



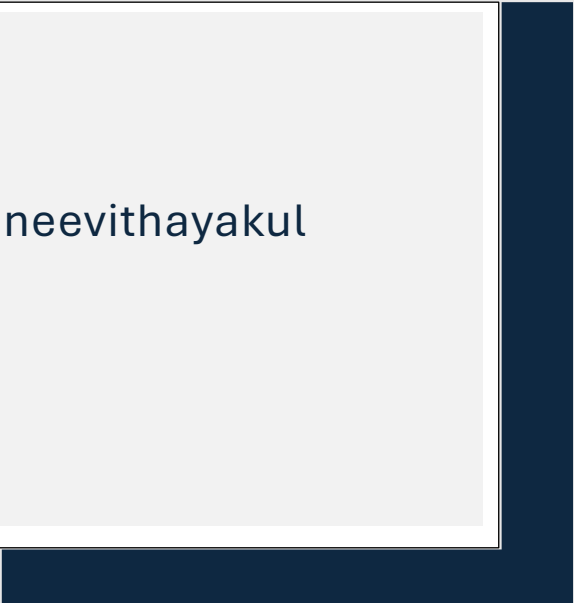
MANAGEMENT THEORY IN NON- LINEAR SOCIETIES

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Introduction to Theory of Management

1. Introduction

Management is undeniably one of the fundamental cornerstones of human society. From the earliest days when men and women began collaborating and forming social structures, management played a pivotal role. These social activities ranged from gathering food and hunting to achieving goals and objectives that individuals could not accomplish on their own. Therefore, the concept of management became integral in ensuring the coordination of efforts among individuals. As time progressed, society increasingly relied on group efforts and organizations.

Over the centuries, these groups and organizations have grown in size and complexity, becoming more essential

to human civilization. The sheer volume and diversity of tasks, along with the intricacies involved, have made management more critical than ever. In the modern era, the significance of management and the elucidation of "management theories" are paramount for practitioners tasked with managing the intricacies of these groups and organizations.

The primary objective of this initial chapter is to provide an overview of management and its associated theories. While it's true that many of today's managers in various organizational settings have achieved success without formal theoretical knowledge of management, it remains vital to underscore the connections between management and its related theories in everyday practice. Throughout this book, we will delve into different management theories to enhance our comprehension and improve our ability to manage organizations more efficiently and effectively. This understanding is crucial for both individual and organizational objectives set by managers and organizations alike. In an era where "quality" is of utmost importance and organizations strive to be the best, managers must seek ways to



promote excellence among themselves.

To address these critical aspects, the first chapter of this book will follow this agenda: First, we will explore the theoretical underpinnings of the term "theory" and dissect its elements. Next, we will delve into the background of "management" by investigating the definition, goals, and objectives of management, its functions, the necessity of management in organizations, and the essential management skills. The chapter will culminate in an examination of various management theories and the four prominent approaches to these theories. By the end of the chapter, we will offer a comprehensive conclusion, providing a valuable foundation for both management practitioners and those engaged in management research to better understand the overarching landscape of management and its theories.

2. Objectives

By the end of the first chapter, readers will have acquired the following key competencies:

1. **Comprehend the Essence of "Management":** Readers will have a clear grasp of the definition of "Management," a multifaceted concept encompassing the art of coordinating resources and activities to achieve organizational goals. They will appreciate that management is not just about overseeing tasks but also about leading, planning, and strategizing for optimal outcomes.

2. **Embrace the Landscape of Management Theory:** The chapter will equip readers with a foundational understanding of management theory, delving into the evolution of thought and concepts that have shaped the field of management over time. This knowledge will serve as a compass for navigating the complex world of managerial decision-making and problem-solving.

3. **Deconstruct Management Functions:** Readers will gain insights into the core functions of management, often summarized as planning, organizing, leading, and controlling (POLC). They will understand how these functions interrelate and serve as the framework for effective



management practices in organizations of all sizes and across various sectors.

4. Recognize the Imperative of Management in Organizations:

This chapter will elucidate the pivotal role management plays in the context of organizations. Readers will be able to articulate why management is indispensable for achieving an organization's objectives and ensuring its sustainability and success. They will also grasp the impact of effective management on employee morale and productivity.

5. Encompass Managerial Knowledge and Skills: Readers will be equipped to describe the knowledge and skills essential for effective management. This includes not only technical competencies but also interpersonal and conceptual skills that proficient managers use to navigate the challenges and complexities of the modern business landscape. They will understand the dynamic nature of these skills and their adaptability across various managerial roles and industries.

In essence, this first chapter sets the stage for a comprehensive journey

into the realm of management. By gaining these competencies, readers will be well-prepared to explore advanced management theories, practical applications, and real-world examples in the subsequent chapters. This foundational knowledge will serve as a valuable toolkit for aspiring managers, seasoned professionals, and anyone interested in understanding the intricate world of management and its multifaceted theories and practices.

