

Effects of Classical Management Theories on the Current Management Practice in Nigeria

Anichebe Nnaemeka Augustine
Emekanichebe @yahoo.com.
Management, University of Nigeria, Enugu Campus
Agu, Okoro Agu
Don_okojobo@yahoo.com
Management, University of Nigeria, Enugu campus

Abstract

The study of the "Effects of Classical Management Theories on Current Management Practice in Nigeria" was carried out. This was to assess the extent of application of the Scientific Management, Administrative and Bureaucratic Theories in Nigerian Organizations and the effects of the application to the progress, development and growth of these Organizations. Descriptive research method, especially survey research was employed in carrying out the study. Three hypotheses were tested using chi square and linear regression. The population of the study was 320 workers of the ANAMBRA MOTOR MANUFACTURING COMPANY LIMITED (ANAMMCO), EMENITE and NIGER GAS. A sample size of 177 was generated using the Taro Yamene formula for sample size determination, stratified sampling technique was used in the distribution of the questionnaire for data collection. Frequency tables using simple percentages were used for analyses of the data generated. The study revealed that the application of the Scientific management, Administrative and Bureaucratic Theories in management of various organizations contributed to waste, labour turnover, layoff of workers, slow pace of organizational growth and development and low productivity in the organizations. The study concluded that given the present performances of the Nigerian Organizations, more need to be done in the way the classical management theories were applied, such that workers will be more motivated to perform in a conducive work environment. It was recommended that, for organizations to achieve the objectives of effective and efficient productivity, they must understand, accommodate, embrace and promote people dynamics (nature, needs, values, motivations and general cultural political environmental differences). Organizations should also review periodically their rules, regulations and manuals to ensure current trends in the business environment. Finally, that organization should allow for initiative, innovations and workers participation in decision making.

Keywords: classical management, management practice, Nigeria

Introduction

The study of classical management thoughts which are set of concepts that started in 1800s took their roots in the study of organizations. The effects of the set of theories of organization has been and are still profound. The effects are seen virtually in all complex organizations. The word that is said most about the classical view of organization is "structure" (The structure of formal organization). An organization is defined as a formal association of individuals with a common purpose and with stipulated objectives to attain under authority and leadership (Onwuchekwa, 1993:2). An organization is also defined as the structure of the relationships, powers, objectives, roles, activities, communications and other factors that exist when people work together (Ile, 1999:55). Scientific Management, Administrative theory and the Theory of Bureaucracy are the three streams of classical management theories that have stressed this point of view. Therefore the classical theories were developed in three streams viz;

- (a) The Scientific Management theory developed by Fredrick Winslow Taylor (1856-1915)
- (b) The Administrative Management theory, developed by Henri Fayol (1841 - 1925) and
- (c) The Bureaucratic Management theory, propounded by Max Weber (1864-1920).

The three streams of thought were founded on similar assumptions. The practical effects of the three are essentially the same, in that they were developed about the same time, (1900-1950). However, each of the three streams were developed by separate groups of writers working almost totally independent of each other.

The Scientific Management Theory formulated by Fredrick Winslow Taylor (1856-1915) and others like:- Henry L. Gant (1861-1919), Frank B. and Lillian M. Gilbreth (1868-1924) and (1878-1972) respectively, focused on the need to increase productivity, especially in United States of America, where skilled labour was in short supply at the beginning of the twentieth century. It was the believe of the Scientific Management Developers that, the only way to increase productivity was to increase the efficiency of workers.

The Administrative Management Theory, developed by Henri Fayol (1841-1925), was mostly out for the need to find guidelines for managing a complex organization such as factories. He therefore concentrated on authority and its implementation in work place. He developed five functions of management, which include;

Plan, Organize, Command, Co-ordinate and Control, with 14 principles that he saw as common to all organizations.

The theory of Bureaucracy developed by Max Weber (1864-1920), focused on position in an organization, which he believed should follow the principle of hierarchy (each lower office being subject to the control of a higher one) i.e. organizations must strictly define its hierarchy, governed by clearly defined regulations and lines of authority (Stoner, et al, 1992:63). This paper is therefore focused on finding out the effects of the three streams of thoughts on current management practice in Nigerian Organizations and to do this, there is need to state problem.

