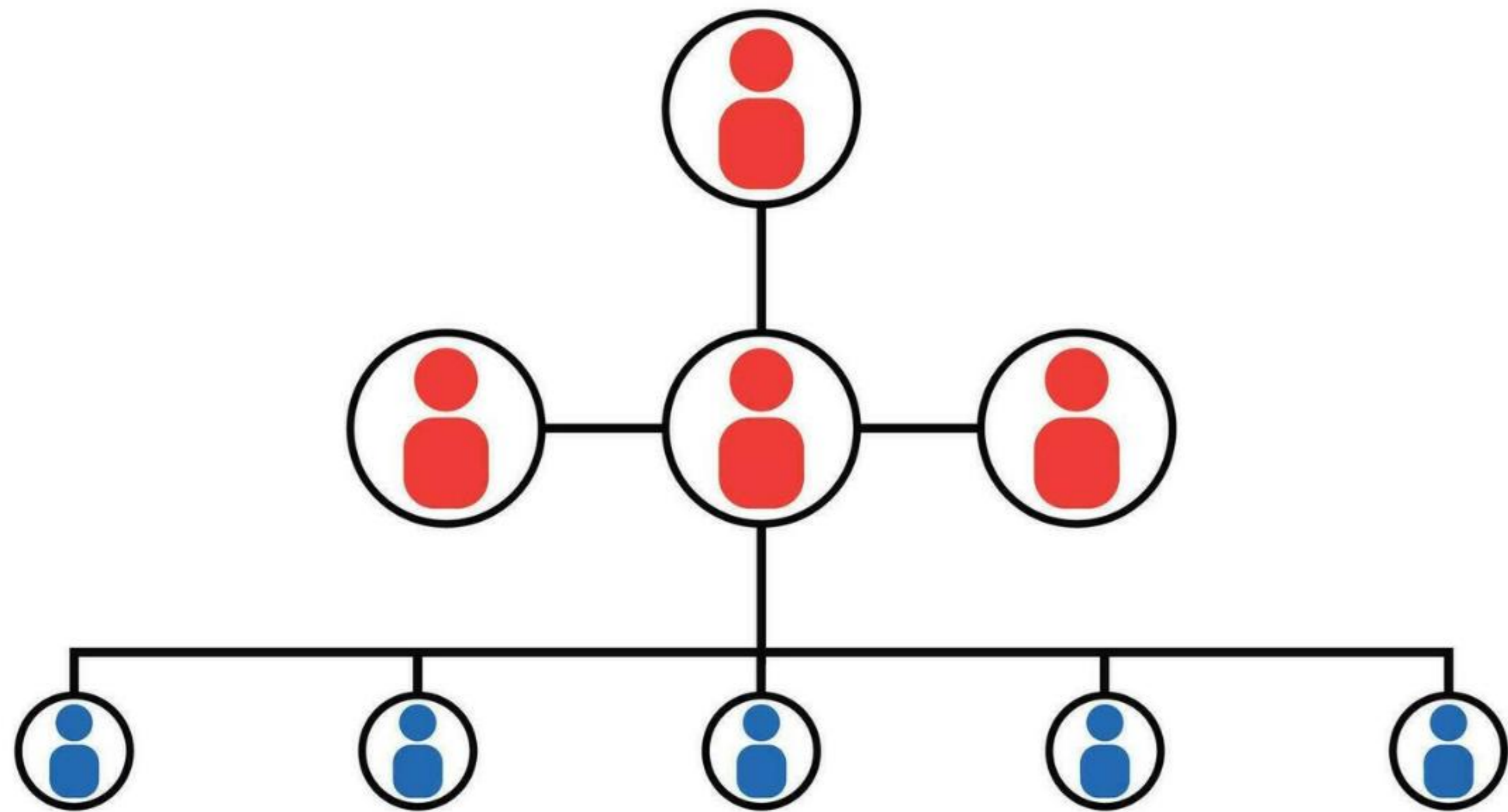
Chapter 2: Organization Theory

Foundations of Modern Management Strategy

| Learning Objectives

- ✓ **Historical Context:** Explain organization theory concepts across different eras.
- ✓ **Evolutionary Path:** Understand the development from past paradigms to current trends.
- ✓ **Critical Analysis:** Compare the distinct strengths and limitations of major theories.
- ✓ **Practical Insight:** Analyze real-world applications of theoretical frameworks.

Defining Organization Theory



Principles of Structure

Organization theory encompasses the concepts and principles used to explain **structures, processes, and behaviors** within an organization.

Its primary goal is to optimize management systems for **maximum efficiency and performance**.