3. Theoretical Understanding – The Elements of Theory

It is essential to grasp the precise definition of "theory" before delving into the intricacies of the "Theory of Management." Various definitions contribute to our understanding of this concept. According to Tosi (2009), a theory can be considered a unique form of language, a means of conveying meaning about a particular phenomenon. Tosi goes on to draw a parallel between "theory" and "language," highlighting how both revolve around vocabulary and grammar. Vocabulary defines the meanings of words (concepts and variables), while grammar delineates

the relationships between words (relationships) and how words can be combined to create meaning (Tosi, 2009).

With a clear understanding of the theory's definition, the next section explores each component of a theory, including the following elements:

- **Theoretical Concepts:** The theoretical concept is the foundational element that constitutes the theory's vocabulary. A concept can be seen as a variable or construct, akin to words in a language. Concepts are human inventions designed to convey meaning for various observed elements, both objective and subjective, that the theory aims to describe. Some constructs describe objects or activities (akin to nouns), while others depict actions (similar to verbs). Concepts may range from specific to more general, often accompanied by labels to communicate their meanings to others.
- **Theoretical Relationships:** Much like language, understanding not just the meaning of specific words but also how they relate to each other is crucial. This is where the theory's grammar comes into play, comprising a set of rules that determine the appropriateness of combining concepts and how specific concepts relate to one another. Some relationships have, or are assumed to have, a law-like quality within the theory, enjoying a high degree of truth. Others are presented as propositions or hypotheses. Propositions state relationships logically deduced from the theory, while hypotheses translate these concepts into empirical measures, subject to analytical or statistical testing.
- **Boundaries:** The concepts and relationships within a theory delineate its boundaries, specifying the scope of observations to which the theory applies.
- **Testing:** Given that theories are abstractions of reality, they must be tested to assess their accuracy in approximating observed reality. This necessitates operational definitions of constructs, which involve applying quantitative or qualitative indicators to concepts. Operational definitions are essential for measuring the presence, level, and relationships of concepts within the theoretical domain.

In addition to the aforementioned elements of theory, a clear understanding of "modern management theories" is essential. The term "modern" in management research often refers to the novelty of ideas or concepts at the time of their discovery. Many management ideas and concepts originate from practitioners at all levels of management, including managers, administrators, and workers. Modern management theories, therefore, refer to concepts that not only emerge but also evolve continuously to adapt to new circumstances and challenges, thereby developing into entirely "new" theories.

Returning to the discussion, let's explore the benefits of theories, as elucidated by Hambrick (2007). Theories serve several crucial purposes:

- **Organize Management Thoughts and Ideas:** Theories help managers structure their thoughts and ideas about events and phenomena occurring worldwide.
- **Generate and Explain Relationships:** They enable managers to generate and explain relationships and interconnections

among individuals, groups, and organizations.

Enhance Predictive Abilities: Theories improve managers' ability to predict and anticipate the behavior of individuals, groups, and organizations.

Facilitate Understanding: In a broader sense, theories aid in enhancing human understanding of the inevitabilities of events and occurrences in society.

These insights into theory and its significance lay the groundwork for a comprehensive exploration of the Theory of Management and its modern interpretations, offering a valuable framework for students, researchers, and practitioners in the field of management.

Formulating robust theories involves the incorporation of four crucial elements, as underscored by theory development authorities. According to Dubin (1978), for a theory to be classified as such, it should encompass the fundamental elements of What, How, Why, and the contextual aspects of Who, Where, and When (Whetten, 1989).

What: The "What" elements pertain to the factors, often referred to as variables, constructs, or concepts,



which logically should be included in the explanation of a particular social or individual phenomenon of interest. Two criteria are pertinent to consider when addressing the "What" factor. First, comprehensiveness involves assessing whether all relevant factors or variables have been included in the theory. This entails questioning whether the right elements have been encompassed. Second, parsimony comes into play, as it requires an evaluation of whether certain factors or variables should be omitted if they contribute little additional value to our understanding.

2. **How:** Once all relevant factors or variables have been incorporated in the initial phase, the next question to address is "How are these relevant factors or variables related?" In this second phase of "How," management and researchers seek to operationalize this process by using arrows to symbolize the relationships between different variables. The goal is to unambiguously define patterns of relationship. This phase also introduces causality among the variables. Even if the researcher encounters challenges in empirically

testing these relationships, the inherent causal nature of the theory remains.

3. **Why:** The subsequent phase is "Why." Here, "Why" refers to the underlying psychological, economic, or social dynamics that underpin the selection of factors and the proposed causal relationships. The third step, "Why," endeavors to provide the rationale that forms the theory's assumptions, acting as the theoretical glue that binds all factors or variables in the model together.

4. **Who, Where, and When:** The final phase encapsulates the contextual elements of "Who, Where, and When," which are vital in social research. In management research, it is paramount to place great emphasis on the context of the study. The "Who, Where, and When" components of a theory are typically uncovered through subsequent testing of the initial basic theoretical statement (What, How, Why). While testing these concepts in various social settings, researchers may unearth the inherent limiting conditions. This breadth of experimental evidence provides insights into the practical



boundaries and extent of a theory's applicability.

The development of effective theories involves a systematic exploration of these four elements, culminating in a well-rounded, context-aware theory. These elements provide a robust framework for understanding and interpreting various phenomena and underpin the foundation of sound management theories.

