

HISTORICAL OVERVIEW OF MANAGEMENT

Major objective of treating “PRINCIPLES OF MANAGEMENT” in a concise, interesting, and understandable manner will be to present management history and theory with an emphasis on the future. Most students will be applying the concepts learned here over a period of next many years. Another objective shall be to identify several areas where management concepts are applicable to the personal and professional goal- setting and also to apply the management skills to the challenge of managing the most difficult peer or subordinate – the one that may confront you in the mirror each morning in your professional career.

In any treatment of a basic subject like this, there is little that the resource/anchor person can claim to be uniquely his own except his/her tacit knowledge and the presentation style. The write-ups from chapters of recommended text books for this course have also been included and are highly acknowledged.

The Intellectual Heritage of Management

Organized endeavors directed by people responsible for planning, organizing, leading, and controlling activities have existed for thousands of years. The Egyptian pyramids and the Great Wall of China, for instance, are tangible evidence that projects of tremendous scope, employing tens of thousands of people, were undertaken well before modern times. The pyramids are a particularly interesting example. The construction of a single pyramid occupied more than 100,000 workers for 20 years. Who told each worker what to do? Who ensured that there would be enough stones at the site to keep workers busy? The answer to such questions is managers. Regardless of what managers were called at the time, someone had to plan what was to be done, how to organize people and materials to do it, lead and direct the workers, and impose some controls to ensure that everything was done as planned.

It is not very difficult for us to imagine modern management techniques in the days of the pharaohs. True, we can get a laugh or two thinking of profit sharing and other twentieth-century terms appearing in the ancient land of the Nile, but the generic relationships of people managing people must have borne a great many similarities. In fact, many ancient documents have been translated to reveal that, through the ages, wherever people have worked together to accomplish their goals, many of the same phenomena have prevailed.

Most scholars suggest that management, in its most basic format, has existed since one person persuaded another—whether with club or carrot—to do something. Frequently, management is defined as the challenge of creating an environment where people can work together to achieve a mutual objective. While this is true for managers in business, government, and other organizations, I hope that each management student will recognize the opportunities for applying management concepts to personal challenges. For that purpose, management can be defined as the concepts, techniques, and processes that enable goals to be achieved efficiently and effectively.

The Egyptian Pyramid:

Approximately four thousand years B.C., the Egyptians were building a civilization edge on the rest of the world. Very few of us can comprehend the extent to which this culture zoomed ahead of its times. If it were possible to make a reliable comparison, we would probably find that no nation in our time is as far ahead of its contemporaries as the land of the Pharaohs was between 4000 B.C. and 525 B.C.

The most obvious demonstration of Egyptian power is the construction projects that remain even today. Without the service of cranes, bulldozers, or tea/coffee breaks, the Egyptians constructed mammoth structures of admirable precision. The great pyramid of Cheops, for example, covers thirteen acres and contains 2,300,000 stone blocks. The blocks weigh about two and a half tons each and were cut to size many miles away. The stones were transported and set in place by slave labor and precision planning. The men who built the enduring structures of ancient Egypt not only knew how to use of human resources efficiently but also knew how to manage 100,000 workers in a twenty-year project.

In their business and governmental affairs, the Egyptians kept documents to show exactly how much material was received and from whom, when it came in, and exactly how it was used. The military, social, religious, and governmental aspects of Egyptian life were highly organized. There were much inefficiency, but the final task was accomplished. Three commodities, which virtually rule modern efforts, seem to have been only minor considerations along the Nile: time, money, and the satisfaction of the worker.

Great China Wall:

The Great China Wall built in the time period of 956 years (688 BC – 1644 AD). It is 6000 Km long. Its base is 20 feet wide and top 11 feet wide. The height of China Wall is from 7 to 37 feet. The whole China wall is made by hands. Working as united for 956 years, there should be some purposes due to which people worked for a long time.

According to history, the purpose of china wall was:

- To mark territories
- To defend the area
- To protect Silk Road

These examples from the past demonstrate that organizations have been around for thousands of years and that management has been practiced for an equivalent period.

The Wealth of Nations

One of the classic books on economic philosophy was written by Adam Smith, an eighteenth-century professor at Glasgow, Scotland. In 1776, Adam Smith published a classical economics doctrine, *The Wealth of Nations*, in which he argued the economic advantages that organizations and society would gain from the **division of labor**, the breakdown of jobs into narrow and repetitive tasks. Using the pin manufacturing industry as an example, Smith claimed that 10 individuals, each doing a specialized task, could produce about 48,000 pins a day among them. However, if each person worked separately and had to perform each task, it would be quite an accomplishment to produce even 10 pins a day! Smith concluded that division of labor increases productivity by increasing each worker's skill and dexterity, by saving time lost in changing tasks, and by creating laborsaving inventions and machinery. The continued popularity of job specialization- for example, specific tasks performed by members of a hospital surgery team, specific meal preparation tasks done by workers in restaurant kitchens, or specific positions played by players on a football or cricket team—is undoubtedly due to the economic advantages cited by Adam Smith.