Statement of the Problem

The three streams of thought that made up the classical management theories were formed on a similar assumption and the practical effects of them were essentially the same (Ile, 1999:56). These theories were mostly concerned with increase in efficiency and production (lower costs of production and increase in profit). By this, they were interested in certain principles and practice that will ensure effective and efficient operation in any given organization for achieving a good relationship between the employers and employees that will ensure smooth achievement of the organizational goals and objectives.

However, inspite of the fact that these theories which are still in practice, are widely accepted, achievement of organizational goals of total efficiency in these organizations is still a mirage.

1. The present level of waste and labour turnover in organizations indicate the inadequacies of these principles in today's management practice.
2. The lay-off of workers on yearly bases by indigenous organizations, the slow pace of growth and development of these organizations such as the Anambra Motor Manufacturing Company Limited (ANAMMCO), EMENITE and NIGER GAS indicate the short falls of the theories to the current management practice in Nigeria.
3. The complete close down of organizations due to non-performance, goes a long way to show that, though classical management theories are still in practice today, desired objectives of organizations in Nigeria are far from being achieved. Could it be that the theories are not being properly applied in these organizations? Or due to other environmental effects. The organizations like the Sunrise Flour Mill, Enugu and the Nigeria Cement Company Limited, Nkalagu (NIGERCEM) has been closed down for years now and their workers thrown to the labour market.

Objectives of the Study

The broad objective of this study is to find out the effects of classical management theories on current management practice in Nigerian organizations. The specific objectives therefore are:

1. To examine the contribution(s) of classical management theories to the current level of waste and labour turnover in Nigerian organizations.
2. To find out the effects of the application of the classical management theories on the lay-off of workers, slow pace of growth and development of organizations in Nigeria.
3. To know if the closure of some of the Nigerian organizations were caused by the application of the theories in management practice of the organizations.

Research Questions

From the foregoing, the following research questions will guide the study.

1. Does the current waste and labour turnover in Nigerian organizations arise as a result of the practice of classical management theories?
2. Does the application of classical management theories influence lay-off of workers, slow pace of growth and development of Nigerian Organizations?
3. Could the closure of some of the organizations be as a result of the application of the theories in the management practice of the organizations and could the application result to low performance of an organization.

Research Hypotheses

Based on the research objectives, the following hypotheses were formulated for the study

- 1 Classical management theories significantly contribute to current level of waste and labour turnover in Nigerian organisations .
- 2 There is a significant effect of classical management theories on workers layoff, slow pace growth and development
- 3 Closure of some organisations is as a result of the application of the theories in the management practice of the organisations and the application result to low performance of an organisation.

Review of Related Literature

Definition of Theory

The New Webster Dictionary of English Language, International Edition (2004:1025) defines theories as:- “An organized body of ideas as to the truth of something, usually derived from the study of a number of facts relating to it, but sometimes entirely a result of exercising the speculative imaginations”. It went further to state that theory is knowledge of science or art derived from such study and speculation and that it is a general body of assumptions and principles. Theory is also, a coherent group of assumptions put forth to explain the relationship between two or more observable facts which can be used to provide a sound basis for predicting future events (Stoner et al, 1992:28).

It is a systematic grouping of interrelating ideas, whose tasks are to tie together and to give a framework to significant knowledge (Koontz et al, 1980:13). From the foregoing, one can say that theory can be defined as a structure of fundamental concepts and ideas around which knowledge in a field are organized, it is also a proposition, idea or assumption put forth by an individual or group of individuals on how a particular management problem can be solved.

A confirmed theory can therefore become a principle (Ile, 1991:1). Therefore, studying theories of management becomes important due to the fact that, it shapes our views of organizations, guides management decisions and provides a source of ideas as it gives chance to take a different view of every situation, 'the major assumption under the classical theory of organization and management is that human beings are motivated to perform through financial inducement. This view is still relevant in today's management practice.

