

## HISTORY OF MANAGEMENT THOUGHT

Volodin A.D., Yastrebova A.D.

The National University of Pharmacy, Kharkiv, Ukraine

[mr.volodin.artem@mail.ru](mailto:mr.volodin.artem@mail.ru)

Purpose of this article is to study the history of management thought. People have been shaping and reshaping organizations for many centuries. Looking back through world history, we can trace the stories of people working together in formal organizations such as the Greek and Roman armies, the Roman Catholic Church, the East India Company, and the Hudson Bay Company. People have also long been writing about how to make organizations efficient and effective, since long before terms such as "management" came into common usage. Prominent and instructive example is the writings left for us by Niccolo Machiavelli. Although the adjective 'Machiavellian' is often used to describe cunning opportunists Machiavelli was a great believer in the virtues of a republic. This is evident in Discourses, a book Machiavelli wrote in 1531 while he lived in the early Italian republic of Florence. The principles he set forth can be adapted to apply to the management of organizations today.

- An organization is more stable if members have the right to express their differences and solve their conflicts within it.
- A weak manager can follow a strong one, but not another weak one.
- A manager seeking to change an established organization "should retain at least a shadow of the ancient customs."

Scientific Management theory arose in part from the need to increase productivity. In the United States especially, skilled labor was in short supply at the beginning of the twentieth century. The only way to expand productivity was to raise the efficiency of workers. Therefore, Frederick W. Taylor, Henry L. Gantt, and Frank and Lillian Gilbreth devised the body of principles known as scientific management theory.

Frederick W. Taylor (1856-1915) rested his philosophy on four basic principles:

- The development of a true science of management, so that the best method for performing each task could be determined.

- The scientific selection of workers, so that each worker would be given responsibility for the task for which he or she was best suited.

- The scientific education and development of the worker.

- Intimate, friendly cooperation between management and labor.

Taylor contended that the success of these principles required "a complete mental revolution" on the part of management and labor. Rather than quarrel over profits, both sides should try to increase production, he believed, profits would rise to such an extent that labor and management would no longer have to fight over them. In short, Taylor believed that management and labor had a common interest in increasing productivity.

Scientific management was concerned with increasing the productivity of the shop and the individual worker. Classical organization theory grew out of the need to find guidelines for managing such complex organizations as factories.

German sociologist Max Weber (1864-1920) developed a theory of bureaucratic management that stressed the need for a strictly defined hierarchy governed by clearly defined regulations and lines of authority. He considered the ideal organization to be a bureaucracy whose activities and objectives were rationally thought out and whose divisions of labor were explicitly spelled out. Weber also believed that technical competence should be emphasized and that performance evaluations should be made entirely on the basis of merit.

Although bureaucracy has been successful for many companies, in the competitive global market of the 1990s organizations such as General Electric and Xerox have become "bureaucracy busters," throwing away the organization chart and replacing it with ever-changing constellations of teams, projects, and alliances with the goal of unleashing employee creativity.