3.1 The Background

Understanding management theory is a multifaceted endeavor that defies simplicity. The challenge arises from the fact that there is no single or definitive way to encapsulate theories related to both "management" and "organization." Instead, a diverse array of theories exists, each tailored to "explain" the activities of organizations and the practice of management. Consequently, it becomes almost impossible to distill these complexities into the singular terms "organization theory" or "management theory" to comprehensively elucidate modern management theory and practice.

In this intricate landscape, there is no all-encompassing "general theory of organization" or a "general theory of management." Instead, different phenomena that manifest in both management and organization contexts form the foundation of our understanding. As mentioned earlier, the issues and challenges of management, along with the complexities of coordinating groups of individuals and organizations, have existed since the dawn of human awareness of their environment and their desire to exert control over it. This desire for control extends to governing the activities of specific individuals within any given group. Human existence is intrinsically tied to society, and living in complete isolation is nearly inconceivable. Throughout history, humans have formed communities, be it families, tribes, or clans, and organized themselves in towns or villages. They had to coordinate their efforts, engage in trade, and collaborate on communal tasks. These scenarios invariably gave rise to what we aptly term "management and organization problems."

As we trace our way through history into modern times, these problems



have grown in scale and complexity. Think of the monumental endeavors of the past, such as the construction of the Great Wall of China, the Pyramids in Egypt, the organization of the Roman State and Empire, or the construction of the Colosseum in Rome. These colossal projects demanded a substantial amount of management effort, managerial skills, and organizational capabilities. The challenges encountered and the managerial prowess required to overcome them during these large-scale constructions are a testament to the multifaceted nature of management and organization.

In summary, when organizing large groups of individuals, a multitude of problems arises, including the need to manage people effectively, establish complex administrative and legal structures to maintain evolving systems, and adapt these systems to cope with change. Such problems have posed challenges to countless leaders, from chiefs, barons, nobles, pharaohs, kings, emperors, and presidents to generals, warlords, civil servants, and officials, spanning millennia. However, it's worth noting that systematic and continuous studies

of organizations and management are a relatively recent development, dating back only a century or so, with significant contributions emerging in the last 50 years. The more advanced and innovative research and studies in management have primarily emerged in the past 25 years.

These early management studies often consisted of reflections by various managers from diverse organizations. Subsequently, academic research and writing, along with the insights of practicing managers, became more prevalent. Contributors came from a wide range of fields, including sociologists, psychologists, economists, political scientists, and even biologists. As interest in management grew and the need for effective organizational practices became increasingly apparent, the field of management studies evolved rapidly. The discussions surrounding management and organization began to encompass a wide array of areas and aspects, with some contributors building upon the work of others and others presenting novel ideas for more effective and efficient task management.

In this chapter, we will embark on a journey to define management and elucidate the significance of managers, explore the evolution of management, and delve into various facets of this dynamic field.

3.2 Definition of Management?

To truly appreciate the intricate domain of management, management researchers must first establish a clear understanding of what "Management" entails. Commonly defined as both an art and a science, management is the art of achieving goals through people. It encompasses the art of supervision as well, implying that management involves overseeing various tasks, including directing and supervising to ensure that individuals fulfill their roles effectively. This focus on oversight and continuous improvement is a recurring theme in management literature, emphasizing the need for managers to ensure ongoing productivity and effectiveness among those under their supervision.

However, scholars have approached the definition of 'management' from various perspectives. For instance, Koontz and Weihrich (1990, p. 4) offered a comprehensive definition, describing management as "the process of designing and maintaining an environment in which individuals, working together in groups, efficiently accomplish selected aims." This definition highlights several key elements within the concept of 'management.'

The first element involves the managerial functions that managers need to perform within an organizational setting. These functions typically include planning, organizing, staffing, leading, and controlling. The second element underscores the universality of management tasks and roles, implying that management principles are applicable to various types of organizations. The third element asserts that management principles are embedded at all levels of an organization, from top-level executives to frontline supervisors. The fourth element emphasizes that management aims to create surplus value within the organization. Finally, the definition underscores

the significance of productivity, highlighting the key notions of effectiveness and efficiency.

Moreover, 'management' extends to the development of bureaucracy within the organizational context. This development arises from the need for various components such as strategic planning, cooperation, coordination, direction, control, evaluation, and decision-making. Consequently, the definition of 'management' underscores the skills, competencies, and effectiveness of managers in carrying out essential management tasks, including problem solving, administration, human resource management, and organizational leadership.

From a problem-solving perspective, 'management' becomes a critical function within organizations, particularly in today's competitive environment characterized by ever-changing challenges and the continual pursuit of organizational goals and objectives. Effective problem solving entails identifying issues, analyzing problems, and implementing solutions to address managerial challenges.

Administration, another key aspect of management, involves establishing organizational procedures, rules, and regulations to enable effective control, execution, communication, assignment of responsibilities, and crisis management.

The management of human resources is integral to the overall management process. This component relies on strategically integrating human resources, evaluating workforce performance, and fostering open communication between internal and external stakeholders and employees within the organization.

