Considerations in the Area of Management: Directions and Currents

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Abstract: Management science is a discipline that is designed for practical application. The origins of the economic stream were given by F. W. Taylor and the administrative stream by H. Fayol. For several decades, both currents have integrated into the systemic current. The determining factor for changes in organizations is the oscillating environment, which in the literature is referred to as the VUCA condition.

Keywords: Management, direction, stream, human resource management.

1. INTRODUCTION

The development of research in the field of organisational management in recent years has led to intensive changes on both the theoretical and practical levels. In the theoretical sphere, the process of creating concepts and defining their meaning has led to the creation of new ideas and theories, as well as management methods, techniques and tools [1]. Management science is a discipline that provides managers and business owners with the knowledge of how an organisation should function and develop properly, as well as how to manage it. Modern management science is based on the assertion that only those enterprises can develop properly, which, using new technology, acquire the necessary knowledge about the expectations of their customers and the needs of the market, in order to adapt to the changes that are constantly taking place in their environment [2]. Contemporary challenges, therefore, require the management sciences to put into practice concepts that serve to solve new problems and change the organisation’s behaviour in the market [1].

I. M. Taucean notes that the power of management science comes from its diversity. The complex conditions of constructing organisational structures require a specific diagnosis of organisational problems, as well as the accumulation of management knowledge [3]. The most important feature of management theory, which influences the creation of ever newer directions, trends, schools, tendencies or research processes, is its reflection in practice and its interdisciplinary character. Analysing the way in which the integration of different processes in management theory is taking place, one gets the impression that the progress of management and organisation research is growing significantly [4]. To this end, innovative research methodologies are being developed that can foster this integration and research work, one that uses a

multi-level approach. These issues are mainly analysed in terms of the heterogeneity of companies on the basis of differences between units [6].

2. Directions and currents in management theory

Management as a sphere of human knowledge has existed since ancient times, as evidenced by numerous monuments to human genius [7]. However, these were not scientific thoughts. The organisation of management activities was based on the personal leadership of the individuals in charge and on the practice gained from making various mistakes. The real development of scientific interest in the field of management took place in the nineteenth century, during the "industrial revolution", which awakened the development of social, organisational and economic problems not encountered before, related to technical and technological conditions and new ways of working [8].

The term "management" has three different definitions [9]:

- It is a process aimed at achieving an organisational mission, strategy, vision and objectives,
- It can also be a certain set of knowledge that checks the different methods used by organisations and managers,
- It can be individuals in organisations who steer and direct the actions of others to achieve organisational goals.

Contemporary organisations are manifesting themselves by increasingly replacing classical leadership paradigms, whose basis was power and control and whose source of initiative for subordinates was fear and avoidance of punishment, with new directions such as organisational balance and management by networks. The contemporary directions of organisational management are significantly influenced by the intention to participate in profits together with the classical functions of management. In juxtaposition with the personalities of managers, which are often autocratic, this can make it difficult to control the accountability relationship for decisions [10].

As a result of the civilisational transformation taking place today, the social, economic and cultural processes, as well as the development opportunities of different regions, are becoming global [11]. In order to understand the problems of management of contemporary enterprises, one should first familiarise oneself with the views of the creators and precursors of this rather complicated issue, among whom the most frequently mentioned are: H.L. Gantt, F.W. Taylor, F.B.L. Gilbreth, H. Emerson and K. Adamiecki [12].

As a result of the activities of researchers and published authors, at the beginning of the 20th century, theoretical concepts of organisation and management emerged, which tried to be divided into appropriate directions, schools and currents, according to various criteria. Among these schools and concepts, several main, historically formed directions, schools and approaches can be distinguished, such as [12]:

1. The directions of scientific organisation of work, referred to as the classical school (Scientific Management), or the engineering stream (Industrial Engineering), which distinguishes between:
   - Fordism - production organisation,
   - Neoclassical school.
2. Administrative, administrative-bureaucratic orientations.
3. Sociological-psychological orientations, in which are distinguished:
   - the human relations school (Human Relations),
   - behavioural school.
4. Management process schools:
   - operational research,
   - decision theory.
5. Systems approaches.
7. Socio-political approaches.
8. Economic approaches detailing:
   - classical economic theory,
   - analytical economic approaches,
   - institutional economic approaches.

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8 G. Clark, *The secret history of the industrial revolution*, University College, Dublin 2001, s. 4-12.
11 M. Dan Gavriletea Towards an understanding of the precursors of effective leadership, 2011, Vol. 11, Nr 3, s.
• ideal model of industrial organisation.
9. Schools of systems and information technology approaches.

The classical scientific output on management is presented today mainly by its two streams: administrative and scientific [14].

