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“While many areas of contemporary life have changed significantly in the 21st century, management has remained largely unchanged and rooted in 19th century theories and paradigms”.

Critically examine this assertion detailing the development of management theory and the contribution of contemporary management theorists and their theories to tackling contemporary management challenges.

Final Assignment of

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1. Introduction

1.1. Evolution and adaptation of management theories in the 21st Century

The assertion “management has remained broadly consistent with 19th century theories and paradigms” opens up an avenue for critical evaluation of the theories in the context of modern 21st organizations. On the surface the management structure of the organization seems enduring with hierarchy with formal authority structures, department with employee division and standardised procedures but the contextualization including globalization, technological revolution and era of augmented intelligence has shifted the ecosystem of organizations leading to adaptation of integrated management practices. The management theories have been evolving dynamically integrative of behavioural science, system thinking, cultural studies, strategic management and AI-based technological developments.

From onset of early 20th century where organization was viewed as rational and closed system as portrayed by Scientific Management Theory by Frederick W. Taylor, Administrative Theory by Henri Fayol and Bureaucratic Management theory by Max Weber. Following it in Mid-20th century the focus moved from efficiency to human psychology of employees working within those organisations with development of Hawthorne Studies by Elton Mayo, Human Relations Movement and approaches based on Behavioural Science including Abraham Maslow – Hierarchy of Needs, Douglas McGregor (Theory X and Theory Y) and Frederick Herzberg (Two-factor theory).

Into the mid-to-late 20th Century, the search for the right fit was the notion, as the concept like Total Quality Management (TQM) from Quantitative Approach by W. Edwards Deming, System theory and Contingency Theory was brought into light. Closing decades of the century, a new competitive weapon which is culture, brought upon by the global competition introduced Excellence Movement, Corporate Culture, Lean Production and Just-in-Time and Business Process Reengineering.

Now, in the 21st century, the management has been transformed based on disruption into theories and concept of Agile Management, complexity and network, servant leadership, evidence-based management, ESG model, digital platforms and decentralization. These modern theories and concept endorse the growing complexity of the volatile, uncertain, complex, and ambiguous (VUCA) environment calls for a hybrid approach that is perceivable, flexible and adaptive of the situation within the organization.

Multiple theories might also need to be applied simultaneously for sustainability and maintaining competitive edge of an organization. The type of organization and its strategies also play a determinant role in suitability of the management theories applicable.

1.2. Introduction

Management has been a dynamic field which is constantly evolving with changes. Management theories also have evolved from a strive to find the single way of efficiency to recognizing the human and situational complexity shifting towards embracing constant change by acknowledging interconnected systems, driving with broader purpose within the digital age. This evolution trajectory through a dialectical process of absorbing, rejecting, and synthesizing older existing paradigms to address the VUCA validates that although, recent theories introduce practices of open innovation, emotional intelligence and adaptability, the classical theories provide the structural foundation (Castanheira et al., 2026).

This evolution also leads to a question of “Have the modern organizations still adhere to archaic paradigms, or have hybrid models that successfully combine traditional ideas with current emerged approach? It also deals with a question of how the current management theories dealing with the intricate issues and strategy of today's organizational environment.

The questions also stand is the practice adopted by the organization within the complex structure, technology and environment best fit?

1.3. Purpose of the Report

Considering the organizational complexity, networked organizational structures and digitally enable management practices, several theories might come into play simultaneously, emphasizing adaptability, collaboration, innovation and strategic utilization of human creativity as critical source of market upper hand in highly volatile environment.

For organizations to be effectively operating within this complex environment, the theories need to be critically analysed and best fitted theories need to be applied.

So, this report analyses to what extent the 19th century theories and paradigm are applicable? Further, the purpose of this report is to synthesize how management theories have fundamentally evolved and whether they have adapted to the new organizational context. As, the contemporary framework established an essential concept of efficiency, co-ordination, hierarchy and control their continued applicability warrants critical reassessment. The report further highlights their integration for future managerial practise.

The report also includes challenges and contributions of 19th century theories on modern management theories and management practices. The theoretical evolution of 21st century management theories are also analysed in case studies with their applicability in the modern organization.

2. Historical Context and Theoretical Evolution

The intellectual pillars of modern management arose from Industrial Revolution and rise of the engineering innovations of 19th centuries. The constant flux in context of organization and environment gave rise to new theories and approaches which led to modern management and its vitality. The sequential evolution detailing the transformation of management theories are presented below with criticism and advancement.