Development of Management Theories before the Industrial Revolution

The systematic study of management as a separate branch of knowledge started of recent, but the practice is as old as human society. (He, 2002:51), states that – “Management is as old as human organization”. It is important to note that man has been making decisions about what to do and how to do it in the past. Before the advent of industrial revolution in Europe about 1750-1850, the human society engaged in crafts and took care of their Micro Organizational units, called families by producing crafts of one unit or the other, therefore the system of production was based on handicraft system. This system entailed staying at homes and producing one thing or the other, hunting, gathering and farming. The output of these endeavours were used for the family sustenance and any surpluses exchanged with neighbours for other items (this is called Trade by Barter). During that time, man was able to manage his family. This is to say that, management started from the olden days. An analysis of this period shows that as life continued, management become more revolutionalised and sophisticated. This gives credence to the fact that, the study of management and organization is quite old. Therefore it could be traced that several attempts were made over the years, to explain theories and principles of organization and management as we have them today.

Development of Management Theories During and After the Industrial Revolution

From the foregoing, one understands that, before the industrial revolution, production system was based on handicraft, hunting, gathering and farming. But, during and after the industrial revolution, there became great changes in organization of industries and methods of productions. During these periods, machinery replaced the handicraft system of production. This occurred in about the 18th century. This is to say that the industrial revolution brought about the factory system of production, which entailed;

- (a) Workers, raw materials, machinery and equipments were concentrated under a roof or group of buildings used exclusively for production.
- (b) There were centralized control of labour, raw materials, production and output.
- (c) There were a clear distinction between the Employers and Employees. The result of the industrial revolution were rapid development of factory system, which gave rise to large scale production as specialized machines were used in sequence to perform operations. This created complex management problems of combining and co-ordinating the factors of production. The managers at this period were usually autocratic, forceful and self-trained. They relied so much on intuition and rule of thumb practices and procedures. The increase in scope and complexity of business organizations as a result of industrial revolution created additional management problems (Ile, 2003:56).

As a result of these additional management problems created by the industrial revolution, people started investigating and developing new concepts relating to management of organizations. Thus a set of concept about organization began to be extensively developed. In fact modern management theories and principles date from the introduction of the factory system. Techniques for financial control, incentive payment schemes, planning systems and investment appraisal methods were rapidly developed and applied. The works of Fedrick Winslow Taylor father of Scientific Management Theory, Henri Fayol father of Administrative Theory and Max Weber the proponent of Bureaucracy stand out clearly in this regard. From the writing of these authorities called the Classical Management Thoughts, other theories and principles of management were developed.

The Classical Management Theories

The Scientific Management Theory:-

Koontz et al, (2005:12) states that many different writers and practitioners have resulted in different approaches to management and these make up a management theory jungle. This is to say that although Fredrick Winslow Taylor, (1856 - 1915), was known and acknowledged as father of Scientific Management, he was not alone in this area, other notable contributors of this theory were Henry L. Gant (1861 -1919), Frank B. and Lilian M. Gilbreth (1868 - 1924) and (1878 - 1972) respectively. These people and their works were presented in this section and are linked to current management practices in Nigeria.

(a) **Fredrick Winslow Taylor:** In 1911, Taylor published his famous work titled “Principles of Scientific Management”. In this work, he advocated that Managers should gather together all the traditional knowledge possessed by work men and then classify and reduce them to laws, rules and formulae. They should then develop a “science”, for each element of man's work to replace old rule of thumb methods and scientifically select and train workmen in the new methods. He also stated that managers should take over certain tasks, such as planning and scheduling of work, which were previously left to the workmen to cope with as well as they could. Koontz et al (2005:14) states that the fundamental principles that Taylor saw underlying the scientific approach to management are as follows:

- (a) Replacing rules of thumb with science (organized knowledge).
- (b) Obtaining harmony, rather than discord in group actions.
- (c) Achieving co-operation of human beings, rather than chaotic individuals.
- (d) Working for maximum output, rather than restricted output.
- (e) Developing all workers to the fullest extent possible for their own and their company's interests.

Stoner et al (1995:60), also contended that Taylor rested his philosophy on four basic principles;

1. The development of true scientific management, so that the best method for performing each task could be determined.
2. The scientific selection of workers, so that each worker would be given responsibility for the task for which he was best suited.
3. The scientific education and development of workers.
4. Intimate, friendly co-operation between management and labour.

It was the believe of Taylor that, if management and labour are together for the achievement of an increase in production, profit will be raised to the extent that labour and management will no longer fight over profit. This management system of Taylor was based on production-line time studies. He used time studies by breaking down each job in the production line into various components and designed the quickest and best methods of performing each component. He then established how much workers should be able to do with the equipment and materials at hand and also encourage employers to pay higher rate to more productive workers than the lower productive workers using a scientific rate that would be beneficial to both the company and the workers. This wage rate was called “Differential Rate System” by Taylor.