Finally, organizational leadership is a fundamental aspect of 'management.' Effective management leadership goes hand in hand with the development of a diverse set of skills, including interpersonal relationship building, teamwork, self-motivation, emotional intelligence, technical proficiency, conceptual thinking, decision-making acumen, and diagnostic and analytical skills. These components collectively contribute to successful management practices in a



multifaceted and dynamic organizational landscape.

3.3 Management Objectives

Management objectives are a crucial aspect in understanding the essence of 'management.' Many popular definitions highlight three fundamental sets of management objectives that underpin the practice of effective management.

1. Goal Achievement with Efficiency: The first set of management objectives revolves around ensuring that organizational goals and targets are not only achieved but are accomplished with a keen focus on efficiency. In this context, management aims to meet these goals while minimizing costs and reducing wastages. This objective underscores the importance of resource optimization and cost-effective practices in pursuing organizational success. Managers must constantly strive to strike a balance between achieving objectives and economizing resources.

2. Employee Well-Being and Safety: The second set of

management objectives centers on the welfare and safety of the individuals within the organization. This encompasses a responsibility to provide a safe and healthy work environment for all employees. Ensuring their physical and mental well-being is a priority. This objective recognizes that a motivated, healthy, and secure workforce is more likely to contribute positively to the organization's overall success. It also involves compliance with workplace safety regulations and standards to protect the interests and health of employees.

3. Resource Preservation and Protection: The final set of management objectives is dedicated to safeguarding organizational resources. These resources encompass both tangible and intangible assets. Tangible resources include physical infrastructure like buildings and equipment, as well as human resources. Intangible resources involve assets like patents, trademarks, and the organization's reputation or goodwill. Protecting these resources is essential to sustain and enhance the organization's competitiveness and longevity. Effective management

should aim to prevent wastage, misuse, and depletion of resources while maintaining and increasing their value.

In summary, management objectives play a pivotal role in guiding the actions and decisions of managers. They encompass the need to achieve organizational goals efficiently, ensure the well-being and safety of the workforce, and protect and preserve valuable resources. These objectives provide a framework for managers to align their efforts with the organization's mission and success. By effectively balancing these objectives, managers can steer their organizations toward sustainable growth and prosperity while caring for both their people and their valuable assets.

3.4 Management Goals

Distinguishing between management goals and management objectives is a common practice among many managers. Management goals encompass distinct elements that differ from management objectives. To understand these distinctions,

it's crucial to recognize the core principles that drive effective management across various types of organizations, including for-profit, non-profit, and governmental entities.

1. **Organizational Survival and Efficiency:**

A primary management goal that resonates across all types of organizations is the imperative to ensure the survival and smooth operation of the organization. Effective managers not only aim to keep the organization afloat but also seek to enable it to thrive and operate with a surplus. In this context, the manager's role is to create an environment where individuals within the organization can accomplish their tasks with optimal utilization of financial resources, time, and available assets. This principle extends to various departments within the organization, even those not directly tied to profitability, such as accounting or human resources. Regardless of their specific functions, managers in these departments are tasked with ensuring that tasks are executed with minimal expenditure of resources.

2. **Productivity and Continuous Improvement:**

Another fundamental aspect of management goals is productivity. This goal cuts across all types of organizations, emphasizing the need for productivity and the continual pursuit of enhanced productivity levels. Productivity improvement hinges on the efficient execution of both managerial and non-managerial tasks. It can be assessed by measuring the total outputs against the inputs used in the production of goods and services. In essence, productivity encompasses not only the quality of output but also the effectiveness and efficiency of the processes involved.

3. **Effectiveness and Efficiency:**

When discussing managerial goals, it's essential to underscore the distinction between effectiveness and efficiency. Effectiveness refers to the organization's ability to achieve its stated objectives. It revolves around the accomplishment of intended goals. Efficiency, on the other hand, delves into the efficiency with which these objectives are met. It places an emphasis on achieving goals with minimal resource consumption,

striving for optimal resource allocation and utilization. Effectiveness and efficiency are interrelated but not synonymous, and both play pivotal roles in gauging organizational performance.

To successfully navigate these management goals, managers must first have a clear understanding of their own personal goals and align them with the objectives of the organization. This alignment ensures that managers are not only productive but also effectively contribute to the organization's mission and success. By harmonizing individual goals with organizational goals, managers can more effectively drive their organizations toward sustainability and prosperity, always mindful of the principles of survival, productivity, and the delicate balance between effectiveness and efficiency.

3.5 **Management Functions**

In the subsequent section, we will delve into the functions of management to gain a comprehensive understanding of

this critical discipline. The practice of management can be dissected into five distinct managerial functions, which include:

1. **Planning:** The first managerial function is planning. It involves the selection of missions and objectives and the actions required to achieve them. Planning necessitates managerial decision-making, where managers must choose future courses of action from a set of available alternatives. Plans can range from detailed action plans specifying all stakeholders to overarching plans aimed at achieving general objectives. Planning is put into action after the organization commits resources, such as human resources and material assets.