2.1. Late 19th and early 20th Century development

Although the foundation of the management theories gained momentum with development in the industrial era, the major contribution to the classical school of theories were formed in on the early onset of 20th century and late 19th century. The three dominant pillars which of this time period include:

- Fredrick Winslow Taylor's Scientific Management: In year 1911, this approach focused on task fragmentation accompanied by time-motion studies, standardisation, systematic selection and piece rate monetary incentives to maximize efficiency. This principle is also regarded as founding pillar of modern management as it was used in concept of assembly line. Managerial control over labour also was established as a method of increasing efficiency.
- Max Weber's Bureaucratic Management from the year 1947 endorsed rational-legal form of authority based on hierarchy, division of labour, organizational rules and career advancement by merit. Control and structure enforced in the bureaucracy was sought to be key to performance efficiency. But he also claimed that it could become an "iron cage".
- Henri Fayol in 1949, brought upon administrative management including five management functions and fourteen general principles of management. This theory envisioned management of the organization as a whole, then just a part of it.

These paradigms hold true where the output and environment affecting an organization is predictable (Tidd and Bessant, 2024) but volatility of the market and internal complexity of the organization posed a challenge for these theories. Theories moved from organization as concept of closed system to open system in early 20th century theories including:

- Hawthorne Studies by Elton Mayo in 1933, found social factors and informal group norms outperformed monetary incentives deviating focus from the tasks to people.
- The departure from mechanistic view also stemmed from Mary Parker Follet's advocacy of power-with rather than power-over emphasizing integration of interest.
- Chester Barnard's in 1938 also framed organization as balance between motivation and contribution.

So, the theories are deemed to be contested from founding are critiqued continually through evolution period

2.2 Mid-20th Century Development

The evolution of management theories is not a linear progression but a "paradigm shift" (Kuhn, 1962) where anomalies in the classical model necessitated the emergence of new ontologies. A significant expansion of management thought was experienced in the mid of 20th century. The prominent theories were:

- Theory X and Y by Douglas McGregor presented a contrasted set of assumption which are authoritarian and participative assumptions, it highlighted the idea of self-fulfilling prophecy where managers need to treat employee's participative mindset for making them motivated and responsible.
- Abraham Maslow's hierarchy of needs in 1943, emphasized that motivation is driven by needs arranged in hierarchical level, starting from physiological need, safety need, belonging need, esteem need to self-actualization need. He also revised his hierarchical level, adding cognitive, aesthetic and self-transcendence need. But the shift was also seen in his finding that higher level of needs may also be perused by people, despite under achievement of lower need level.
- Frederick Herzberg's two-factor theory focused that only increasing the hygiene factor which was extrinsic to employees did not motivate them sustainably, for long term motivation employees require to be motivated through intrinsic factor including job enrichment and self-actualization a need for employee satisfaction. The theory is based on research on professionals, in universality satisfaction does result in productivity,
- Management by Objective by Peter Drucker also reconciled control to autonomy syncing employee's goal with objective of the organization. For this purpose, he endorsed participative goal setting which is clearly defined for ensuring self-control. His theory was further refined through SMART criteria which was widely used for performance management.
- Application of general system theory of Ludwig von Bertalanffy in 1968 distinguished between closed systems and open systems. Stating that interaction of both systems is required to be observed for understanding organization.
- 1968 by Daniel Katz and Robert Kahn, re-envisioned organization as open system with composite of sub-system including production, supportive, maintenance, adaptive and managerial. The organization is seen interacting and depending on its environment.
- While Eric Trist and Ken Bamforth endorsed the optimization requires joint consideration of technical and social subsystem. Their theory explained that for effective utilization of available best technology, organization needs to develop the human and social need of organization.
- The prominent contrast to the argument that management paradigm has remained the same comes from introduction of contingency theory by Paul Lawrence and Jay Lorsch in 1967. This theory argued that "one best way" is not applicable as integration varied with uncertainty of environment.

2.3. Late-20th Century development

The theoretical lens in this period changed from a single view to variable view for effective management is based on context of each organisation including culture, learning and strategic innovation. Late 20th century led to development of new field which was strategic management.

- Resource-based view by Jay B. Barney in 1991 which stated strategic competitive advantage is defined from organization's internal resources which are valuable, rare, imperfectly imitable and organized.
- Micheal Porter in 1985 introduced competitive advantage framework which was an outside-in approach which states industry structure determines firm conduct from selection to positioning it.
- Stability and change within an organisation are dependent on shared assumptions derived from organizational culture was the key gist of the Edgar Schein on 1985 with view of placing organizational culture as variable.
- Further, Peter Senge in 1990 proposed that capacity of fast learning becomes a meta-competence in fast paced environment, providing a strategic edge.
- The resource based of Barney was further advanced by David Teece, Gary Pisano and Amy Shuen, for an organization to gain future competitiveness the organization need to rapidly reconfigure its resources in response to dynamic environments.
- Another source of competitive advantage was endorsed by Peter Drucker in 1999 shifting focus from controlling to cultivating knowledge workers.

