

## Evolution of Management

### Introduction

The present position of management has evolved over a period of time. In order to better understand and appreciate this present position, it is necessary to be familiar with the contributions of pioneers and the main stage of development of management. Our objective is not to undertake a detailed examination of contribution of each individual but to provide some general overviews. Some of the most contributions are listed below.

### Classical Management Era

The classical (traditional) management era signifies the beginning of the systematic study of organizations and management practices. Under classical theory of management, an organization is viewed as a structure of relationships. The classical management approach is the theory of management that focuses on the productivity, output and efficiency of workers rather than the difference in behavior that exist among them. This approach merges scientific, bureaucratic and administrative theories of management.

**Scientific management** is concerned with knowing exactly what you want men to do and seeing that they do it in the best and the cheapest way.

**Administrative management** focuses on the manager and the use of general principles and functions for improving organizational functioning. The administrative management school treats management as a process of getting work done through and with people.

**Bureaucratic management** focuses on the use of rules, set hierarchy of work position, a clear division of work and allocation of authority and impersonal relationship in performing organizational activities for goal achievement. Bureaucratic management treats an organization to be a rational legal entity.

### Study Question;

Explain at least five merits and four demerits of the classical management era?

### Neoclassical Management Era

Neoclassical management era is essentially a modification, improvement and extension of the classical management era. Neoclassical theory gave greater emphasis to man behind the machine. It stressed that people have social and emotional needs, are sensitive towards interpersonal relations and work environment. In other words, the neoclassical management thought deals with the human side of the organization. Neoclassical management thought can be studied from two viewpoints namely human relation and behavioral science approach.

**The human relation approach** focuses on the importance of human element in organizations and maintains that human behavior is influenced by a complex set of economic, social and psychological actors.

**The behavioral science approach** focuses on dealing with the human aspects of the organization. It adopts a rational and scientific approach to understand, explain and predict human behavior in organizational setups. The behavioral science approach provides foundation to a scientific understanding of human behavior in the area of motivation, leadership, communication, group dynamics and other behavioral aspects.

### Comparison between classical and Neo classical management approaches.

No	Classical (Traditional)	Neo-classical
1	Structure of the organization is impersonal and mechanical	Organization is a social system
2	Its main focus is on work and economic requirement of workers	Its mainly focus is on small groups and an emotional and human qualities of employees
3	It emphasize on order and rationality	It emphasize on personal security and social requirement of workers while obtaining objective of the organization
4	Organizational behavior is product of rules and regulations	Behavior is a product of feelings, sentiments and attitudes
5	Authoritarian practices, elaborate rules and regulations to achieve results	Democratic practices, involvement of employees on decision making Identifies the important of human dignity and values
6	It results work alienation and dissatisfaction	It results happy and satisfied employees trying to increase production

As shown in the above table the main difference between classical management and neoclassical management is; classical management approach mainly focus on work while Neo-classical management approach mainly focus on workers. The classical management is based on the

achieving results, not motivation but Neo Classical management is based on employees' behavior, satisfaction and expectation. Both of them are to reach their goals, however, one of them emphasizes regulations and how best to the work another is emphasizes welfare of the workers and how to motivate works to improve production. The objective of those theories is the same which is focuses on the way how employers can manage well their employees and peoples work.

