A study of Evolution of Management Functions

DR. SOMASHEKAR P.
Professor,
Department of MBA
PES College of Engineering, Mandya

Abstract:
This study explores the evolution of management functions, tracing their development from early organizational practices to contemporary methodologies. Management functions have undergone significant transformations influenced by historical, social, and technological changes. Initially, management was largely informal and rudimentary, characterized by basic administrative tasks and hierarchical command structures. As industrialization progressed, management evolved to incorporate more structured approaches, emphasizing efficiency and standardized procedures.

The study examines key phases in the evolution of management functions, starting with the classical theories of scientific management, which focused on optimizing worker productivity through systematic analysis and process improvement. The study then explores the Human Relations movement, which introduced a focus on employee well-being and organizational culture, recognizing the importance of interpersonal relationships and worker satisfaction.

Further, the research delves into modern management practices, highlighting the integration of technology, strategic management, and organizational behavior theories. Technological advancements have revolutionized management functions, introducing tools for data analysis, communication, and automation that enhance decision-making and operational efficiency.

Finally, the study addresses current trends such as agile management, remote work, and sustainability, reflecting the ongoing adaptation of management practices to meet the demands of a rapidly changing global environment. By examining these evolutionary stages, the study provides insights into how management functions have adapted to address emerging challenges and opportunities, underscoring the dynamic nature of management as a discipline.

Keywords: *Evolution, Management Functions, Scientific Management, Human Relations, Modern Practices, Experiment, Approach*

---

1. Introduction

Management practices have been part of human civilization since its inception. However, the academic study of management emerged only in the twentieth century. Prior to this period, there was no significant push for a systematic exploration of management. Several factors contributed to this lack of focus: the field of business was not yet highly developed, social scientists did not prioritize the study of management and business organizations, management was viewed more as an art than a science, and there was a prevailing belief that effective managers were inherently born, not developed.

The landscape began to shift with the dawn of the 20th century. Especially after World War I, there was a growing emphasis on optimizing the use of scarce resources. The aftermath of World War II intensified the challenges associated with resource limitations. As business organizations grew larger *and more complex, the necessity for well-defined management principles and theories became evident. Recent years have been marked by escalating competition and the increasing complexity of managing businesses. Key factors driving this competition include advancements in technology, the widespread adoption of technological innovations, technological obsolescence, deregulation in both national and global markets, and the significant capital requirements associated with these developments.*

Investment, heightened consumer influence in markets, and other factors have intensified the complexities of managing businesses. These complexities stem from the growing scale of operations, increased government regulations aimed at ensuring the social responsibility of businesses, rising specialization, divergent interests among stakeholders, and escalating union activities. Such challenges have necessitated a more efficient management process. It became evident that efficiency could not be achieved through mere trial and error but required the application of structured management theories and principles.

These evolving challenges drew the interest of economists, sociologists, psychologists, and management experts, who began to examine business organizations to enhance their efficiency. Different perspectives from these fields led to various approaches to management, each offering unique insights and recommendations. Consequently, multiple management theories and methods have emerged, reflecting this diverse input.

2. Early Contributions

Before the systematic study of management was established, numerous early contributions influenced the field. For instance, the concepts of organization and administration were present in Egypt around 1300 B.C. Confucius's teachings included advice on improving public administration and selecting honest, capable public officials. Similarly, Kautilya proposed principles for effective state administration in 320 B.C. Although these early ideas laid a foundation for resource management, they were not focused on business and economic activities.

Notable early figures such as Robert Owen, Charles Babbage, James Watt, and Henry Towne made important but disparate contributions to the field of business management. Despite their efforts, these contributions did not catalyze a systematic study of management as a distinct discipline. However, they helped raise awareness of managerial issues, paving the way for the formal study of management, which began with Frederick Taylor in the early 20th century.

3. Scientific Management of Taylor

The concept of scientific management arose in the wake of the Industrial Revolution, which introduced mechanization and large-scale operations in businesses, thereby highlighting the need for structured management principles and methodologies. Key figures in the development of scientific management include Frederick Winslow Taylor, Henry L. Gantt, Frank Gilbreth, Lillian Gilbreth, Edward Felen, George Berth, and Harrington Emerson. Frederick Winslow Taylor, as the foremost proponent, is often referred to as the father of scientific management.

4. Definition of Scientific Management

Taylor defined scientific management as “the substitution of precise scientific investigation and knowledge for the traditional individual judgment or opinion in all aspects related to work performed in the workplace.” This implies that scientific principles should guide the management of business operations. Taylor championed the replacement of conventional practices with scientific methods to improve efficiency and effectiveness.