2.4. 21st century development

The management theory on 21st century is more complex, subjective and pluralistic. They are modelled for volatility, ecosystem or network bases, cognizant of stakeholders and technologically inclusiveness. These models also take in consideration for globalization, knowledge work and digital disruption.

- Agile management, which is extracted from inter-disciplinary field, which was adapted from Agile Manifesto created in 2001, is used in business for focusing on sprints delivery, customer-centric collaborations, lean and team-based approach accompanied by adaptive planning. (Rigby et al., 2022).
- Luthans and Avolio in 2003 and Bill George in 2003 through separate publication shared several main foundations on authentic leadership as genuine, ethical, value-based, self-awareness, transparency and subject to development process based on their innate psychological capabilities and organizational context.
- Blue ocean strategy introduced by W. Chan Kim and Renée Mauborgne in 2005, which focusses on creating "value innovation" so unique that it creates uncontested market using strategy canvas and action framework.

- Jeffrey Pfeffer and Robert Sutton introduced Evidence-Based Management in 2006, the key concept is to accumulate evidence from multiple sources, structuring it based on expertise and value and maintaining transparency on reason for decision or action taken.
- In terms of leadership, its reconceptualization was done by Complexity Leadership Theory. This theory was introduced by Mary Uhl-Bien, Russ Marion, and Bill McKelvey in year 2007 highlighting Administrative, Adaptive and Enabling leadership is required simultaneously for efficiency and effectiveness in terms of performance.
- Another human-centred approach formalized in this century is design thinking by Tim Brown, David Kelley, and Roger Martin around year 2009. This approach moves innovation to iterative, empathetic and experimental process, where problem and solutions are ambiguous and complex in user-driven world.
- Business Model Canvas, which was introduced by Alexander Osterwalder and Yves Pigneur in 2010, is one of the widely used frameworks that creates, delivers and captures value through nine blocks assisting in defining logic in business model, questioning it and redesigning it.
- Lean startup a practice driven management paradigm which was introduced by Eric Ries in 2011 which is how innovation is driven under uncertainty. The core of the paradigm is experimentation driven by hypothesis and learning what is the need of the customers. This paradigm has influenced how innovation, product development and entrepreneurship is influenced today.
- Michael E. Porter and Mark R. Kramer in 2011 conceptualized Creating Shared Value (CSV) which focused on three main pathways to create economic value through social values by matching its product and service addressing unmet societal needs, redesigning element of value chain to improve productivity, investing for local cluster development.
- Organization goes through tensions which are persistent and interdependent, for this a paradox theory was consolidated by Wendy Smith and Marianne Lewis in 2011 mentioning strategic responses are needed to enable dynamic equilibrium through cycle of learning and renewal.
- Teal organization as a new form of organization was introduced by Frederic Laloux in 2014, in this form the organization moves past traditional hierarchy representing control towards self-management, wholeness and purpose. He concluded that these organizations are more adaptable because they rely on decentralized decision-making.
- Technology inclusion is integrated by two related frameworks, Exponential organizations by Salim Ismail in 2014, and Geoffrey Parker, Marshall Van Alstyne and Sangeet Choudary in 2016 which describes how fundamentals have changed to synthesizing ecosystems and channelling to create value externally.
- Humanocracy is re-designed concept by Gary Hamel and Michele Zanini in 2020. They have found that bureaucracy is unviable in volatile, innovative and knowledge-based economy. It focuses on replacing control by capability, hierarchy by ownership and compliance by initiative for organization to succeed.
- Business roundtable redefined the purpose of corporation as serving stakeholders instead of only shareholders which was also the argument of stakeholder theory by R. Edward Freeman in 1984. The shift in focus of management in Environmental, Social and Governance integration in strategy,

investment, incentive and reporting has been viewed as platform for long term value generation and sustainability.

The circular economy principles, hybrid work models, emotional intelligence, sustainability have been drivers to reshape the strategic management in the 21st century, as organizations face constant regulatory, social and ethical risk geared by AI management (Aloisi and De Stefano, 2022).

The evolution shows not only lamination of the 21st century management theories and approach on 19th century theories and paradigms, but a foundational shift in view towards organization in relation to its people and environment can be acknowledged.