The Evolution Journey

From Efficiency to Complexity

Theoretical Development Eras

1900s - Classical

Structure & Division of Labor



1930s - Behavioral

Human Relations & Psychology






1960s - Modern

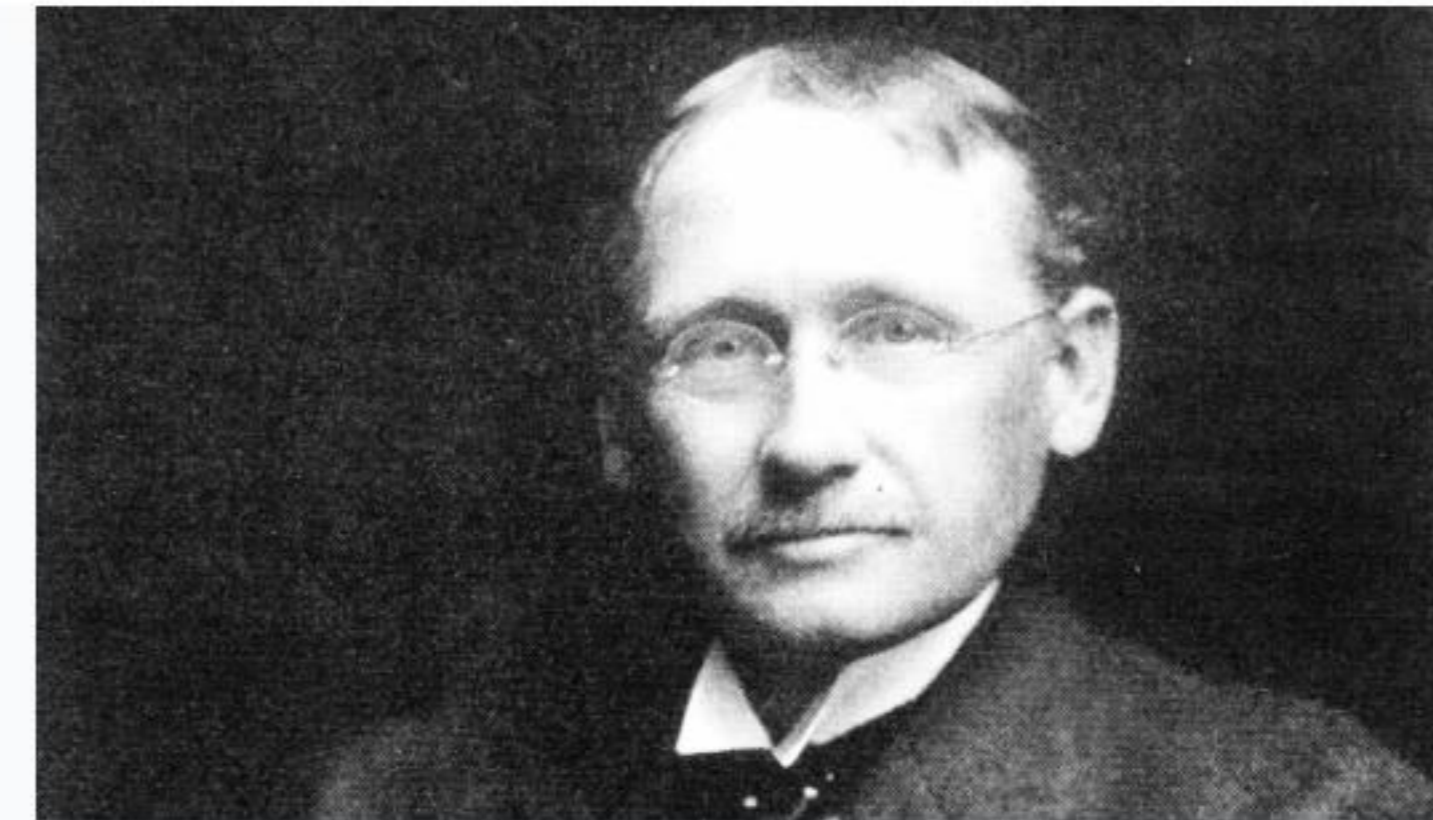
Systems & Contextual Adaptability



| Scientific Management

Frederick W. Taylor

-  **Scientific Methods:** Work standardization based on data.
-  **Clear Division:** Specialized roles and responsibilities.
-  **Performance:** Measurable outputs and performance-based pay.



Fayol's Administrative Functions



Planning

Defining future goals and strategies.



Organizing

Structuring tasks and resources.



Commanding

Directing and guiding staff.



Coordinating

Unifying efforts for synergy.



Controlling

Monitoring performance metrics.