2. **Organizing:** The second managerial function is organizing. In an organization, individuals working toward common objectives have defined roles to play. Someone within the organization must articulate and establish these roles, ensuring that each individual effectively contributes to the organization's goals. Organizing involves structuring the roles intentionally, which includes

assigning tasks to those competent to carry them out. Designing the optimal organizational structure can be a complex endeavor due to varying organizational needs and situations.

3. **Staffing:** Staffing is the third managerial function, revolving around filling and maintaining positions within the organizational structure. This process encompasses several steps, such as identifying workforce requirements, taking stock of available workers, and recruiting, selecting, placing, promoting, appraising, career planning, compensating, and training employees. Staffing also encompasses developing the current and future workforce to fulfill their job requirements efficiently and effectively.

4. **Leading:** The leading function is all about influencing individuals within the organization to contribute to organizational objectives and commit to the organization's mission. Managers rely on their interpersonal skills during this process, which includes motivating employees, choosing effective leadership styles, and employing various communication

approaches. Given that many organizational challenges stem from people's desires, attitudes, and behavior, effective managers must also be effective leaders.

5. **Controlling:** The controlling function is akin to an organization using a budget to manage expenses. Its primary goal is to measure and correct the activities of individuals within the organization to ensure they align with established plans. The objective is to gauge performance against goals and plans, which, if done correctly, will identify negative deviations. Managers are then responsible for implementing corrective actions to rectify deviations and ensure the accomplishment of plans and organizational objectives. Plans provide a guide for resource utilization, while controlling ensures that activities conform to those plans. Managers must make necessary adjustments or improvements during this process.

6. **Coordinating:** The final managerial function is coordination. It is vital for harmonizing the efforts of individuals within the organization, enabling them to work together to achieve common

organizational objectives. The earlier managerial functions—planning, organizing, staffing, leading, and controlling—serve as stepping stones toward effective coordination. This is essential because individual interpretations of similar interests can differ, and individual efforts may not automatically align with others. Managers play a crucial role in reconciling differences in managerial approaches, effort, timing, interests, and harmonizing individual goals with the broader organizational goals.

Furthermore, while the aforementioned functions primarily pertain to the internal environment of an organization, managers often need to perform functions and tasks in the external environment as well. Therefore, it is indisputable that managers must possess a profound understanding of the external environmental factors that surround the organization, including social, economic, technological, political, and ethical considerations. This comprehensive understanding empowers managers to navigate the complexities of both the internal and external

organizational
effectively.

landscapes

organization. Nevertheless, a common thread among all managers is their capacity to establish an environment conducive to group endeavors.

3.6 The need of management in organization

In this section, we will delve into the pivotal roles and the necessity of managers within organizations. As outlined in the preceding section, we have explored the multifaceted roles and responsibilities of managers in various aspects to ensure that individuals within the organization collaborate harmoniously to achieve both organizational and collective goals. Importantly, this philosophy applies to all types of organizations, irrespective of their size, whether they are for-profit, non-profit, or governmental entities. While examining the roles and responsibilities of managers, it's essential to acknowledge that different organizations face distinct management situations. Additionally, various management levels grapple with considerably different management circumstances. Consequently, the scope and authority of managers may fluctuate depending on the situation confronting the

Furthermore, as observed in the preceding section, different types of managers undertake diverse tasks and functions, each with varying time allocations. Top-level managers tend to dedicate a significant portion of their time to planning and organizing, in contrast to lower-level managers. Conversely, the function of leading may consume a considerable amount of time for first-line supervisors. Additionally, the time spent on the controlling function can also differ among managers at different levels within various types of organizations.

Consequently, it becomes evident that managers play an indispensable role in any organizational setting. Their managerial functions and leadership roles are pivotal in optimizing the use of organizational resources and ensuring the achievement of organizational goals and objectives. In today's fiercely competitive world, the roles and performance of managers can

ultimately determine the survival, success, or failure of an organization.

Moreover, in this era of intense competition, organizations have shifted their focus from merely capital and labor to place a paramount emphasis on the responsible role of managers. This centralizes the position of managers as critical determinants of an organization's existence.

Numerous works of literature also underscore the essential roles of managers throughout the history of institutions and society. Many authors have described management as a fundamental and enduring institution, intertwined with human civilization's survival. This underscores the significance of managers, not just within organizations but also in the broader societal context. Managers bear the responsibility of ensuring that resources are employed productively and that the nation's economy continues to advance. Consequently, both developed and developing countries are now directing significant attention toward enhancing the competence, skills, and responsibilities of management. This underscores the

vital role managers play in shaping the trajectory of organizations and the societies in which they operate.

3.7 Managerial Skills

The subsequent section will delve into the topic of "managerial skills." According to numerous works in the field of management, there are four primary types of managerial skills, each with its distinct focus. These skills are as follows: 1) technical skill, 2) human skill, 3) conceptual skill, and 4) design skill. Let's take a closer look at each of these skills.

The first set of managerial skills is technical skill, which pertains to the knowledge and ability associated with methods, processes, and procedures within a specific field or industry. Technical skills involve proficiency in working with tools, equipment, and specific techniques related to the organization's operations.