3. Morgan's metaphors and management paradigms

Gereth Morgan in 1986 introduced a meta-theoretical intervention, which is based on development metaphors of eight roots, which formed a cognitive lens towards organization. The basic concept was a single perspective is not enough to capture the reality of an organization. His finding helped to understand that the roots needed to be matched with the strategic challenge faced by the organization probing the underlying issues by use of counter-theory and understanding the perspective of stakeholders towards the organization.

The roots including machine metaphor underpins organization as rational instruments while the organism metaphor reflects adaptation to the environment. Brain metaphor presents learning organization and cybernetics, with information processing and regulation. Culture Metaphor is based on rituals and values derived from shared meanings. Power and conflicting interest is reflected by political metaphor while psychic prison metaphor focuses on unconscious process and ideological traps. The flux and transformation metaphor reveals exploitation and control.

Morgan's metaphors including machine, organism, brain, culture, political system, psychic prison, flux and transformation and domination reflect the base for many central concerns of 21st-century management. It provides a diagnostic range for critical reflecting on organization's complexity, power shift and uncertainty portraying organization as adaptive system (Tsoukas, 2016). This metaphor also portrays why unchanged management is partially valid and critical in complex organizational structures.

3.1. Persistent influence of traditional management theories

Critical analysis of the classical theories shows their remains in the contemporary practices. With the multiple theories required for solving of complex organization problems persisting in the modern organizations today.

The application of adapted version of some of the existing theories to solve the organizational problems has been recognized as a part of evolution and elaborated below.

3.2. Enduring Principles of Scientific Management

For platform or technology-based organizations the Taylorism which is principles of scientific management is found in applied by Amazon with time-and-motion studies to optimize employee movement in warehouse, algorithmic productivity tracking with performance metrics and real time monitoring target achievement. This application in the current organization shows that relevance of traditional management has been intensified by technological developments.

But, the recent principles also show critic to the traditional theories as in the case of scientific management the excessive monitoring and rigid performance metrics also undermines the employee

wellbeing consequently affecting organizational performance. So, change in manifestation and consequences of application of traditional theories also have prompted criticism.

3.3. Bureaucratic Management in Contemporary Organisations

Even in current corporate governance the compliance, risk management, standard operating procedure and hierarchical approval is prevalent. Especially in government, financial institutional and multinational organizations. Now, enterprise resource planning system have codified bureaucracy, this enabling form of bureaucracy that is supporting innovation is implemented.

But across matrix structures, networked platforms the organizational behaviour has changed (Iansiti & Levien, 2004), as bureaucratic model is only considered as template for compliance.

3.4. Administrative Management's Role

Fayol's management functions have been backbone of management in current organizational operations. The functions have been reenvisioned into a new function such as agile roadmaps, AI-forecasting and scenario-based planning fitting the need complex organizational structures. The control function has been evolved into real time variance analysis while the other functions reworked includes leading. Innovation, stakeholder engagement has also been brought upon as a major management function.

But several critiques also state that unity of command and span of control application is debatable in the current matrix-based and network-based organizations.

So, although the traditional theories and approaches provide a starting base, the entire foundation have been modified or restricted to deal with prevailing management challenges.

4. Integration of traditional and contemporary management theories

Regarding adapting multiple management theories based on current organizational complexity, it is necessary to consider both traditional and contemporary management theories simultaneously. It's about layering, hybridization and selection. The modern organizations due to their complex organizational structures which constitutes of exploitative and explorative business units, which have traditional and agile structures respectively have been utilizing ambidextrous strategies for sustainable performance (Annamalah et al., 2025). In companies like General Electric the traditional yearly appraisals have been substituted by objectives and key results and continuous feedback, but goal setting is still retained which is based Taylorism and Drucker. The shift is towards innovation, enablement, collaborative objectives.

4.1. Challenges of Contemporary Management:

The volatility of the market today, is inducing uncertainty which is bringing in constant flux of new challenges reducing the effectiveness of existing theories. The major new challenges include:

- Digital disruption including AI has brought in challenges for development of complex capabilities in terms of data analytics, cybersecurity and platform orchestration. The need for constantly redesigning job and possibility human oversight also creates a great obstruction impending achievement of management efficiency.
- Due to Covid and generational differences, hybrid or remote work have brought challenges in terms of reconfiguring organizational culture, setting supervision standard and collaboration.
- Shifting of workforce mentality for seeking purpose behind the job has heightened employee disengagement, burnout ultimately increasing resignation.
- ESG has been mandated to be integrated into operation, strategy and transparent reporting, increasing the loss of marginal utility from profitable actions.
- VCUA environment including globalization, growing geopolitical instability and fast paced obsolescence has also created challenges for organizational performance.