5. Principles of Scientific Management

Scientific management is founded on the following key principles:

1. **Substitution of Rule of Thumb with Scientific Method:** Traditionally, decisions were based on personal judgment, opinions, and intuition. In contrast, scientific management emphasizes using scientific methods and approaches to address managerial issues. This approach eliminates reliance on intuition and biases, advocating for decision-making grounded in empirical evidence and systematic analysis.
2. **Scientific Selection and Training of Employees:** The process of choosing the right candidate for each position is critical in scientific management, as poor selection can be costly for organizations. Effective training is essential for ensuring workers do not employ incorrect methods. Scientific management stresses the importance of a scientifically designed selection process and the provision of rigorous training, as it involves adopting scientific work methods over traditional ones.
3. **Collaboration:** Frederick Winslow Taylor introduced the concept of a “mental revolution,” which involves transforming the attitudes of both management and workers from viewing each other as adversaries to seeing each other as collaborative partners. This shift fosters mutual cooperation and peace, leading to a more harmonious working environment aimed at enhancing organizational profitability.
4. **Maximization of Output:** Scientific management promotes the goal of achieving maximum output rather than limiting production. Maximizing output benefits both management and employees and is also advantageous for society, as it encourages businesses to produce at their full potential rather than restricting output.
5. **Effective Division of Labor:** The division of work between management and employees should be based on skills and expertise. Management is responsible for planning and organizing, while employees are tasked with implementing these plans according to management’s directives. This division ensures that each party performs tasks suited to their abilities and responsibilities.

6. Henry Fayol’s Administrative Management

Proponents of this management approach view management as a process of achieving goals through and with people within an organized framework. They argue that management is essential in all organizations, regardless of their type or size, and is necessary at every organizational level. The nature and scale of the organization shape the management environment.

Henry Fayol is recognized as the pioneer of this management theory. His key contribution consists of fourteen principles of management. Fayol regarded these principles as guidelines rather than strict rules, noting their flexibility and adaptability to different circumstances.

The principles are outlined as follows:

1. **Division of Work:** Fayol emphasizes dividing work based on workers' areas of expertise. Repeatedly working in the same domain enhances skill and reduces errors, ultimately leading to increased productivity. This principle is applicable across all organizational levels.
2. **Authority and Responsibility:** According to Fayol, authority and responsibility are closely linked and should be balanced. Responsibility originates from the delegation of tasks by superiors. There are two forms of authority: official and personal. Official authority derives from a manager's position within the organizational hierarchy, while personal authority comes from individual attributes such as personality, intelligence, moral integrity, and experience.
3. **Discipline:** Discipline is essential for effective operation in a structured organization and for achieving set objectives. Discipline is characterized by obedience and respectful conduct. It can be categorized into two types: self-discipline and command discipline.
4. **Unity of Command:** Each employee should receive directives from only one supervisor. When an employee reports to multiple managers, it leads to confusion and conflict, undermining organizational efficiency.

5. **Unity of Direction:** Similar activities aimed at achieving the same goals should be managed by a single manager following a unified plan. For instance, a company's marketing department should not have two separate leaders, each with differing promotional strategies.
6. **Subordination of Individual Interests to General Interests:** When individual interests conflict with the broader interests of the organization, the organization's interests should take precedence. The collective good is considered more important than individual preferences.
7. **Remuneration:** Compensation for work should be equitable and satisfactory to both employees and employers, ensuring fairness in remuneration practices.
8. **Centralization:** Centralization refers to limiting the role of subordinates in decision-making, whereas decentralization involves expanding their decision-making authority. While employees should be empowered with adequate authority to perform their duties, ultimate accountability remains with the superior. Finding the appropriate level of centralization is often challenging.
9. **Scalar Chain:** Authority within an organization should follow a hierarchical structure, flowing from the top management down to lower management levels, ensuring a clear chain of command.
10. **Order:** In an organization, everything—including materials and personnel—should have its designated place. Specifically, employees should be assigned to positions that match their skills and qualifications.
11. **Equity:** Managers should adopt a fair and considerate approach toward their subordinates, treating them with both justice and kindness.
12. **Stability:** Employees need adequate time to adapt to new roles to achieve optimal performance. High turnover rates are often indicative of organizational inefficiencies.
13. **Initiative:** Employees should be encouraged to develop and implement their own plans, even if this leads to occasional errors. Initiative fosters innovation and growth.
14. **Esprit de Corps (Team Spirit):** Fostering team spirit enhances unity within an organization. Small gestures, such as using verbal communication instead of formal written communication, can strengthen team cohesion and morale.