Behavioral Theory Pillars

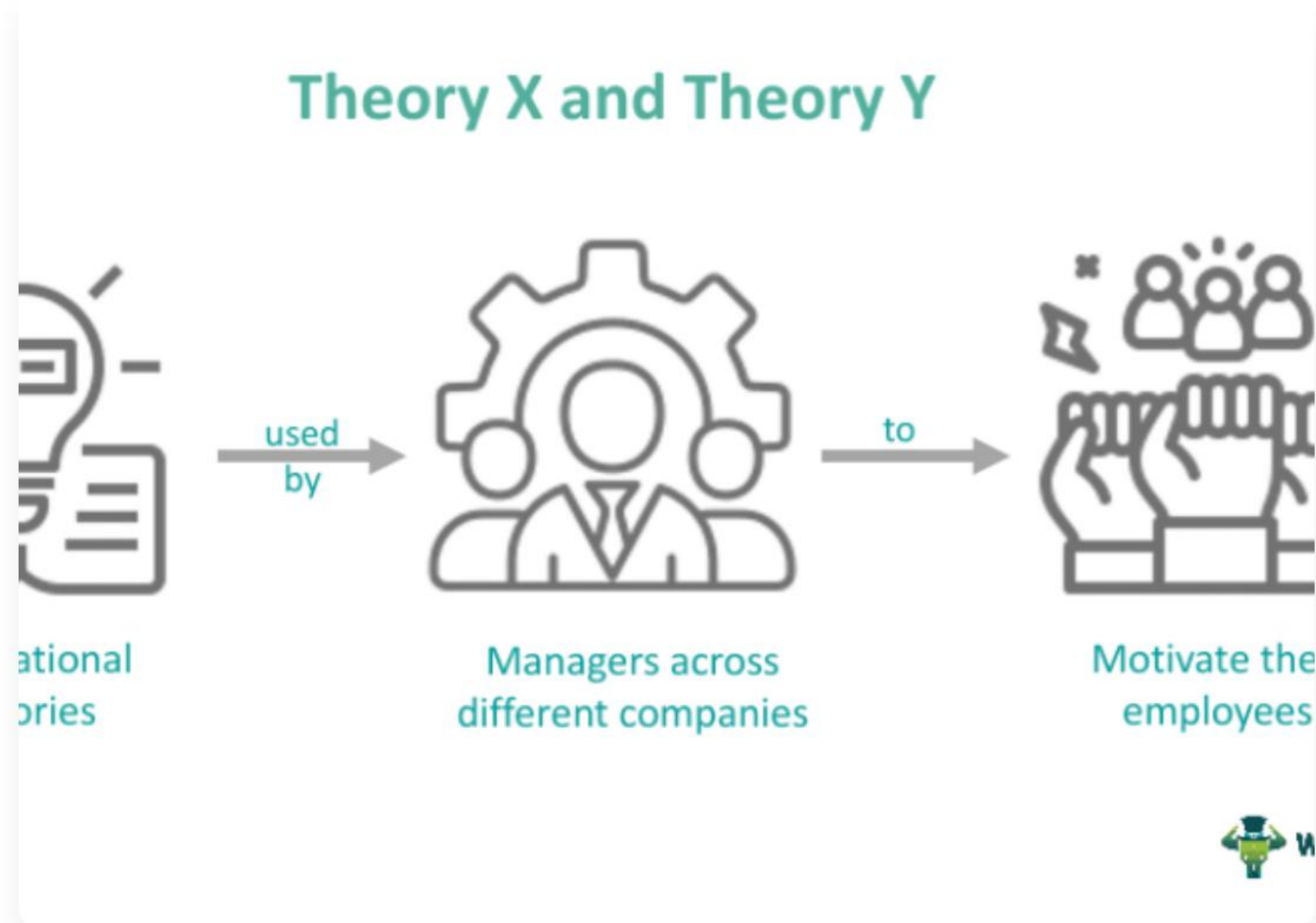
Hawthorne Studies

Elton Mayo discovered that social environments and group dynamics influence productivity more than physical conditions.

Hierarchy of Needs

Abraham Maslow proposed 5 levels of human needs, from physiological basics to self-actualization, driving motivation.

Douglas McGregor: Theory X & Y



Managerial Assumptions

Theory X: Workers are inherently lazy, avoid responsibility, and require strict control/coercion.

Theory Y: Workers are self-motivated, seek responsibility, and exercise self-direction for goals.

Modern Systems & Contingency

Systems Thinking

Organizations are viewed as interconnected systems interacting with the external environment.

Contingency Theory

There is no "best" way. Effective management is dependent on the specific **situation and context**.



Comparative Analysis

Theory Era	Strengths	Key Limitations
Classical	High order and systematic efficiency.	Ignores human behavior and nuances.
Behavioral	Prioritizes employee needs and motivation.	Lacks a rigid structural framework.
Modern	Flexible and highly adaptable.	Requires deep analytical complexity.

Summary & Review

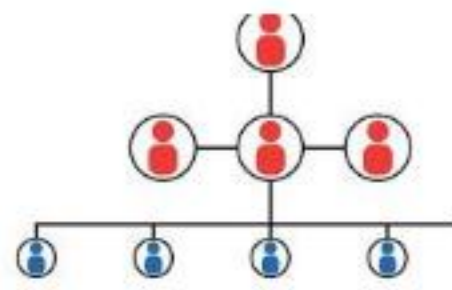
Conclusion: Effective management integrates diverse theories to match environmental complexity.



1. How does Scientific Management differ from Behavioral Theory?
2. In your view, which theory is most relevant today?


Thank you for your attention.

Image Sources



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