The second type of skill is human skill, which revolves around a manager's capacity to effectively work with others. This skill necessitates the ability to collaborate, communicate, and

foster teamwork among individuals within the organization. Human skill also entails creating an environment where employees feel secure and are encouraged to express their ideas, thereby enhancing interpersonal relationships and cooperation.

The third skill is conceptual skill, which is the manager's ability to grasp the bigger picture and understand the interrelationships among different variables in complex situations. Managers with strong conceptual skills can comprehend the various components of the organizational landscape and discern the connections and dependencies among these components.

The final set of skills is design skill, encompassing a manager's ability to navigate and address complications that may arise during organizational operations. Effective managers not only comprehend problems but also possess the capability to view these challenges from a holistic perspective. This is particularly vital for upper-level management. Similar to a design engineer, a manager with design skills can devise practical solutions to address

organizational issues. Managers need to possess a range of design skills to generate viable solutions for the diverse problems that organizations encounter in various contexts. Understanding the importance and relevance of these skills is crucial when dealing with managers at different levels within the organizational hierarchy.

In comparing these various types of managerial skills, the significance of each skill varies depending on the managerial level. Technical skill holds paramount importance for supervisory-level managers who are directly involved in overseeing day-to-day operations. Middle-level managers may find technical skill to be less significant. Regardless of the level, all managers require human skills since interactions with employees and subordinates are integral in any organizational setting. Conceptual skill becomes increasingly important as one moves up the management hierarchy, with middle-level managers requiring a higher degree of conceptual understanding. At the top management level, all these skills are crucial, especially conceptual and design abilities and human skills. Top-level managers

may perceive a reduced need for technical skills, as they can rely on the technical expertise of their subordinates in larger organizations. However, in smaller organizations, top managers may still need technical skills to effectively lead their teams and address issues comprehensively.

3.8 The Urgent Need for Management Theories

All the preceding sections have laid the foundation for our discussion on management theory. As highlighted earlier, theories serve as lenses through which we make sense of the myriad experiences and events that unfold around us. They provide systematic frameworks comprising interconnected variables, concepts (generalizations derived from specific instances), and principles (generalizations or hypotheses tested for accuracy and truth in explaining or reflecting reality). This organized structure distinguishes theories from scattered data, as theories offer a way to explain relationships among those data points. In its simplest form, a theory acts as a classification system, a set of pigeonholes, or a filing cabinet in which facts can

accumulate, preventing valuable information from being lost in the chaos of unorganized data.

Over the years, there has been some confusion regarding the meaning and definition of management theory and science. This confusion largely stems from the various approaches and methods employed in the study of management. Researchers have embraced multiple perspectives, and interdisciplinary influences have only added to the complexity. Some scholars have humorously referred to this complexity as "the management theory jungle," emphasizing the entangled nature of the field.

While management has undoubtedly evolved over the ages, the development of management theory significantly accelerated during and after World War II. This period saw a surge in studies and the growth of knowledge in management theory. The industrial revolution was another turning point that emphasized mass production and specialization within organizations. Human resources became increasingly crucial, and managers were

recognized as key factors in achieving superior performance.

Management principles can be seen as fundamental truths that elucidate the relationships between sets of variables or concepts (classified as independent and dependent variables). These principles can take on descriptive or predictive forms but may not always be prescriptive. Essentially, management principles aim to describe relationships among variables or predict outcomes when variables interact. The value of these principles lies in their ability to enable managers or organizations to forecast future developments or potential issues.

It is vital to distinguish between management theories and management techniques. While management theories focus on understanding the underlying principles, management techniques are methods used to perform specific tasks and achieve objectives. In the practice of management, both are crucial. Management techniques can be seen as practical applications of management theory, reflecting their insights to improve task performance.

In conclusion, management theory, when coupled with the functions of management, enhances our understanding of managerial roles and tasks. The need for management theories can be summarized from three key perspectives: 1) They help us understand the facts and circumstances that managers and organizations encounter by providing relevant criteria. 2) They facilitate effective communication within and between organizations, empowering them to engage more efficiently with others. 3) They challenge managers and researchers to continually seek answers and push boundaries within the realms of theory and practice, fostering ongoing exploration.

4. Research Excerpt-- Management theory

In this section, we will probe into various perspectives on the approaches to management theory and its development as proposed by different scholars. Yukl (1981, 1998) outlined four distinct aspects of management theory approaches:

1. **Trait Approach:** The trait approach is considered one of the earliest attempts to understand leadership and management. It seeks to identify the specific traits or characteristics that distinguish effective leaders from others. Researchers using this approach examined the traits of great leaders to understand what made them successful. However, this approach often resulted in disappointment as it proved challenging to clearly differentiate between effective and ineffective leaders. Furthermore, it didn't adequately consider the role of the situation in determining the relevance and significance of various traits. To improve the trait approach, Yukl (1981) suggested focusing more on situational factors when analyzing leaders and measuring their success. It was also found that the effectiveness of managers can be better assessed by considering a combination of traits and skills.