These unprecedented challenges cannot be effectively comprehended through 19th century theories without modification or layering.

4.2. Influence of organisational culture on the evolution of management theories

The application of management theories depends on organisational culture. It determines the adaptation and resistance to management approaches. Although the organisation is gearing towards prioritizing agile and human-centred management practices, the underlying culture is still traditional. This underlying culture in times also overrides the management practices.

The culture, like management theories also evolves because of internal and external factors. The major cultural shift such as empathy and flexibility, including digital supervision for hybrid work force one of the prominent example of changes that occurred in wide scale after Covid Pandemic. The culture that fosters

innovation and resilience is also being integrated into management practise currently with ongoing digital revolution. Many of the recent theories which in focus on employee's psychology, participative leadership and purpose driven management are influenced by cultural interventions. In some cases, complex organizations structure also have layers of organizational culture depending upon context of organizational units or networks, so many theories might be practiced simultaneously. So, the development culture also is seen to have significantly influenced the evolution of management theories.

4.3. Challenges of Changing Organisational Culture

Culture is embedded in deep underlying assumptions which is a sum of engraved culture and belief of every atom within the organization. With increasing structural complexity within the organization, the cultural complexity is also increasing rendering monolithic culture as invalid. Subculture and microculture also creates a complication for their overall management due to the differentiating functions, location and other context.

Many instances of resistance to change have been observed as it arises due to conflicting interest, feeling of incompetence, identity loss, changing power dynamics and shift in organization inertia to uncertainty. In these cases, although the broader organizational mission, objectives are changed, but the underlying assumptions remain unchanged, creating complicated situation where new culture gets resisted.

4.4 Strategies for Facilitating Cultural Change

Considering the closed and stable business environment, the classical management theories offered no facilitation for shifting cultural dynamics. Contemporary theories developed later provided strategies which was inclusive of actions which dealt with shifting cultural change challenges. For strategy dealing with cultural change for it to be effective it must integrate resilience, adaptability and belonging in interconnection, transforming shared identity and identity of a whole organization (Pelegrin and Muñoz, 2024).

Firstly, the leadership must play prominent role in creating the psychological safety through shared feedback and participation. The change in structure of organization is also required to be done, through agile practices and decentralization, so the basic assumptions can be changed from the operational level. The performance metrics also needs to be redesign considering measurement and incentive aligned with new value, fostering collaborative culture. Adaptability to change must be accepted and rewarded synchronizing personal goals with shared goals. Experimentation or small pilot of changes can also made to test the suitability of change, before practicing it in boarder context.

With uncertainty in business environment, the changes as emergent, the need for agility, leadership, and participation of stakeholder is paramount to sustain cultural changes.

4.5. Case Studies of Cultural Change

Cultural change is vital for adaptation of organisational to challenges arising from globalization, emotional intelligence, ethical requirement and digital disruption including ai augmentation. Some of the cases of how

the major companies have dealt with cultural change has integrating traditional and modern management theories is detailed below:

- Cultural transformation can be best presented by the case of Microsoft, where change in leadership under Satya Nadella has shifted the mindset of organization from “know-it-all” thinking to “learn-it-all” thinking encouraging collaboration which resulted in adaptation of cloud computing and AI we are using today. But, even with bureaucratic evidence within the organization it was able to make some structural changes which ensured its market position.
- Toyota production system(TPS) shows the transformation of Scientific Management concepts into a human-centered framework including Kaizen (continuous improvement) and Jidoka (autonomy) to enable staff members to solve problems. Team learning aided by psychological safety was emphasized. Case study of this company how an organization builds resilience and adaptation in complex situations by integrating humanistic and socio-technical techniques with classic efficiency-theories.
- Development Bank of Singapore also set a case study in the financial industry as its shift from traditional bureaucratic bank to digital leader by endorsing customer journey teams, a innovative mindset through constant reinforcement.
- Alan Mulally created a “One Ford” culture using transparent and short term business plan review using multiple status report. This encouraged cross-unit team, in return repositioning the company based on enforcement by continued leadership.
- Other multinational company which is Unilever also integrated sustainability concept embedding sustainable living plan setting long term social and environmental mission. This put theory of management by purpose into practice. Many famous brands like Dove, Hellmann’s, etc were introduced making incremental sales. But this strategy is also critiqued as the approach had to be changed in the influence of the stakeholder’s pressure, also reflecting even with cultural change the old assumptions of stakeholder critically affect the organization.
- Case study of Netflix under Reed Hastings shifted from culture of rule-based controls to autonomy and responsibility culture which facilitated high talent density and radical candour enabling prompt innovation but trade-off was an intense performance pressure.
- Lego has faced both financial and strategic challenges in early 2000s due to disjointed decision organization culture and slow decision making. Design thinking was used for this organization to encourage innovation and user-focused creativity. The cross-functional cooperation and flattened hierarchies were used for prompting fast decision making, focus on function of creative play, co-creation platforms were used for understanding market demands and matching demands (Harrell, O'Reilly & Tushman, 2007). This helped the organization to gain its market position.
- Starbucks is an significant case which shows importance of cultural integration in Globalization. The company is preserving its brand identity while also providing a customer’s experience uniformity. it also is has been fostering leadership through international leadership development initiatives while also encompassing stakeholders’ theory through CSR and community embedded in its culture.