Inspite of Taylor's great theories which contributed immensely to dramatic increases in productivity and pay, it was however criticized in the following ways;

1. Workers and labour unions believed that the approach of working faster and harder would exhaust whatever work that was available and may lead to layoff of workers, the idea of close supervision of workers implies lack of initiative
2. It was also criticized that undue pressure were being placed on workers to work even more than their capabilities.
3. The emphasis on increase in efficiency and productivity led the managers to be more autocratic and exploitative to workers and customers, the use of stop watch and or piece rate system tends to be dehumanizing as it subjects workers to strains and unfair practices.

His emphasis was more on efficiency at the shop level through the application of time and motion study. His literature on management has become shop management as a result, he lost sight of general aspect of management. Hence Ernest Dale called him the father of industrial engineering rather than scientific management.

Henry L. Gant who was born in 1861, who also worked with and for Taylor between 1880 and 1901 and who also became a consulting engineer, made available his version of scientific management to client companies. He introduced task and bonus system of incentive pay (here, workers who reached set standard were given bonus). This was more widely accepted than Taylor's differential Piece Rate System. This is still profound in today's management practice.

Other followers of Taylor were Frank B. Gilbreth and his wife Lilian M. Gilbreth who stressed that management system should always be written. They did this by refining motion and time study to a high stage of development in their pursuit of the one best way “they were known for their contribution in time and motion studies, they

identified seventeen basic elements in on the job motion which they called therblings, they emphasized the human factors in management and advocated the study of “human sciences”, not only in touch with engineers and the leaders in natural sciences but also the economists, sociologists, psychiatrists etc”.

Gilbreths’ book, “Cheaper by the dozen”, added to make them much popular. Their contribution of the development of flow chart or scale which highlighted the need for breaking an operation into units and steps for different employees to perform is an added advantage. The scale is used to base judgment or remunerating those who performed above or below standard.

The Administrative Theory

Henri Fayol (1841-1925), was a French Engineer. His key work was Administration Industrielle et Generale (General Industrial Administration) 1916. He belonged to the classical school of management theories and was writing and exploring administration and work about the same time as F. W. Taylor in USA. Fayol was concerned with authority and its implementation in the organization. He then advocated a consistent set of principles, that all organizations need to run properly.

According to Stoner et al (1995:62-63), while Taylor was basically concerned with organizational formations, however Fayol was interested in the total organization and focused on management, which he felt had been most neglected of business operations.

Fayol believed that sound management practice falls into certain identifiable five functions. These functions are; Plan, Organize, Command, Co-ordinate and Control. From this insight, he drew up 14 principles that he saw as common to all organizations as follows; Specialization and division of labour, Authority with corresponding responsibility, Discipline, Unity of Command, Unity of Direction, Subordination of individual interest to the General Interest, Remuneration of Personnel, Scalar Chain, Centralization, Order, Equity, Stability of Tenure, Initiative and Espirite de Corps.

The Bureaucratic Theory:-

Max Weber (1864 - 1920), a German Sociologist in his work, developed a theory of bureaucratic management that stressed the need for strictly defined hierarchy, governed by clearly defined regulations and lines of authority. According to Stoner et al (1995:63), Weber considered the ideal organization to be a bureaucracy whose activities and objectives were rationally thought out and whose division of labour were explicitly spelt out. It is also in the opinion of Weber that, competence and evaluation of performance should be based on merit.

His conclusion was that bureaucratic leadership was indispensable for the mass administration required in modern society (Albers, 1974:25). The model presented by Weber corresponds to what many management people call formal organization (Ile, 1999:85). Weber recognized the functional properties of a Bureaucratic system but failed to see the importance of informal organizations. Weber's view for bureaucratic organization is necessary in modern business practice as a prerequisite for efficiency. It has a lot in common with scientific management school, which laid emphasis on rigid application of scientific principles to work. Critics have heaped all kinds of challenges on it, excessive red tape, inflexibility, authoritarianism and general lack of human face (Eze, 1998:54). People that criticized bureaucracy as above, argued that the typical response to any new problem in a bureaucratic organization is to create new rules or procedures. Therefore, instead of finding creative solutions to problem, the bureaucratic organization and the people in it spend valuable time following rules and procedures. No wonder Thompson (1961:152-171), stated dysfunctions of bureaucracy to include; Rigidity, Impersonality, Displacement of Objectives, Limitation of categorization, Cost of controls, Self-perpetuating, Empire building and Anxiety.

