

Prologue

Across the centuries and along the evolutionary pathway of management theories and concepts, the task of integrating human behaviour with the production process and job environment has come up as to be the most crucial and challenging. And yet, the ultimate test of management is business performance. Achievement rather than knowledge remains, of necessity, both proof and aim. From pre-industrial era to industrial era and down to post-modern period, the text of management has primarily been configured based on resource-cost-time and skills. The prism of idea has been diverged through the spectra of strategy, just for an expected accomplishment, either for the organization or for oneself.

Even in the Egyptian period, the configuration and construction of pyramids needed extreme coordination of man-material and methods, it transcends the pre-industrial era for managing crop production with innovating irrigation devices in the most befitting manner. The labour management alongside managing machine and tools to have a desired market response, management started receiving complex structural and functional supports from great management thinkers and professionals. The modern and post -modern era of management keep focussing more attention on information technology and knowledge pursuits. Knowledge replaces labour on the ladder of importance. However, we need to have a look into the historical perspectives as well as contemporary concept of management, in the both subjective and objective ways.

Since time immemorial, managing has been the most imperative activity as the society has continuously relied on group efforts. Moreover, it has always been crucial to ensure the coordination of individual efforts right from the time people engaged socially. Well-coordinated efforts are pivotal for achieving the aims and objectives that cannot be realised individually. Management is an act of achieving results by coordinating individual efforts. Different management experts have defined management differently. Some of the definitions are given as follows: According to F.W Taylor, “Management is the art of knowing what you want to do and then seeing that it is done in the best and cheapest way.” According to Harold Koontz and Cyrill O’ Donnell, “Management is the creation and maintenance of an internal environment in an enterprise where individuals, working in groups, can perform efficiently and effectively towards the attainment of group goals.” The above definitions provide the traditional view of management. However, the meaning of management is ever expanding. As organised groups have become enormous over the years, the role of management has also been increasing in importance and complexity. Organisations nowadays have become more global; employee groups are more diverse; and organisation structures do not contain large hierarchies rather focus on a collaborative approach. To tackle these new challenges, organisations are adopting new methods and philosophies of management. In this chapter, let us study the concept, meaning, and evolution of management in detail.

History of Management: The history of management can be traced back to 5000 B.C. when the agriculture revolution was at the initial stage. In Egypt, in 2900 B.C., the pyramids were built in a highly organised and coordinated manner. These pyramids have become a classic example of management. Apart from this,

management skills can also be found in the suave cities of Mohan-jodaro in India. Another great example of management was shown in the organised military of Alexander the Great during his military conquests in 336 to 323 B.C. Management was also a part of the Roman Empire, which organised its general administration and controlled its political, military and judgmental issues by using effective communication. Management that we observe in organisations is attributed to the industrial revolution in the late eighteenth century. Let us discuss about management and the industrial revolution.

Industrial Revolution Management practices that have been followed in organisations emerged as a result of the industrial revolution in the late eighteenth century. Industrial revolution was a period of transition from manual production methods to new manufacturing processes in the late eighteenth century. Prior to this period, only small-scale industries were present for the survival of the world's vast population. After the industrial revolution, people began to shift their base to urban cities. As these cities were witnessing the emergence of factories, there were a large number of employment opportunities. During industrial revolution, management was based on two main propositions, which are: Firstly, labour was perceived as a bunch of lethargic people who work only when controlled and supervised. Secondly, labour was the only factor that could bring reduction in costs. Therefore, all the efforts were made to reduce labour costs and increase production.

There were many characteristics of the industrial revolution. Some of the important characteristics are: %

Specialisation: During the industrial revolution, the principle of division of labour was followed wherein each worker was allotted a particular job with the purpose of achieving specialisation in that job. The specialisation of labour led to assembly line production. %

Standardisation: During the industrial revolution, the main focus was laid on standardisation wherein identical products were produced in huge quantities. Standardisation led to the same level of quality across organisations, which helped customers in acquiring the same type of products from anywhere in the market. %

Synchronisation: It refers to the blending of all different elements at one place. These elements were raw materials, semi-finished goods, machines and equipment, and labour force. Synchronisation generally took place in the assembly line where all the parts were assembled to produce the final output.

Maximisation: Here, it refers to the maximisation of production. During the industrial revolution, the focus was on increasing the level of production by optimising capital, time, and labour. This promoted the philosophy of survival of the fittest, which led to mergers and acquisitions. %

Centralisation: During the industrial revolution, all controlling powers were in the hands of top management. All policy-related decisions were taken by the top management, while operational decisions were decentralised.