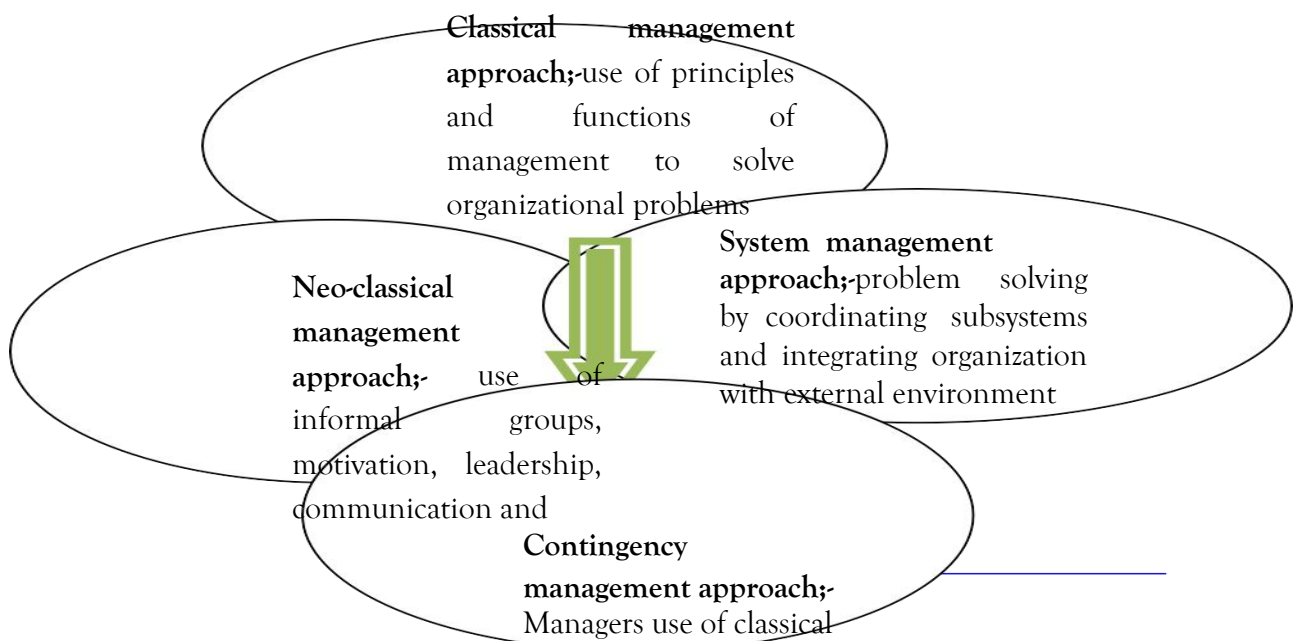
## Modern Management Era

Modern management era represents further refinement, extension and synthesis of all the classical and neoclassical approaches to management. Modern management approach implies a worker does not work for money only but also non-financial rewards such as affection and respect for co-workers is also important factors. In modern management, there is no single set of rules that is applicable in solving all types of problems in organizations, rather it depends up on situations. With increase in the complexities and sophistication of organizations, there emerged a need for the modern management approach that enables the organization to meet the challenges and gain from the opportunities arising from its environment. we have the following streams under modern management approach.

**The quantitative management**, also known as management science or operational research theory focuses on the application of scientific tools providing a quantitatively measurable base for managerial decisions

**The system approach** to management takes a holistic view an organization and views it as an open, goal oriented entity consisting of interrelated parts, which solve its problem through integrated process.

**The contingency approach** to management emphasizes that the relevance of a managerial action is determined by the particular characteristics or requirements of the situation in which that action takes place. Contingency management is concerned with the relationship between relevant environmental variables and appropriate management concepts and techniques that lead to effective goal attainment.



### Comparisons between classical management and modern management

No	Classical (scientific)management	Modern management
1	It focuses on workers operation at the plant level for decision making	It focuses on system analysis for decision making
2	It involves the use of time study, motion study, differential piece rate plan for decision making	It involves the use of advanced mathematical model, statistical methods, simulation techniques and computer based system for decision making
3	It aims at increasing the operational efficiency of workers at lower level of the organization	It aims at increasing the efficiency of the organization as a whole
4	It tries to solve operational problems by the lower level management themselves	It adopts a multi-disciplinary approach to solve organizational problems
5	It follows closed system perspective of the organization to problem solving	It follows open system perspective of the organization and presents an integrated approach to problem solving

### Recent Developments in Management

Globalization of business operation, ever increasing intensity of competition, workforce diversity and involvement of employees in decision making process and a host of other developments are exerting a profound impact on management thinking, Contending with the complexity and variability of organizations environment lead to the formulation and use of competitive strategy. **Total quality management** is a philosophy of management which aims at providing totalcustomer satisfaction through a continuous improvement in quality of goods and services atlower cost. Quality is defined as how well a product or service does what is supposed to do i.e.how closely and reliably satisfies the specification to which it is built or provided. Quality hasbeen yielding unimaginable benefit in terms of attracting and retaining customer loyalty and effectively meeting market challenges of competition.

## Management as a Science, an Art or a Profession

Management can be considered as science, an art or a profession.

### Management as a Science

Science is a systematic body of knowledge pertaining to a specific field of study that contains general facts which explain a phenomenon. It establishes cause and effect relationship between two or more variables and underlines the principles governing their relationship. These principles are developed through scientific method of observation and verification through testing. Science is characterized by following main features:

- 1. Universally acceptance principles** – Scientific principles represent basic truth about a particular field of enquiry. These principles may be applied in all situations, at all time & at all places. E.g. – law of gravitation which can be applied in all countries irrespective of the time. Management also contains some fundamental principles which can be applied universally like the Principle of Unity of Command i.e. one man, one boss. This principle is applicable to all type of organization – business or non business.
- 2. Experimentation & Observation** – Scientific principles are derived through scientific investigation & researching i.e. they are based on logic. They have been developed through experiments & practical experiences of large no. of managers. E.g. it is observed that fair remuneration to personnel helps in creating a satisfied work force.
- 3. Cause & Effect Relationship** – Principles of science lay down cause and effect relationship between various variables. E.g. when metals are heated, they are expanded. The cause is heating & result is expansion. The same is true for management; therefore it also establishes cause and effect relationship. E.g. If workers are given bonuses, fair wages they will work hard but when not treated in fair and just manner, reduces productivity of organization.
- 4. Test of Validity & Predictability** – Validity of scientific principles can be tested at any time or any number of times i.e. they stand the test of time. Each time these tests will give same result. Moreover future events can be predicted with reasonable accuracy by using scientific principles. E.g.  $H_2$  &  $O_2$  will always give  $H_2O$ . Principles of management can also be tested for validity. E.g. principle of unity of command can be tested by comparing two persons – one having single boss and one having 2 bosses. The performance of 1st person will be better than 2nd.