Strict adherence to regulations produce timidity, conservatism and technicism. Persons can legally avoid responsibility for accomplishing organizational objective by such odd bureaucratic sabotage as operating within the strict letters of rules. Therefore initiative is restricted by rules and regulations. Any organization that adopt these, makes innovation and introduction of major changes impossible and this can lead an organization to be obsolete. Eke et al (2009:56), in Nigerian Journal of Management Research states that, “Nigeria as a developing country is said to be poor, because its economy has refused to grow. The problem of growthlessness or development distortion can be attributed to lack of basic requirements”. This is to say that rigidity has the capability of not allowing organizations to seek that, which will enable it take proactive decisions for greater productivity. However, Ekeng et al (2009:70), writing in Journal of Policy and development studies states that, “Culture is important to organizations because as individuals act on shared values and aspect of organizational culture, their behaviours can have significant impact on the organizational productivity”. Therefore it is expected that all the theories must recognize that, the modern day management recognize that management is culture bound.

The Relationship between the Scientific, Administrative and Bureaucratic Theories of Management

The three streams of classical Management Theories namely the Scientific, Administrative and Bureaucratic, are comparable and complementary (Ile, 1999:98). The focuses of their views were about the nature of man and his

organization. The theories advocate for formal organization that takes advantage of specialization and hierarchical functional criteria to increase efficiency in achievement of organizational objectives.

There differences were in the following areas;

1. As the Scientific management focused its unit of analysis on the physical activities of work, the Administrative theory focused on practical men in action and are called Practicing Managers, their major orientation was the prescription of principles and other concepts of achieving formal organizations while Bureaucracy took a comparatively detached and scholarly view that described them as normative model of organizations.
2. While Scientific management was concerned with the relationship of a worker to his Job in organization, with the objectives of improving performance of routine production task, the Administrative Theorists were telling how to accomplish an organization and the Bureaucratic theory said what an organization ought to be.
3. The Scientific management focused on production, Administrative theories laid emphasis on management as a component of the organization and Bureaucracy focused on the organization as a whole.
4. Scientific management can be thought of as a bottom-up theory, while the Administrative and Bureaucratic theories in a comparative sense are top-down theories.
5. The prescriptions of Administrative and Bureaucratic theories were distilled from experience, while the prescriptions of Scientific management were derived from specific studies in each case.

Method and Materials

The study was carried out primarily through the survey method and interview of employees in three manufacturing firms in Enugu state Nigeria which include EMENITE, ANAMMCO and NGER GAS. Secondary data were obtained through books, journals, and internet. A sample size of 177 was obtained from the population of 320 at 5% error tolerance and 95% degree of freedom using yamane's statistical formular. 158(89%) of the questionnaire distributed were returned while 19 (11%) of the questionnaire distributed were not returned. The questionnaire was designed in likert scale format. The researcher conducted a pre-test on the questionnaire to ensure the validity of the instrument. Data collected were presented in frequency tables.

Data Analysis and Discussion

The data obtained from the field were presented and analyzed with descriptive statistics to provide answers for the research questions while the corresponding hypotheses were tested with Pearson's Correlation and Linear regression at 0.05 alpha level.

Does the current waste and labour turnover in Nigeria organisations arise as a result of the practice of classical management theories

Table 1: Coded Responses on classical theories and level of waste and labour turnover

s/no	Questionnaire items	S.Agree /Agree		Disagree /S.Disagree		Undecided		Total (Freg)
		Freq	%	Freq	%	Freq	%	
1	Some of organisational wastages are cause by application classical management?	140	89	10	6	8	5	158
2	Classical management contributes to labour turnover in our organisation ?	152	96	2	1	4	3	158
3	TOTAL	292		12		12		316

Source: fieldwork 2013

According to table (1) based on aggregate response 292(92%) indicated strongly agree, 12(4%) indicated disagree while 12 (4%) indicated undecided. This implies that classical management theories significantly contribute to current level of waste and labour turnover in Nigerian organisations