Forces behind management thoughts:

The concept of management is not new and has emerged as a result of a complex evolutionary process. Management has been practiced for many years right from the time of The Sumerians, Babylonians, and Romans. However, it gained importance during the industrial revolution era and was backed by many forces. Figure 1.1 shows the three main forces of management:

Forces Behind Management Thoughts Economic Forces Social Forces Political Forces Figure Let us study these forces in detail. %

Political forces: Political forces, such as government regulations, political institutions, and trade policies affect in the

areas of environmental analysis, organisational design and structure, and employee rights. Political pressure has a major impact on organisations' management as the rights of customers, suppliers, labour, creditors, owners, and other segments keep changing with respect to changes in the political environment of a country.

% Social forces: These forces can be in the form of social norms arising from the values and beliefs of people in a society. These forces help in the formation of social contracts, wherein no particular sets are mutually understood. People interact with each other on the basis of these norms. Similarly, social contracts are also formed between organisations and their labour, creditors, investors, and customers.

% Economic forces: These forces are responsible for the formation of base market economy and other concepts, such as private ownership of property, economic freedom, and competitive markets. These forces also play an important role in determining the distribution of goods and services in a society in which empire, management organised general administration and controlled its political, military, and judgmental issues by using effective communication

Approaches to Management:

The industrial revolution laid the foundation for various management approaches. Each approach has attempted to explain the concept of management from different aspects. The two approaches to Management are: Classical Approach and Modern Approach.

Classical Approach: The classical approach to management was developed in the period between the 1880s to the 1920s. In this approach, it was recommended that production can be increased by

improving the efficiency of an organisation. Thus, managers must focus on determining the best ways to perform jobs. The classical approach to management can be studied under three main areas; a) Scientific Management, b) Administrative Management and, c) Bureaucratic Management.

a) **Scientific management:** The scientific management approach was developed by Frederick Winslow Taylor (1856-1915), who was an American engineer. Thus, scientific management is also popular by the name of Taylorism. He conducted a series of experiments in three organisations that greatly influenced management thoughts. His contribution in scientific management can be studied under the following categories:

- Time and motion study: It is a technique of scientific management that was developed to define employee productivity standards. In this technique, a complex job is first divided into a series of simple tasks. After that, the way these tasks are performed is observed to determine and eliminate waste motions. In this way, the precise time taken to complete the job is determined, which further helps in developing delivery schedules and incentive schemes. Time and motion study is most appropriate for repetitive jobs.
- Differential piece rate plan: This plan was developed by Taylor on the assumption that all the workers have different capabilities and must be paid accordingly. This plan is also based on an assumption that the production system is based on piece rates. Under the plan, time and motion study is used to estimate the standard time of completing a job. Based on the standard time, two piece rates are devised, namely higher and lower. The workers who exceed the standard time are given higher piece rates as wages. On the other hand, lower piece rates are given to those workers who do not meet the standard.

Taylor suggested that work in an organisation must be planned and assigned to the workers by foremen. Foremen should assign work on the basis of workers' specialty and supervise the performance of workers. For that, an organisation should hire adequate number of foremen. % Scientific recruitment and training: Taylor laid emphasis on training workers and developing their skills so that they can efficiently perform more than one type of job. % Friendly cooperation between management and workers: Taylor believed that both management and workers have one common goal, i.e. increase in production. Therefore, both management and workers must work together in harmony to achieve the common goal.

b) **Administrative management** Henri Fayol (1841-1925), a French mining engineer, promoted the concept of administrative management. He focussed on developing administrative principles that could be applicable to both general and higher managerial levels. Fayol presented 14 principles of management, which act as a guide for developing management practices. These principles are explained as follows:

1. Division of work: According to this principle, work should be divided among individuals and groups according to their skills and knowledge. This helps in completing the work with greater efficiency.
2. Authority and responsibility: Authority is a right of an individual to give orders and instructions. The right of authority arises from the position, intelligence, experience, and skills of a manager. On the other hand, responsibility is a state of being accountable for the consequences of the decisions taken by an individual. Managers should be responsible for the actions taken by them.
3. Discipline: Discipline in an organisation refers to the obedience to authority. Employees must obey and respect the governing policies and rules of the organisation. In order to maintain good discipline in

an organisation, there is a need for good supervision at all levels; clear understanding between management and workers; and rational use of penalties.

4. Unity of command: According to this principle, employees associated with a particular type of work should report to one superior only. This helps in avoiding confusions in the role of the employees.