Starbucks's combination of adoptive techniques and organizational principles plays on Morgan's root of culture and organism (Michelli, 2006).

- The fundamental values of Zappos focusing on staff involvement and customer happiness, has made it renowned for distinct corporate culture. Tony Hsieh who was the former CEO of this organization prioritized performance should be driven by culture. He implemented Holacracy-self managed team, cultural training, customer-centric rules which provided adjusted to facilitate client concern. These strategic helped it to establish a distinct brand image and deliver services which matched brand promise.
- General Electric showed a remarkable case of cultural shift for enhancing innovation and revolutionary technology under its former CEO Jeff Immelt. He motivated cultural transformation through initiatives like digital industrial strategy, lean startup techniques promoting leadership and talent program while prioritizing agile team work and entrepreneurial level thinking.

These cases add to the finding that cultural changes are necessitated by crisis or a new leadership which will also encompass elements of new and traditional theories which is coexist in dynamic tension.

4.6 Cross-Case Perspectives

4.6.1. Combining Modern and Classical Management

The cases detailed above demonstrate how 19th century theories are being adopted alongside with modern theories to sustain organizations into century driven by complex organization structure, volatile environment and technological disruptions.

- Corporations like Toyota and GE introduced agile learning-oriented techniques while maintaining hierarchical influence.
- Microsoft and Netflix endorsed by balancing efficiency and flexibility.

4.6.2. Using Leadership as a Spark

Microsoft's Satya Nadella and Zappos Tony Hsieh set base that transformational and authentic leadership is required for converting management theories into organizational performance.

4.6.3. Learning and Human-Centred Methods

Psychological safety and staff engagement was used by Netflix and Starbucks and learning culture of Microsoft and Unilever helped to foster innovation and performance in these organizations.

4.6.4. Strategic and Environmental Alliance

LEGO's strategy to integrate creative culture in line with customer-centric demand help it to sustain its business. Unilever also establish value with brands focussing on ESG standard. While Unilever was able to maintain brand consistency with culture of integrating regional differences.

4.6.5. Innovation and Autonomy

Netflix and Zappos showed how innovation in service which is driven by providing autonomy to employee through proper capability development can promote entrepreneurial behaviour.

4.6.6. Utilization of Morgan's Metaphors

Several facets of roots of Morgan's metaphors are reflected on case studies of the above detailed organizations:

- Machine Metaphor: Toyota and GE
- Brain Metaphor: Microsoft
- Organism: Unilever and Starbucks
- Cultural Metaphor: Zappos, LEGO and Starbucks
- Political metaphor: Microsoft

4.7 Synthesis and Management Theory Consequences

The synthesis from analysis management theories explains that to deal with the management challenges brought along by technological disruptions, globalization, AI-augmentation, knowledge intensity and ethicality, adjustment of both structure and culture is required. Strategy needs be based on alignment of structure and culture. Efficiency, hierarchy and standardization become subset of adopting strategies on agility and learning orientation. Hybrid model adapted by organizations today result in sustainability through promotion of creativity, adaptation and resilience which are based on existing management techniques. Selection of strategy based on theory impacts organisational performance, innovation drive and long-term competitive advantage helping to deal with current management challenges. The management must match structural base with dynamic flexibility while increasing adaptation and resilience.

5. Theoretical responses to contemporary management challenges

Contemporary management theorists have taken into the consideration of challenges bred by era consisting of digitalisation, hybrid work and sustainability creating a range of new frameworks. This framework helps to navigate organizational strategies, provide analytical instruments and provide tactics for meeting modern management needs. These theories are not exclusive of the classical theories but also incorporate the element of traditional management.