2.1. Classical management theories
Already at the beginning of the twentieth century, efforts were made to eliminate unnecessary activities from work, mainly by analysing work and measuring its effects. The year 1903 was important for the practice of management, when W. F. Taylor (1856-1915) put forward his theory claiming that the organisation of work should be solved on the basis of scientific facts and not left to human intuition [15].

W. F. Taylor’s concept was born as a result of his experiences as a labourer working in various positions, including physical work. He designed the management system he invented based on an analysis of the duration of the production cycle at the production line. This researcher proposed some of the following theses about what should be applied to improve quality and productivity [16, 17]:

• A precise way of training and selecting employees,
• Scientific techniques for personnel management,
• Scientific methods to determine the principles of cooperation between management and workers,
• Full control of the workers in terms of work performance and compliance with procedures,
• Planning and scientific approaches to organising work with the burden of responsibility on the unit’s management.

H. Turan emphasised in his studies that scientific management is a revolution of productivity that removes the disharmony of capitalism and also prevents the poverty of the working class. The person who started this revolution was Taylor [18]. The period H. Turan wrote about (the early twentieth century) saw liberalism, capitalism and individualism in North America and Europe [19]. It was a period when productivity-based production was gaining ground. It was an era in which human behaviour was overlooked [20].

Another pioneer of the science of organisation and management was R. Oven (1771-1858), a Scottish textile manufacturer. In his time he built model workers’ villages. He provided decent sanitation for his workers, set up schools for children, and banned child labour in his mills. He was interested in the welfare of his staff [21].

On the other hand, Ch. Babbage (1792-1871), during his research work, drew attention to the great disparity between mechanised labour and its traditional organisation by human power. Already at the beginning of the industrialisation period, he pointed out the need for a new organisation of the production flow, which would be based on the principle of a prudent division of labour. This researcher stated that ensuring the rational use of machinery in industry would distinguish factories and differentiate them from manufactories. In a published work entitled ‘On the economy of Manufactures and Machineries’ (1832), the first standards for a new organisation and management of the manufacturing business appeared [22].

2.2. Scientific and administrative organisation of work
The directions of scientific organisation of work emerged with the growth of familiarity with scientific management among managers in the early 20th century. At that time, scientific management was introduced in two hundred American enterprises, mainly factories [23]. The managers of the production departments of H. Ford adopted the principles of

15 B. Christiansen, H.C. Chandan, Handbook of Research on Organizational Culture and Diversity in the Modern Workforce, Argosy University 2017, s. 34-36.
scientific management between 1908 and 1914. This resulted in the promotion of Ford’s modified Fordism methodology internationally [24]. The direction of scientific organisation of work was also supported by A. Marshall [25]. In his 1919 publication, he carried out an analysis of scientific management, detailing its implications and limitations. This view became very popular in the then Soviet Union, where it was stated that Taylor’s theory was a noteworthy feature of the teaching of scientific management [26].

Already at the end of the 19th century, scientific management was emerging in one foundry in the UK. Several innovative management techniques were then implemented such as [27]:
- Workflow planning,
- Market research and forecasting,
- Site location planning for production halls,
- Production planning,
- Standardisation of the product and its components.

Sociological and socio-psychological factors associated with positive effects in business management can be divided into external and internal [28]. V. Sorenson classified company variables as [29]:
- Performance,
- A set of variables,
- Behavioural variables.

According to this author, these variables determine the external and internal conditions of the company. The aforementioned conditions influence the decisions and actions taken by the company to achieve certain results. V. Sorenson stated that firms act to achieve financial benefits that arise when the firm makes appropriate decisions and actions related to pricing, promotion, organisation and production or services. To achieve the desired, behavioural variables can be properly manipulated by the firm. Conversely, the types of actions taken or their results are influenced by conditions inside and outside the company. The results that a company achieves include profit levels, costs, market power, organisational alignment and market penetration [30].

The scientific strand therefore focused primarily on improving all activities carried out in the enterprise, and dealt mainly with workers. It was concerned with questions of organising the workflow in space and time, but also with ensuring adequate resources with their proper use. In contrast, administrative direction studied the principles of desk work. The theory was based on the experiences and observations of civil servants, which laid the foundations for classical and administrative principles of management. The achievements of the scientific stream were concerned with modifying the work done by individual employees, while the achievements of the administrative stream focused on universal rules that could be applied to any enterprise. Both approaches were placed in the principle of causality, through which it was possible to decompose complex issues into much simpler ones and to search for rules to influence selected phenomena [31].

Classical management theories in addition to the scientific and administrative organisation of work include: the behavioural schools, whose crowning strand became human relations theory (psychosocial strand), and the quantitative schools, within which can be distinguished: quantitative management theory and operations management. This classical management movement had the following two assumptions: general administrative management and scientific management [32]. The administrative management strand studied companies as a whole, while focusing on ways to make them more efficient and effective. Scientific management, on the other hand, focused on methods to improve their productivity (1895-1940) [33]. It should be noted that in recent years there has been a resurgence of interest in this classical management theory as a technique for increasing productivity, reducing costs and re-examining the efficiency as well as effectiveness of organisations [34].