5. Unity of direction: It means that there should be one direction in which employees must move to achieve a particular objective. If employees get pulled into different directions, it may be difficult for them to achieve the objective.

6. Subordination of individual interest to general interest: In this principle, Fayol laid emphasis on aligning individuals' personal goals to organisational goals.

7. Remuneration: There should be provision of fair wages for workers. The calculation of wages should be done by considering various factors, such as business environment, cost of living, capacity of organisation to pay, and productivity of employees.

8. Centralisation: According to Fayol, the degree of centralisation should be decided to make the optimum utilisation of employees' skills.

9. Scalar chain: Scalar chain refers to the hierarchy followed in an organisation from top managers to employees working at lower levels. According to the principle of scalar chain, all communication should pass through proper channels of hierarchy. However, in case there are any delays in communication due to hierarchy, there must be provision of cross communication. According to Fayol, scalar chain is vital to the success of organisations.

10. Order: Order is required for the efficient coordination of all the elements in an organisation. Management must follow the principle of the right place for everything and every man.

11. Equity: The principle of equity means fair treatment of all employees. Management must treat all employees equally and should be free from biases and prejudices.

12. Stability of tenure of personnel: Management must strive to stabilise the tenure of employees by providing them job security. Increased turnover always results in inefficient production; therefore, organisations must attempt to reduce it by improving employee morale and motivation.

13. Initiative: Management must provide freedom to employees so that they can carry out orders effectively. Employees should be encouraged to take initiatives in their respective fields in order to perform their jobs efficiently.

14. Esprit de corps: It refers to team spirit. Management must adopt new ways to improve team spirit among employees. This helps employees to work in harmony.

c) **Bureaucratic Management:** Bureaucratic management was promoted by Max Webber (1864-1920), who was a German sociologist. According to Webber, bureaucratic management is the most appropriate administration. Some of the important characteristics of bureaucratic management are:

i) Management by standard rules: According to Webber, an organisation must be governed by a set of rules. Upper level managers must follow these rules while controlling lower level workers.

ii) Division of labour: Webber promoted the principle of division of labour while assigning the work to all employees. According to him, the division of labour results in saving a lot of time consumed during changing over from one job to

another. % Selection of personnel having technical skills: Employees having required technical skills must be hired in order to perform their jobs efficiently.

%ii) Hierarchical organisational structure: In order to be successful, an organisation must adopt a hierarchical structure wherein lower level employees must be under the supervision of higher level managers. % Record of all administrative acts, decisions, and rules: An organisation must keep a record of all its administrative activities including policies, rules, and decisions. The record can be used in the future for studying the nature of activities and people in the organisation.

iii) **Modern approach:** The modern approach to management was given in the 1950s. The approach focused mainly on employee satisfaction. According to this approach, employees do not necessarily work for money and they like to receive affection and respect of co-workers, which further increases their productivity. This helps an employee to contribute more towards the success of an organisation. Modern approaches can be classified under the following three categories: %

a) **Quantitative approach:** The quantitative approach focused on managerial decision making. This approach is also known as management science approach. It was developed during World War II to find the problems of warfare. The quantitative approach can be studied under three areas, which are: %i) **Operations research:** It is a discipline that lays emphasis on improving the effectiveness of management decisions by using advanced analytical techniques. It is sometimes considered to be a subfield of mathematics as it involves extensive calculations. Some of the commonly used operations research techniques are linear programming, queuing, waiting line, routing and distribution models, etc. % ii) **Operations management:** It is an area of management that involves supervising and controlling

the production process. For this, various techniques are used, such as inventory analysis, statistical quality control, and networking.

Management information system (MIS): This is a computerised management system used to provide information required by organisations for their effective management. MIS facilitates the decision making process of an organisation by providing meaningful information about its business processes.

EVOLUTION OF MANAGEMENT

Education Systems approach:

It was developed in the late 1960s with an aim to provide an integrated approach to solve management problems. According to this approach, a system can be defined as a set of components that are interacting regularly or are interdependent, thus making a single unit. The systems approach focuses on the following points: A system comprises units and sub-units. Each and every part of a system needs to be thoroughly understood in order to analyse it. A system always has boundaries to define its beginning and ending. Every system is developed to achieve a specific goal. No system can exist in isolation.

Contingency approach:

This approach is also known as situational approach wherein an organisation determines problems by analysing its conditions and environment. According to this approach, there is no single set of rules that is applicable in solving all types of problems in organisations. Therefore, managers need to analyse every problem and various aspects associated with it, and define different ways to solve the problem.

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