

Paper –Principles and Practice of Management

Dr. James Hussain

Paper Code-MB-101,

Assistant Professor (Guest Faculty)

MBA, Sem-I

[Email,-mbajames123@gmail.com](mailto:mbajames123@gmail.com)

## **Topic- Neoclassical Theory of Management**

The Neoclassical theory was an attempt at incorporating the behavioural sciences into management thought in order to solve the problems caused by classical theory practices. The premise of this inclusion was based on the idea that the role of management is to use employees to get things done in organizations. Rather than focus on production, structures, or technology, the neoclassical theory was concerned with the employee. Neoclassical theorists concentrated on answering questions related to the best way to motivate, structure, and support employees within the organization.

Studies during this time, including the popular Hawthorne studies, revealed that social factors, such as employee relationships, were an important factor for managers to consider. It was believed that any manager who failed to account for the social needs of his or her employees could expect to deal with resistance and lower performance. Employees needed to find some intrinsic value in their jobs, which they certainly were not getting from the job that was highly standardized. Rather than placing employees into job roles, where they completed one specific task all day with little to no interaction with co-workers, employees could be structured in such a way that they would frequently share tasks, information, and knowledge with one another. The belief was that once employees were placed into this alternate structure, their needs for socialization would be fulfilled, and thus they would be more productive.