2.3. Human relations theory

Classical management theories, such as scientific and administrative, were popular, but there were situations where, despite following the principles of these theories, the desired results were not achieved, for example, the relationship between productivity and

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24 D. Waddell, G.R. Jones, J. George, Contemporary management, McGraw-Hill Education 2013, s. 5-27, 37-55.
26 Ibidem, s. 77.
27 W. Findur, S.E. Rogers, The history of management …, op. cit., s. 60.
28 D. J. Duncan, Sociological and social-psychological factors related to success in business management, Iowa State University 1971, s. 64-69.
29 V. Sorenson, Report of workgroup relation between managerial goals and values and market behavior and structure, Iowa State University 1964, s. 138.
30 Ibidem, s. 138-140.
31 S.A.D. Bacud, Henri Fayol’s principles of management …, op. cit., s. 162-163.
32 W. Findur, S.E. Rogers, The history of management: a global perspective, College of Business and Public Administration, Virginia 1994, s. 60.
33 Ibidem, s. 60-61.
the wage system was not observed, moreover, the reaction of workers motivating management actions could not be predicted. For this reason, managers began to look for other incentives besides wages that could influence workers' productivity [35].

The school of interpersonal relations focuses on models that understand interpersonal communication as one of the phenomena of social psychology, by which is meant models that conceptualise communication as a result of complementary processes operating at the intrapersonal as well as the interpersonal (interpersonal) level. At the intrapersonal level, communication includes processes that enable participants to understand and create messages, and at the interpersonal level, processes are created that cause participants to simultaneously influence each other. The aim of the sociological-psychological school of interpersonal relations is to explain how these sets of processes interact [36].

The beginning of this new thinking emerged between 1924 and 1933 in the Chicago area, where E. Mayo, together with his colleagues (W. Dickson, F.J. Roethlisberger), conducted a number of experiments from which it became apparent early on that employees were very receptive to the opinions of their co-workers. It turned out that the role of such interpersonal relationships at work was more serious than higher wages. In addition, management's interest in employees, in itself, was seen as a kind of distinction (Hawthorne effect) [37].

This research directed further inquiries into non-economic factors such as social needs (group contact, belongingness, recognition), as well as the important relationship between productivity and job satisfaction, which in effect showed that management's attitude towards employees has a strong influence on the well-being of subordinates. The author explained the results of the experiment by the following factors: the role of informal relationships between employees and the interference of management with a particular employee group, which influenced its behaviour. This gave rise to an interest in interpersonal relations prevailing in companies [38].

Another representative of the human relations school was D. McGregor, who in 1960 presented two ways of thinking about employees, calling them theory X and theory Y. Supervisors unconsciously adopting the assumptions of theory X claimed that: people try as much as possible to avoid work and dislike it, and managers, if they want to get them to do their duties, should carry out constant inspections, threaten workers with punishment if they disobey, moreover, workers prefer to be led, they do not want to take any responsibility themselves. They have no ambition and only want to be secure in their existing positions [39].

McGregor noted that the assumptions of theory X fit well with representatives of scientific management. He countered with a different set of claims, which he called theory Y, whose basic assumptions concern the following circumstances [40]:
- People enjoy work as a natural part of life,
- Employees become attached to the goals set for them in proportion to the personal rewards they receive for achieving them,
- Each staff member is intrinsically motivated to carry out his or her tasks insofar as he or she feels connected to them,
- Under the right conditions staff themselves tend to take on responsibility,
- People tend to use only part of their talents because they do not have the conditions at work to prove themselves,
- Employees have an innate propensity for innovation or creativity.

Managers who report increases in revenue, innovation and decreases in overhead costs are more likely to use theory Y [41]. An example of the embodiment of theory Y was Procter&Gamble [42], which in 1950, in an effort to minimise costs, created work rules to maximise efficiency [41].

When Japanese companies began operating in the US market (1950-1960), many American workers

37 D. Bramel, R. Friend, Hawthorne, the myth of the docile worker, and class bias in psychology, American Psychologist Journal 1981, Nr 36(8), s. 867-878.
40 Ibidem, s. 207.
41 A. Arslan, S. Staub, Theory X and Theory Y Type Leadership Behavior and its Impact on Organizational Performance: Small Business, Social and Behavioral Sciences 2013, Nr 75, s. 103.
and managers wanted to work for them because they believed they would be willing to learn the most efficient ways of working in a group (which the Japanese were then famous for), with respect for their dignity. Employees felt that at work and in private they were one big family. Although there were also times when whole groups of American workers were dismissed overnight, during the provision of work, the system of human relations worked unchallenged, according to Theory Y [44].