Smith's emphasis on the principle of specialization showed him to be ahead of his time. He believed that increasing specialization was the key to productivity. Productivity would produce more income, higher wages, larger families, increased demand, and further division of labor and . . . the cycle would never stop. Smith's contribution to the literature of economics is only exceeded by his optimism about the predictability of man.

The Pleasures of Productivity

As we look briefly at the development of the intellectual heritage of management through the ages, we can see a consistent correlation of productive periods with times of capitalism and individual competition. The concepts are for managers and prospective managers in both nonprofit and for-profit organizations.

Is it degrading to the profession of management to suggest that effective management practice is primarily common sense and was utilized by primitive people? It is no insult . . . because common sense is such an uncommon quality in most generations. In fact, some of the most disappointed students ever to emerge from learning institutions are those who think that, by taking a degree in management, they will receive inside knowledge of the secret words and formulas for manipulating people. The truth is that even the best management education curriculum can only hope to sharpen the skills and understanding that students already have

Management in Twentieth Century:

The major contribution of the **Industrial Revolution** was the substitution of machine power for human power, which, in turn, made it more economical to manufacture goods in factories rather than at home. These large, efficient factories using power-driven equipment required managerial skills. Why? Managers were needed to forecast demand, ensure that enough material was on hand to make products, assign tasks to people, direct daily activities, coordinate the various tasks, ensure that the machines were kept in good working condition and work standards were maintained, find markets for the finished products, and so forth. Planning, organizing, leading, and controlling became necessary, and the development of large corporations would require formal management practices. The need for a formal theory to guide managers in running these organizations had arrived. However, it wasn't until the early 1900s that the first major step toward developing such a theory was taken.

The development of management theories has been characterized by differing beliefs about what managers do and how they should do it. In the next sections we present the contributions of four approaches. Scientific management looked at management from the perspective of improving the productivity and efficiency of manual workers. General administrative theorists were concerned with the overall organization and how to make it more effective. Then a group of theorists focused on developing and applying quantitative models to management practices. Finally, a group of researchers emphasized human behavior in organizations, or the “people” side of management.

Professional Managerial Era (1950-)

In our present age of market driven capitalism and futuristic knowledge driven economic markets, the decisions are made and the trends are set by the professional managers. Unlike their predecessors, the captains of today's business do not own their own companies. They must know the whole business but have control over only one small part. They must be product oriented, process conscious, financially responsible and public spirited. They must know all things, yet still function as only one cog in the wheel. If the history of management tells us anything, it is that, no matter what happens; peace or war, prosperity or famine, this world will always be in need of good managers . . . the kind who can get society from “where it is” to “where it wants to be.” Can you be one?

Sydney Opera House:

Sydney Opera Hall is the milestone of the modern age situated in Sydney, Australia which was completed in a time period of 33 years (1940 – 1973). Sydney Opera hall consists of following:

- 1000 rooms
- 5 theaters
- Hall for 2679 persons

Sydney Opera Hall is 183 meter tall and 120 meter wide and its roof carries 1,056,000 tiles which were imported from Sweden and it costed \$ 102 million. What is the purpose to build such a unique hall? They used people and technology to achieve that purpose. The main purpose is to provide entertainment to public.

Flying Colors on PC:

The most commonly used operating system on PC is also a great example to explain the topic of organized effort done by a modern IT organization. In making of one new version of an operating system, the dozens of engineers are deployed. When the first operating system was launched by the company, it took several years to launch, and today you get an operating system worth of millions on one Pen Drive. So, there are the engineers who made the operating system by some processes to give the services to the PC users/customers. The IT organization stands behind its products/services.

What is an Organization?

“An entity where two or more persons work together to achieve a goal or a common purpose is called Organization.”

There are so many organizations around us. Daily we visit and see many organizations. Hospitals, Colleges, Factories, Farms and Government offices. Mosque/Church is also an example of an organization. People go there and say prayers. Activities of praying are to achieve a certain goal. Similarly, any unit in which two or more persons are working together for some purpose is called an organization.

- **People**
- **Purpose**
- **Process**
- **POLCA**

If there is an organization, then there must be some people. They work as whole for a common purpose, so there must be a defined purpose. If an organization doesn't have any purpose, it will not survive for long run. To achieve the purposes by using people, the processes are needed. Without any process, you cannot achieve any type of purpose or goal. If we see in our daily life, we have some goals. For achieving these goals, we use some processes. So that process is also obvious and important for an organization. The last important thing for any organization is that it requires main pillars of management i.e. **POLCA**:

- **Planning**
- **Organizing**
- **Leading**
- **Controlling**

A manager must perform all these management functions with **Assurance!**