Hi: classical management theories contribute significant to the level of waste and labour turnover in Nigeria

Table 2 Chi-Square Tests classical theories and level of waste and labour turnover

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	160.335(a)	8	.000
Likelihood Ratio	193.493	8	.000
Linear-by-Linear Association	4.975	1	.026
N of Valid Cases	316		

SOURCE: SPSS

Table 2 is the output of the computed Chi-Square values from the cross tabulation statistics of observed and expected frequencies with the response options of agree to disagree based on the responses of the research subjects from the manufacturing firms in Nigeria. Pearson Chi-Square computed value ($X^2_c = 193.493$) is greater than the Chi-Square tabulated value ($X^2_t = 15.51$) with 8 degrees of freedom (df) at 0.05 level of alpha ($X^2_c = 193.493, p < .05$)

Decision Rule

The decision rule is to accept the alternate hypothesis if the computed Chi-Square value is greater than tabulated Chi-Square value otherwise reject the alternate hypothesis.

Decision

Since the Pearson Chi-Square computed $X^2_c = 193.493$ is greater than Chi-Square table value $X^2_t = 15.51$, the null hypothesis is rejected and alternate hypothesis is accepted. Thus, we conclude that classical management theories contribute significant to the level of waste and labour turnover in Nigeria

Does the application of classical management theories influence layoff of workers, slow pace of growth and development of Nigeria organisations

Table 3: Coded Responses on classical management theories and layoff of workers, slow pace of growth and development

s/no	Questionnaire items	S.Agree /Agree		Disagree /S.Disagree		Undecided		Total (Freq)
		Freq	%	Freq	%	Freq	%	
1	Classical management theories cause lay off workers in our organisation?	148	94	3	2	7	4	158
2	Slow pace of growth and development are effect of classical management in our organisation ?	152	96	3	2	3	2	158
3		300		6		10		316

Source: fieldwork 2013

According to table (1) based on aggregate response 300 (95%) indicated strongly agree, 6(2%) indicated disagree while 11 (3%) indicated undecided. This implies that layoff of workers, slow pace of growth and development are influence classical management theories on Nigerian organisations

Ho₂: Application of the classical management theories significantly influence the layoff of workers slow pace of growth and development of organisations in Nigeria .

TABLE 4 SPSS result of the influence of classical management theories on layoff of workers slow pace of growth and development

Particulars	R	R ²	Adj.R ²	DDW	Standard Coefficients		F	Ssig.
					Beta	T- Value		
firms	0.-638 ^(a)	0.407	1.03387	0.253	0.-638	-10.339	-106.890	0.000

SOURCE: SPSS

NOTE:

- R = Correlation Coefficient or Beta
- R² = Coefficient of Determination
- Adj. R² = Adjusted Coefficient of Determination
- DW = Durbin Watson (d) test statistic
- T-value = Student t- test Statistic

F = F- test statistic

Model Equation CMTH = 0-.571 - 0.932LGD

The result indicate that there was a negative significant effect of classical management theories on workers layoff .slow pace growth and development as t = -10.175 and which is above the rule of thumb positivity of 2 and the coefficient of inventory management is (0.571). the variations from the model is explained by the model as indicated from the coefficient of the determination (r^2) value of -63.8%.

Also the result indicates that there is a negative relationship between classical management theories and layoff of workers, slow pace and development as indicated by r value of 0.-614 which is negative e as shown by beta value of 0.-614

Could the closure of some of the some of organisations be as a result of the application of the theories in the management practice of the organisations and could the application result to low performance of an organisation

Table 5: Coded Responses on classical management theories and low performance

s/no	Questionnaire items	S.Agree /Agree		Disagree /S.Disagree		Undecided		Total (Freg)
		Freq	%	Freq	%	Freq	%	
1	Closure of some of some of the Nigeria organisations were caused by the application of the theories in management practice organisation	154	97	1	1	3	2	158
2	Closure of some of some of the Nigeria organisations were not caused by the application of the theories in management practice organisation	17	11	134	85	7	4	158
3		171		135		10		316

Source: fieldwork 2013

According to table (5) based on aggregate response 171(54%) indicated strongly agree, 135(43) indicated disagree while 10 (3%) indicated undecided. This implies that Closure of some of some of the Nigeria organisations were caused by the application of the theories in management practice organisation