2. **Behavior Approach:** In contrast to the trait approach, the behavior approach concentrates on the consistency of behavior patterns exhibited by leaders, particularly concerning successful leaders. This approach analyzes the actual

behaviors of leaders, observing their typical behavior in various situations. Mintzberg (1989), for instance, conducted research that identified ten distinct roles that managers play. It's essential to note that these roles are interrelated and form an integrated whole, providing insights into managerial behavior.

3. **Power-Influence Approach:** The power-influence approach offers a broader definition of power. Power is defined as the potential of an agent to influence the attitudes and behavior of specific target individuals in the desired direction. The concept of power can manifest in various forms, and Yukl (1981) categorized it into two broad categories: positional power, derived from administrative roles, and personal power, arising from the leader's characteristics.

4. **Situational Approach:** The situational approach, often referred to as the contingency approach, acknowledges the importance of the leader's attributes and behavior being contingent on the situations leaders and organizations face. Situations can vary significantly, and they play a critical role in determining the impact of a leader's

behavior on organizational outcomes. Effective leaders must adapt their behavior to suit the specific situation they encounter.

These four approaches offer diverse lenses through which management theory has been explored and developed, each emphasizing different aspects of leadership and management in an organizational context. They underscore the multifaceted nature of management, with each approach shedding light on different facets of the complex role of leaders in achieving organizational success.

Figure 1: Four approaches to management theory

1. Trait Approach
“The trait approach emphasizes the personal attitudes of leaders” (Yukl, 1998, p.8)
2. Behavior approach
“the behavior approach emphasizes what managers actually do on the job” (Yukl, 1998, p.8)

3. Power-influence approach

“the power-influence approach attempts to explain leadership effectiveness in terms of the amount and types of power possessed by a leader and how power is exercised (Yukl, 1998, p.9)

4. Situational approach

“The situational approach emphasizes the importance of situational factors...These (factors) and other aspects of the situation determine what kind of leader traits, skills and behaviors are relevant.” (Yukl, 1998, p.8)

Source: Based on Yukl, 1981 and 1998

4. Conclusion

In conclusion, management plays a pivotal role in human society, dating back to the time when individuals first organized themselves into social structures. This chapter has sought to provide a comprehensive understanding of management as the process of creating and

sustaining an environment to efficiently achieve specified objectives. Managers perform a range of tasks and functions, encompassing planning, organizing, staffing, leading, and controlling. These roles and responsibilities of managers are applicable across various types of organizations, whether they are large or small, for-profit, non-profit, or governmental entities. It is crucial to recognize that different organizations and management levels face unique situations and challenges.

Management is often viewed as both an art and a science. The practice of managing is regarded as an art, involving practical skills, intuition, and experience. Simultaneously, the organized knowledge and principles that underpin management are considered a science, as they provide a systematic framework for understanding and applying management concepts. Numerous scholars and researchers have consistently emphasized the vital role of managers throughout the history of human institutions and societies. Management is considered a fundamental and enduring aspect of human civilization. This

perspective places managers at the core of not only organizational success but also the overall advancement of society. Managers are tasked with ensuring the efficient use of resources, contributing to increased productivity, and driving the economic progress of nations.

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Theories and Evolution of Management

1. Introduction

In the second chapter, we embark on a fascinating journey into the annals of time, delving into the profound works of eminent scholars who have left an indelible mark on the field of management and administration. For both seasoned managers and dedicated management researchers, the path is often paved with a multitude of questions stemming from the practical application of management principles and the rigors of research in this domain. Recognizing the historical underpinnings of management is a pivotal facet of their academic and professional toolkit, offering a comprehensive understanding of this discipline's rich tapestry.

In the preceding chapter, we uncovered the relative youthfulness of the study of management and

administration when juxtaposed against more established academic realms. Fields like science, medicine, biology, astronomy, and mathematics have deep-seated histories, boasting centuries of inquiry, research, and evolution. Management, however, is a relatively recent entrant in this intellectual landscape. Consequently, for aspiring management researchers, it is an exciting frontier to explore diverse facets of management studies and, more importantly, to contemplate their potential impact on society at large. Moreover, from the vantage point of a management researcher, there is a palpable potential for influencing the managerial community by gleaning insights from practicing managers and the complex environments in which their organizations operate.

To truly appreciate the trajectory of management studies, it is imperative that we take a step back and delve into the fascinating evolution of this discipline. This retrospective gaze not only equips us with a contextual understanding but also unravels the rational and intellectual roots that underpin the ideas of these visionary scholars. By acquainting ourselves with this historical backdrop, we gain a compass to navigate the future of

management and administration research. Thus, as managers and management researchers, we cannot afford to disregard the past; rather, we should embrace the wisdom and experiences of these luminaries who approached their craft with insatiable curiosity.

Throughout the course of this chapter, we will embark on a historical odyssey, seeking to unearth the early theories and insights in the realm of management. We will delve into the contributions of classical schools of management thought and, in doing so, address the pivotal question: why is knowledge of the evolution of management theories indispensable for effective management?