In human resource management, it therefore became important to enable companies to succeed in local and global markets through the workers they employed.

It became necessary to induce such employee behaviour that it would lead to the realisation of the organisation's goals. More often than not, human resource management, in addition to employment planning, recruitment and selection, professional adaptation, appraisal of employees and managers, their motivation, training and development, aims at shaping the right interpersonal relationships within the company.

2.4. Quantitative theories

The quantitative approach mainly involves identifying a number of measurable factors in an organisation and comparing them to a predetermined model. Based on the results obtained, decisions are made to manage the organisation. This system originated in the 1950s and was first introduced by R. McNamara at the Ford Corporation [45].

This method is effective when the translation of the actual state into the model state is easy (few factors that are relatively easy to measure). In the current business reality, purely quantitative models are rarely used to manage a company. It is extremely difficult to collect reliable data, select appropriate weights and take into account, for example, human behaviour that does not lend itself to modelling. However, it can be said that the achievements of the quantitative approach have remained a lasting foundation of modern management methods [46].

2.5. Integrative approaches

In the past, corporations, did not have a high academic standing or position in society, which forced researchers to undertake research in this direction. There was a widespread belief that the management process consisted of intuitive knowledge that only a few divinely endowed people could acquire. However, the advent of the industrial revolution and the consequent rise of commerce and industry necessitated expanded research on management. The evolution of these thoughts can begin by distinguishing between the classical (scientific management school and administrative school) and the behavioural and quantitative schools.

These three schools merged into an integrative school, which led to the emergence of modern management thought - Figure 1. The development of the classical management schools unleashed a multidimensional view of organisational problems and of management and employees.

The achievements of the administrative, scientific, behavioural and quantitative approaches should not be mutually exclusive and the assumptions presented can form the basis for further development of the discipline of science. The search for ways to integrate the classical acquis has led to the distinction of systemic and situational direction [47].

2.6. System Theories

In system theory, attention is paid to the dynamic nature of the various subsystems of an organisation and the links between them. The idea is that the actions of one part of the organisation affect the functioning of the other parts, while changes occurring in one subsystem result in the other components of the organisation. The systems approach is derived from general systems theory, which was pioneered by L. von Bertalanffy (1901-1972) and N. Wiener (1894-1964). The development of systems theory in the field of management theory had its beginning in the 1950s. It stemmed directly from the strand of social systems theory pioneered by T. Parsons (1902-1979). In the structure of social action, T. Parsons developed the following three interrelated themes [48]:

- Classical social theory,
- The detection of a theoretical convergence towards a volitional theory of action,
- The link between the importance of individual social action and integrative functions.

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45 A.J. Beveridge, Private Business to Public Service: Robert McNamara’s Management Techniques and Their Limits in Peace and War, Johns Hopkins University, Baltimore 2014, s. 279-299.
46 S. Rahman, The Advantages and Disadvantages of Using Qualitative and Quantitative Approaches and Methods, School of Social Sciences, Education and Social Work, Belfast 2016, s.105-107.
The theory of T. Parsons [49] assumes that classical social theory is unable to provide an account of organisational functioning in terms of a positivist and rationalist epistemology without contradicting its own assumptions, because classical theories assume that economic actors are selfish, satisfying only their needs [50]. Parsons argued that classical theories cannot explain the social order because it is perfectly rational for economic actors to use deception or force. Classical economic theory did solve this problem in fragments, using the theory of interpersonal cooperation, but Parsons, criticising these illegal strategies, came up with the idea of the ‘residual category’ [51].

Among the basic norms of the systemic direction, the following principles are mentioned [52]:

- A holistic view of the organisation, which is more than the simple sum of different organisational elements,
- Sub-optimisation, according to which improvements in a sub-system do not lead to improvements in the performance of the whole system,

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49 T. Parsons, The social system, Free Press 1951, s. 21.
52 Ibidem, s. 386.
Asymmetry of influence, which assumes that the whole system has more influence on the organisation than its individual components,
- Awareness of the interconnectedness of the organisational system.

This approach draws attention to treating the organisation as a unified, purposeful social system made up of interrelated parts.

3. SUMMARY

At present, the most important resource of an organisation is the human being. From him everything begins. His goals, knowledge, skills, competences, values - all show how each of us is unique. All his qualities are increasingly important for the competitiveness of modern organisations.

They just need to be put to good use. This is the main objective of human resources management - to create the best possible conditions for people to use all the aptitudes they can offer the organisation. This is a very difficult task, which is why company managers have to pay special attention to managing people in order to stimulate and coordinate the efforts of all co-workers to achieve the most beneficial effect, which is to build a stable, strong and unrivalled organisation.

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