Hi₃: closure of some organisations is as a result of the application of the theories in the management practice of the organisations and the application result to low performance of an organisation

Table 6 Chi-Square Tests on closure and theories application

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	289.039(a)	8	.000
Likelihood Ratio	311.623	8	.000
Linear-by-Linear Association	114.154	1	.000
N of Valid Cases	316		

SOURCE: SPSS

table 6 is the output of the computed Chi-Square values from the cross tabulation statistics of observed and expected frequencies with the response options of agree to disagree based on the responses of the research subjects from the manufacturing firms in Nigeria. Pearson. Chi-Square computed value ($X^2_c = 289.039$) is greater than the Chi -Square tabulated value ($X^2_t = 15.51$) with 8 degrees of freedom (df) at 0.05 level of alpha ($X^2_c = 289.039, p, < .05$)

Decision Rule

The decision rule is to accept the alternate hypothesis if the computed Chi- Square value is greater than tabulated Chi-Square value otherwise reject the alternate hypothesis.

Decision

Since the Pearson Chi- Square computed $X^2_c = 289.039$ is greater than Chi- Square table value $X^2_t = 15.51$, the null hypothesis is rejected and alternate hypothesis is accepted. Thus, we conclude closure of some

organisations is as a result of the application of the theories in the management practice of the organisations and the application result to low performance of an organisation

Findings and Discussions

From the data analyses, one could conclude that, the current practice of the classical management theories of scientific management, administrative and bureaucratic theories were responsible for the waste and labour turnover, layoff of workers, slow pace of growth and development and low productivity in Nigerian Organizations as indicated by the three organizations studied.

Though the practice of the Scientific Management Theory contributed very well to the dramatic increase in productivity and higher pay to workers, it placed undue pressure on workers, to work even more than their capabilities and this also made managers of organizations to be more autocratic and exploitative which lead to frustration of workers who sought for employment else where. A theory that laid emphasis on efficiency at shop level, through the application of time and motion study, but lost sight of the general aspect of management definitely cannot sustain labour force and maintain effective and efficient utilization of resources.

The Administrative Theory contributed immensely to the principles and practice of management in modern time but laid much emphasis on task rather than the people. Unmotivated workers definitely will perform below expectations, since there is low morale amongst the work force. Hence productivity is a function of ability and motivation.

The Theory of Bureaucracy, emphasized more on bureaucratic leadership in organizations for mass administration in modern society, recognizing the functional prosperities of bureaucratic system in formal organizations but failed to recognize the need for informal organizations in a formal setting.

Summary Findings :

Classical management theories significantly contribute to current level of waste and labour turnover in Nigerian organisations ($X^2_c = 193.493 > X^2_t = 15.51$; $p < 0.05$)

There was a negative significant effect of classical management theories on workers layoff .slow pace growth and development (r value of 0. -614 ; $t = -10.175$; $p < 0.05$)

Closure of some organisations is as a result of the application of the theories in the management practice of the organisations and the application result to low performance of an organisation ($X^2_c = 289.039 > X^2_t = 15.51$; $p < 0.05$)

CONCLUSION:

Based on the foregoing, we therefore conclude that given the present performances of the Nigerian Organizations, more need to be done in the way the classical management theories were applied, such that workers will be more motivated to perform in a conducive work environment. This will go a long way to increase the business efficiency of labour and happy working environment

RECOMMENDATIONS:

From the foregoing, we therefore recommend as follows.

Organizations should reduce waste and labour turnover by introducing some other motivational tools in their work environment, such as embracing the behavioural science thoughts. Management should recognize the individual motivation, group behaviour and interpersonal relationship within and outside the work environment. These will create understanding on the part of workers and will encourage the workers, to work for the achievement of the entire organizational objectives, from where they will achieve their individual objectives.

Organizations should maintain their labour force and increase growth and development by reducing the management's undue pressure on workers, encourage workers use of initiatives, allow innovations and workers participation to management through emphasis on cultural/political differences in the organizations. Joint management about participation in decision making, will increase productivity more than what obtained through the practice.

The management of Organizations should properly apply the theories as some aspects of it if properly applied will ensure the achievement of organizational objectives. The periodic review of manuals, rules and regulations of the organizations to ensure that the bureaucratic settings are in tune with modern trends in the business environment of the country will also help the future of the organizations.