2. Objectives

As we conclude our journey through the second chapter, our readers will attain a profound grasp of various pivotal aspects in the realm of management and administration. By the end of this chapter, you will be equipped with the following key insights:

1. **A Rich Understanding of Management History and Early Theories:** Our exploration has delved into the annals of management's past, unearthing the historical roots and the initial theories that laid the foundation for modern management practices. This comprehension will serve as a robust backdrop for your future studies and professional endeavors in the field.
2. **The Intrinsic Value of Historical Insight:** You will come to appreciate the immense value of understanding the history of management. This historical perspective is not just a relic of the past but a beacon that illuminates the way forward. It offers valuable lessons, guiding principles, and insights that continue to influence contemporary management practices.
3. **Insight into Classical Schools of Management Thought:** We have dissected and analyzed the significant contributions of classical

schools of management thought, elucidating the ideas and philosophies that have shaped management principles over time. This knowledge will help you discern the timeless wisdom embedded in these classical ideologies.

4. The Critical Role of Evolutionary Knowledge:

You will gain a profound insight into why a comprehensive understanding of the evolution of management theories is indispensable for managers. By tracing the historical trajectory of management thought, you will be well-prepared to tackle modern managerial challenges with a holistic perspective and informed decision-making.

5. Distinguishing Early Stage Research in Management:

Lastly, you will be proficient in distinguishing the field of research during the nascent stages of management study. This awareness will enable you to recognize the roots of contemporary management research and understand how

the discipline has evolved over time.

Armed with these insights, you will be well-prepared to navigate the multifaceted landscape of management, equipped with historical wisdom and a deeper understanding of the academic and practical dimensions of this dynamic field. These foundations will undoubtedly be instrumental in your journey as a manager or management researcher, empowering you to make informed decisions, and contributing to the ongoing evolution of the management discipline.

3. Evolution of Management

3.1 Henri Fayol (1841-1925)

Our first notable scholar in the realm of management is Henri Fayol, a pioneering figure whose influence in the field endures to this day. Fayol's groundbreaking work on the principles of management, published in 1916, has left an indelible mark on the discipline. This French industrialist and engineer's journey is a testament to the enduring impact of his ideas.

Henri Fayol's early career was marked by his role as an engineer in France. Intriguingly, much of Fayol's work remained hidden from the English-speaking world until 1949, due to a lack of translations. Regrettably, during this period, some individuals wrongfully claimed credit for many of Fayol's ideas. Nevertheless, Fayol's concepts have since been widely acknowledged and are now considered the bedrock of contemporary management and administration studies.

Born in 1841, Fayol's academic journey began when he moved to the Lycee in Lyon, France, at the age of 15. His pursuit of knowledge led him to the National School of Mines in St. Etienne, where he stood out as the youngest student at just 17. Remarkably, Fayol graduated as a mining engineer at the tender age of 19. He embarked on his professional journey in a large French mining and metal production company, where he dedicated the majority of his illustrious career.

Fayol's ascent within the firm was nothing short of remarkable, ultimately culminating in his appointment as the firm's managing director, a role he held from 1888 to

1918. His tenure was transformative, bringing unprecedented success to the business and cementing his status as a legend in French industrial history. By the time of his retirement in 1918, the firm's financial health had markedly improved, and the quality of life and job satisfaction of its employees had substantially increased.

Fayol's work was characterized by his unwavering commitment to his craft and his innate ability to conceptualize and articulate his insights on effective management. It's worth noting that the majority of his written work and reflective thoughts on management were produced post-retirement from the French mining industry.

One of Fayol's most enduring legacies is his seminal book, "General and Industrial Management." This work is widely regarded as a cornerstone of management and administration studies and has left an indelible mark on the field. Fayol's ideas reverberated not only in the corporate world but also within major organizations such as the French army, French navy, and the French Post Office. He was entrusted with the monumental task of completely overhauling the French Post Office, demonstrating his unparalleled

expertise in management and administration. In the final chapter of his illustrious life, Fayol was also engaged in the ambitious reorganization of the French tobacco industry, further solidifying his legacy as a visionary and a luminary in the world of management.

Fayol's Approach

Much like Frederick Taylor, the American engineer whose work we will revisit in later sections of this chapter, Henri Fayol placed an immense emphasis on the effective management of workers at all organizational levels as the linchpin for an organization's success and the growth of industries. The effective management process, according to both Fayol and Taylor, entailed problem-solving and the elimination of any obstacles that hindered the path to effectiveness. Their shared objective was to apply scientific principles to the realm of management and to provide solutions to organizational challenges. However, a key distinction between their approaches lies in the focus of their work. Frederick Taylor's emphasis leaned towards the operational and worker levels (bottom-up), whereas Henri Fayol's

work was primarily concentrated on the upper echelons of management (top-down).

Fayol's Doctrine

Henri Fayol articulated a comprehensive doctrine of management, encompassing three fundamental aspects:

1. **Activities of the Enterprise:**
These are the core functions and undertakings of the organization. They define what the enterprise does and are pivotal in achieving its goals.
2. **Elements of Management:**
This aspect delineates the various tasks and functions that constitute the domain of management. It answers the question of what management does to steer the organization effectively.
3. **Principles of Management:**
This is a set of practical guidelines and recommendations that underpin effective management practices, offering a blueprint for successful organizational management.