5.1 New approaches to performance management and career development

Conventional annual performance metrics have been considered as being demotivating, inconsistent and biased. Newer framework for continuous performance management has shifted towards real time feedback, participative goal setting and capability development. Many corporates such as Adobe, Microsoft, IBM and GE have changed annual reviews and rating. The approach is that continuous performance. The underlying theory is that performance is best improved through frequent, forward-looking dialogue rather than annual judgment. However, the authors also note that frequent review and critical yet motivating feedback to continuously improve performance. This review must be set as culture and to be done by leader who are competent to promote positive performance within their team.

Innovation is taken as a key resource for organization's competitive ability which leads to the rising requirement of employees who have skill and capabilities to do the work which are flexible not just as per job descriptions. Further, career development has also been reenvisioned with the rise of talent marketplaces and AI-driven career. This represents a fundamental break from Fayol's division of labour and Weber's job-based hierarchy. Many of the technological based organization even in health care companies are utilizing a hybrid model of continuous feedback with annual summary supporting continuous learning. Unilever has short term assignment of employees across organization through internal talent marketplaces fostering retention and development of employees which are often employee driven.

So, this era of capability development in knowledge workers, considerable focus on emotional intelligence has provided platforms for varied pattern of career growth.

5.2 Contribution of Contemporary Management Theorists

Several contemporary theorists have made significant contributions in tackling current century management problems.

- Hamel and Zanini (2025) in their book propose a set of principles including ownership, market over mandates, fostering meritocracy, community, openness, purpose and along with encouraging experimentation—and have provided an example of the organisation which have shifted from bureaucracy. Their work is both a diagnosis and a path for leaders. Critics, however, note that Humanocracy may underestimate the part the bureaucracy plays in ensuring fairness, coordination and accountability in large, complex organisations.

- Teal organization term introduced Frederic Laloux in 1985 which is characterized as those organizations which are self-managed, whole and have purpose. Although this concept presents a challenge for scaling up the size of organization and may not contain power dynamics, it provided a condition where people create condition for self-direction.
- The concept of agility which is in process of being applied to governmental sector for was championed by Stephen Denning. He argues the management's primary purpose is to enable value creation through agile principles of customer-centrism, cross-functional teams, iterative delivery—are relevant in organizations across multiple domains. But the critic is the single management theory cannot be applied universally as context is different.
- The framework developed by Dave Snowden deals with solving complex problems created within the complex environment. The framework encourages managers to investigate, understand and respond rather than controlling the situation through prediction. This framework critique challenges predictability assumption of classification while supporting contingency theory and complexity leadership theory.
- The extended version of David Teece's dynamic capabilities framework the competitive advantage is determined by realizing the opportunities by transforming firm's resources and structure to utilize them.

These theories show how hierarchy can be transcended and technology will be driver for it. The management theories are still evolving and are giving out vibrant body of work.

5.3 Integration of emotional intelligence in contemporary management theories

Emotional intelligence as a subject of modern studies started in Peter Salovey and John D. Mayer published an article, which was combination of ability for expression, regulation and use of emotions, which was then revised as combination of four branches including perceiving, using, understanding and managing emotions categorizing it as cognitive ability. Daniel Goleman expanded the concept by introducing further domains including self-awareness, self-regulation and relationship management. Business interest in this concept increased. An alternative model where it was termed Emotional quotient where it was set as bar-on a mixed method combining abilities with personality trait. The distinction between ability and trait was introduced by K.V Petrides and Adrian Furnham in 2001.

Even with critiques, emotional intelligence stands out as an influential term in organizational behaviour.

Considering its importance, contemporary theories have integrated emotional intelligence in frameworks of organizational culture, leadership models and team dynamics. The concept of Psychological safety by Edmondson required elements of emotional intelligence within leaders. The emotional intelligence is particularly required in leaders working within hybrid and distributed teams.

With complex organizational structure including diverse and cross-functional teams, emotional intelligence can help to resolve conflict increasing cross collaboration.

Although emotional intelligence presents personality and cognitive ability, the validity extending it lacking and measurement of this intelligence still remain under-researched. But, despite this argument, the integration of emotional intelligence into leadership and performance management is far greater than rational actor assumption made by classical theories.

5.4 Critical rebuttal and refutation of the argument:

The assertion that management remains rooted in 19th century theories and paradigms is evolutionary inaccurate and misleading empirically. The classical theories were discovered based on the challenges faced by large-scale industrial organizations. As the environment and organizations have evolved over time, the scope of the theories also has undergone continual evolutions from human relations, system to contingency, culture, learning to knowledge-based, dynamic capabilities and to agility, complexity, sustainability and human-centred.