Above all, the organizations must understand, accommodate, embrace and promote people dynamics (nature, needs, values, motivations and general cultural/political environmental differences), if it must achieve the objectives of efficient productivity. We believed that these will go a long way in reducing the negative effects of the theories on the organizational performances.

References

Akpala, A. (1990), Management Introduction and the Nigerian Perspective: Enugu, Department of Management,

- Faculty of Business Administration, University of Nigeria, Enugu Campus.
- Albers, H.H. (1974), *Principles of Management: A Modern Approach*: 4th Ed. New York: John Wiley.
- Daft, R. (2005), *Management*: 7th Ed. Mason OH Thomson South Western.
- Eze, C.I. (1998), *Issues in Economics and Corporate Management in Developing Country*: Lagos, Mina Publication.
- Eke, A.O. and Uma, K.E. (2009), *The Analysis of Manufacturing sub-sector and capacity Utilization Impact on the Nigerian Economic Development: The Nigerian Journal of Management Research*: Vol. 4, No. 1, March.
- Ekeng, B.A., Ewah, S.O.E. and Ada Julius A. (2009), *The Impact of Organizational Culture on Firm Productivity: A survey of Cross River Newspaper Corporation "Brand Chronicle"*. *Journal of Policy and Development studies*: Vol. III, No. I. May.
- Fayol, H. (1949), *General and Industrial Management*: London, Pitman Publishing Company.
- Hicks, H.G. and Gullet C.R. (1987), *Management*: 4th Ed. Singapore, McGraw-Hill Inc.
- Henri Fayol: *Classical Theories of Management*: Retrieved from "http://en.Wikipcdia.org/wiki/Henri_Fayol."
- Ile, N.M. (1999), *Management and Organizational Theory and Practice*: Enugu, Vougasen Ltd.
- He, N.M. (2003), *Fundamentals of Management: Theories and Principles*. Enugu Chiezugo Ventures.
- Koontz, H., D. O'Donnel C. and Weirich IT. (2005), *Management A Global Perspective*: Tata McGraw-Hill Education (Asia).
- Me Farland, D. (1979), *Management Fundamentals and Practice*: 5th Ed. New York, Macmillan Publishing Co. Inc.
- Onwuchekwa, C.I. (1993), *Management Theory and Organizational Analysis: A Contingency Theory Approach*, Obio (Nig) Enterprises, Enugu.
- Stoner, J.A.F., Freeman R.E. and Gilbert D.R. (1992), *Management*: 6th Edition, India, Pearson Education, Inc.
- Taylor, F.W. (1947), *Shop Management*", New York, Harper and Brothers.
- The New Webster's Dictionary of International English Language* (2004), International Edition, New York, Lexicon International Publishers Guild Group.
- Thompson, V.A. (1961), *Modern Organization*, New York, Knops.
- Urwick; L.F. (1967), *Organization and Theory about the Nature of Man*: *Academy of Management Journal*, Published in March.

This academic article was published by The International Institute for Science, Technology and Education (IISTE). The IISTE is a pioneer in the Open Access Publishing service based in the U.S. and Europe. The aim of the institute is Accelerating Global Knowledge Sharing.

More information about the publisher can be found in the IISTE's homepage:

<http://www.iiste.org>

CALL FOR JOURNAL PAPERS

The IISTE is currently hosting more than 30 peer-reviewed academic journals and collaborating with academic institutions around the world. There's no deadline for submission. **Prospective authors of IISTE journals can find the submission instruction on the following page:** <http://www.iiste.org/journals/> The IISTE editorial team promises to review and publish all the qualified submissions in a **fast** manner. All the journals articles are available online to the readers all over the world without financial, legal, or technical barriers other than those inseparable from gaining access to the internet itself. Printed version of the journals is also available upon request of readers and authors.

MORE RESOURCES

Book publication information: <http://www.iiste.org/book/>

Recent conferences: <http://www.iiste.org/conference/>

IISTE Knowledge Sharing Partners

EBSCO, Index Copernicus, Ulrich's Periodicals Directory, JournalTOCS, PKP Open Archives Harvester, Bielefeld Academic Search Engine, Elektronische Zeitschriftenbibliothek EZB, Open J-Gate, OCLC WorldCat, Universe Digital Library, NewJour, Google Scholar