It cannot be denied that management has a systematic body of knowledge but it is not as exact as that of other physical sciences like biology, physics, and chemistry etc. The main reason for the inexactness of science of management is that it deals with human beings and it is very difficult to predict their behavior accurately. Since it is a social process, therefore it falls in the area of social sciences. It is a flexible science & that is why its theories and principles may produce different results at different times and therefore it is a behavior science. Ernest Dale has called it as a Soft Science.

## **A. Management as an Art**

Art implies application of knowledge & skill to trying about desired results. An art may be defined as personalized application of general theoretical principles for achieving best possible results. Art has the following characters –

- 1. Practical Knowledge:** Every art requires practical knowledge therefore learning of theory is not sufficient. It is very important to know practical application of theoretical principles. E.g. to become a good painter, the person may not only be knowing different colors and brushes but different designs, dimensions, situations etc to use them appropriately. A manager can never be successful just by obtaining degree or diploma in management; he must have also know how to apply various principles in real situations by functioning in capacity of manager.
- 2. Personal Skill:** Although theoretical base may be same for every artist, but each one has his own style and approach towards his job. That is why the level of success and quality of performance differs from one person to another. Every manager has his own way of managing things based on his knowledge, experience and personality, that is why some managers are known as good managers whereas others as bad.
- 3. Creativity:** Every artist has an element of creativity in line. That is why he aims at producing something that has never existed before which requires combination of intelligence & imagination. Management is also creative in nature like any other art. It combines human and non-human resources in useful way so as to achieve desired results. It tries to produce sweet music by combining chords in an efficient manner.
- 4. Perfection through practice:** Practice makes a man perfect. Every artist becomes more and more proficient through constant practice. Similarly managers learn through an art of trial and error initially but application of management principles over the years makes them perfect in the job of managing.
- 5. Goal-Oriented:** Every art is result oriented as it seeks to achieve concrete results. In the same manner, management is also directed towards accomplishment of pre-determined goals. Managers use various resources like men, money, material, machinery & methods to promote growth of an organization. Thus, we can say that management is an art therefore it requires application of certain principles because it deals with moulding the attitude and behavior of people at work towards desired goals.
- 6. Work by effectively;** Manager manage all problem in every environment so this is not science, it is an art that how he manage every problem of organization in every environment.

## **B. Management as both Science and an Art**

Management is both an art and a science. The above mentioned points clearly reveals that management combines features of both science as well as art. It is considered as a science because it has an organized body of knowledge which contains certain universal truth. It is called an art because managing requires certain skills which are personal possessions of managers. Science provides the knowledge & art deals with the application of knowledge and skills. A manager to be successful in his profession must acquire the knowledge of science & the art of applying it. Therefore management is a judicious blend of science as well as an art because it proves the principles and the way these principles are applied is a matter of art. Science teaches to 'know' and art teaches to 'do'. Science and art are not mutually exclusive but they are complementary to each other (like tea and biscuit, bread and butter etc.). The old saying that "Manager are Born" has been rejected in favor of "Managers are Made". It has been aptly remarked that management is the oldest of art and youngest of science. To conclude, we can say that science is the root and art is the fruit.

## **Management as a Profession**

A profession may be defined as an occupation that requires specialized knowledge and intensive academic preparations to which entry is regulated by a representative body. The essentials of a profession are:

1. **Specialized Knowledge** – A profession must have a systematic body of knowledge that can be used for development of professionals. Every professional must make deliberate efforts to acquire expertise in the principles and techniques. Similarly a manager must have devotion and involvement to acquire expertise in the science of management.
2. **Formal Education & Training** – There are no. of institutes and universities to impart education & training for a profession. No one can practice a profession without going through a prescribed course. Many institutes of management have been set up for imparting education and training. For example, a CA cannot audit the A/C's unless he has acquired a degree or diploma for the same but no minimum qualifications and a course of study has been prescribed for managers by law. For example, MBA may be preferred but not necessary.
3. **Social Obligations** – Profession is a source of livelihood but professionals are primarily motivated by the desire to serve the society. Their actions are influenced by social norms and values. Similarly a manager is responsible not only to its owners but also to the society and therefore he is expected to provide quality goods at reasonable prices to the society.
4. **Code of Conduct** – Members of a profession have to abide by a code of conduct which contains certain rules and regulations, norms of honesty, integrity and special ethics. A code of conduct is enforced by a representative association to ensure self discipline among its members. Any member violating the code of conduct can be punished and his membership can be withdrawn.
5. **Representative Association** – For the regulation of profession, existence of a representative body is a must.

From above discussion, it is quite clear that management fulfills several essentials of a profession, even then it is not a fully fledged profession because: -

- a.** It does not restrict the entry in managerial jobs for account of one standard or other.
- b.** No minimum qualifications have been prescribed for managers.
- c.** No management association has the authority to grant a certificate of practice to various managers.
- d.** competent education and training facilities do not exist. .
- e.** Managers are responsible to many groups such as shareholders, employees and society. A regulatory code may curtail their freedom. The ultimate goal of business is to maximize profit and not social welfare. That is why Haymes has rightly remarked, "The slogan for management is becoming - 'He who serves best, also profits most'.