7. Human Relations Approach in compare with Hawthorne Experiments

Historically, classical management theories largely overlooked the human relations aspect. Key contributors to the human relations approach include Roethlisberger, Dickson, Dewey, and Lewin, who emphasized the significance of the human element within industry. They recognized that organizations function as social systems composed of people, necessitating a focus on human factors. The experiments conducted by these experts highlighted the impact of informal groups and relationships within the workplace.

In 1927, a series of experiments were carried out at the Hawthorne Works of Western Electric Company in Chicago. A research team led by George Elton Mayo and Fritz J. Roethlisberger from Harvard Business School was involved. These studies, extending until 1932, followed earlier research conducted from 1924 to 1927 by the National Research Council in collaboration with Western Electric Company, which examined the effects of lighting and other working conditions on worker productivity.

1. **Illumination Experiment:** This experiment explored the link between lighting conditions and worker output. Initial findings suggested that increased lighting improved output. However, productivity continued to rise even when lighting was reduced below normal levels. Ultimately, it was concluded that there was no consistent relationship between illumination and productivity, leading researchers to explore other factors influencing worker performance.
2. **Relay Assembly Test Room Experiment:** In this experiment, a homogenous group of female workers was observed. Researchers aimed to identify factors affecting productivity by altering various aspects of the work environment, such as improving physical conditions, reducing working hours, increasing rest periods, fostering informal group interactions, and implementing more supportive supervision. These changes resulted in higher employee morale and

productivity, which persisted even after these modifications were withdrawn. The experiment highlighted socio-psychological factors like recognizing employees' social needs, making them feel valued, encouraging participation, fostering cohesive teams, and providing supportive supervision.

3. **Bank Wiring Observation Room Experiment:** A group of 14 workers was observed under near-normal conditions. Comparisons of their performance before and after the experiment showed minimal changes, as the work environment remained consistent. However, researchers noted the presence of informal groups and the establishment of unofficial production standards. Key observations included: a) Group members tended to limit their output. b) Informal performance standards diverged from official targets. c) Individual output levels remained relatively stable. d) Discrepancies were observed between actual and reported output in departmental records.
4. **Mass Interview Programme:** Researchers conducted mass interviews to gather workers' opinions on working conditions and supervisory practices. Initially, direct questioning was used to collect relevant data, but later the approach shifted to a more indirect listening method. The findings underscored the significant role of social factors in shaping the work environment.

7.1 Overall Contributions of the Experiments

- Organizations function as social systems with various interacting components. These systems create roles and norms that may differ from those established by formal organizational structures. Individuals often adhere to informal group norms rather than official management targets.
- Management significantly influences worker behavior.
- Informal organizations exist within formal ones, and they mutually impact each other.
- Workers often act as group members rather than as individuals. Resistance to change can be overcome if the group supports the change.
- Informal leadership and group norms play a crucial role alongside formal leadership. Formal leaders must align with group norms to be effective.
- Two-way communication is essential: downward communication provides necessary information, while upward communication conveys workers' feelings and sentiments, informing potential organizational changes.
- While monetary incentives motivate employees, they are not the sole driving force; socio-psychological factors also play a crucial role.
- Employees do not always behave rationally; their responses to job-related factors can be unpredictable.

References

1. Drucker, P. F. (2006). The effective executive: The definitive guide to getting the right things done. Harper Collins.
2. Fayol, H. (1949). General and industrial management. Pitman Publishing.
3. Mayo, E. (1933). The human problems of an industrial civilization. Macmillan.
4. McGregor, D. (1960). The human side of enterprise. McGraw-Hill.
5. Mintzberg, H. (1975). The structure of organizations: A synthesis of the research. Prentice-Hall.
6. Porter, M. E. (1985). Competitive advantage: Creating and sustaining superior performance. Free Press.
7. Robbins, S. P., & Judge, T. A. (2019). Organizational behaviour (18th ed.). Pearson.
8. Schein, E. H. (2010). Organizational culture and leadership (4th ed.). Jossey-Bass.
9. Taylor, F. W. (1911). The principles of scientific management. Harper & Brothers.
10. Weber, M. (1947). The theory of social and economic organization. Free Press.