The elements of classical theories are still prevalent in the contemporary management practices. The prevalence of the elements is determined by the context of the organizations. Even with the evolution, some organizations still hold elements of bureaucracy, hierarchical chain for decision-making and short-term performance pressure. Taylorism standardisation is still practiced in the some of the organizations through algorithmic management. The theories have not endured accidentally but validated by tasks within the context.

But the validation does not mean that originality of the theories has been preserved, these theories has been critiqued, challenged, modified, layered and deconstructed.

The transformation in the twenty-first century have fundamentally changed the assumption about people, environment, organization and change. The shift from command and control to enable and empower along with planning to adaptive planning also recognizable.

The technology is the missing variable in the context of 19th century paradigms. The theories of 21st century is largely defined by Artificial Intelligence, block chain operating in new organizational form such as platform-based ecosystem and decentralized autonomous organizations. This variable has triggered a change in environment of business, resulting in theories which consider agility and ethicality.

The use of various models simultaneously birthing a hybrid practice is common in organizations today. These models combine elements of both classical and contemporary theories as a form of pragmatic approach necessitated by the context. For example, in the banks the bureaucratic structure still exists enforcing algorithmic control for standardization and compliance, but the research centres and product development department are operating under practice of different management theory which encourages innovation.

The main challenge lies in the lack of transitional theories required for converting theories into practice. So, the classical paradigms also remain influential in the many organizations in various sectors till today.

The argument that management theories and paradigms have remained unchanged is critical, as theories and paradigms have evolved into a more complicated, reflexive, and adaptive in response to the volatile environment and time.

6. Conclusion

As per the purpose of this report the assertion that management has remained rooted in 19th century theories has been examined tracing the evidence and deviation throughout their theoretical evolution. The report states that the traditional principle has been continually reinterpreted and hybridized to suit the need of modern organization. The concepts of psychological safety, humonocracy, dynamic capabilities and emotional intelligence have been utilized in addressing 21st century challenges. The theories and paradigm will not be eradicated but overlayed and deconstructed along with modern theories to maintain adaptability, sustainability and competitiveness in the modern organizations.

7. Synthesis and application to DBA research

The synthesis of the management theories through analysis of evolution, applicability to current organizations and their limitations shows that there is existence of one theory fit is redundant. The complex organizational structure and environment require that organization in every sector today, need to critically select the theories which are to be integrated into their strategic management for facing challenges brought upon by evolution including technological disruption, market volatility, ethical issues and obsolescence.

Like the case study of DBS, financial institute of Singapore my research sector contextualization of my DBA research stem in the same industry which is financial industry in Nepal. The research is based on how a framework based for capability development can be integrated into credit literacy to ensure sustainability of the institute.

The Nepalese financial institutions especially A-class banks have also changed their adapted management theories in the present scenarios. Although, the bureaucratic structure still exists in banks, this age of market volatility and ethical challenges brought forward by technological disruptions has compelled banks to form a mixed organizational structure which is composite of top-down corporate levels and decentralized research, compliance and innovation units.

The core banking which includes corporate office, branches and extension are subject to bureaucratic control with set performance metrics. Now, the performance of individual is also linked with departmental performance and a set organizational performance introducing the theoretical concept of shared values. In recent time, the performance is not only based on monetary incentive but linked with KPIs and KRIs. So, the metrics is combination of monetary and participative achievements.

In contrast, a separate management practice is used in the operation of the decentralised research, compliance and innovation units. These unit are created to maintain compliance while bringing forth innovation in operation, services, technological adaptation and approach to stakeholders. Performance is guided by learning a startup theory of management where experimentation, reviews and test commercialization are done. The employee is given autonomy and platform to bring in innovation through market analysis and research

My research is based on the gap that services should be customer centric analysing their capabilities and need. Innovation for capabilities enhancing frameworks is required and can be developed based on inter-disciplinary theory which is base for capability approach by Amartya Sen. Other concepts such as economic element of triple bottom line and indicator in terms of credit literacy (OECD, 2023) also have been integrated to provide a framework.

So, applied research related to any organization is based on composite of theories which provide foundational base for the study and selection of theories and practices are determined based on contextualization and purpose of study.

Abbreviations

VUCA : volatile, uncertain, complex, and ambiguous

AI: Artificial Intelligence

EI: Emotional Intelligence

DBS: Development Bank of Singapore

SMART: Specific, Measurable, Achievable, Relevant and Time bound

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