

On the value of management history: Absorbing the past to understand the present and inform the future

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Abstract

Purpose – The purpose of this paper is to consider the value of management history as a contributor to the development of the theory and practice of management and, to the extent that it is necessary to absorb the past in order to understand the present and inform the future, consider what happens to the knowledge base when the surviving “contributions” to the knowledge base are partial and, indeed, erroneous.

Design/methodology/approach – The articles that constitute this special issue form the launching-pad for this discussion, with the ideas presented here combined with previous research and commentaries on the issues raised.

Research limitations/implications – In *The Life of Reason*, Santayana said, “Those who cannot remember the past are condemned to repeat it”. Managers looking for the “next big thing”, without being able to incorporate it effectively into their experience, and the experience of those who are long gone, are condemned to repeat not just the past, but also the mistakes of the past. Accordingly, it is also critical for management scholars to both recognise and take advantage of earlier thinking and empirical work to inform their contemporary musings and research if they are to provide meaningful frameworks for practitioners.

Originality/value – Drawing on the themes presented in the articles of this special issue, the paper demonstrates the value of knowing accurately the history of management thought to scholars and practitioners alike.

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The past is never fully gone. It is absorbed into the present and the future. It stays to shape what we are and what we do (Sir William Deane, 1996).

Introduction

The usual readers of *Management Decision*, who, from time to time, may have sneaked a look in the “sealed section” that has been the *Journal of Management History*, might wonder why *Management Decision* would devote a whole issue to the topic. After all, *Management Decision's* self-stated remit is to offer “thoughtful and provocative insights into current management practice” – it is a journal focussed on the practicalities of management and management decision making. That being said, one is reminded of Lewin's (1951, p. 169) exhortation that: “There is nothing so practical as a good theory”. The purpose of this special issue is to identify and chronicle the ways in which contributions by early writers in management have been (or at least could have been) absorbed into current understanding and can inform the future development of management ideas – the issue then, is about good theory and is, therefore, most practical.

There are few general management texts today that do not start with homage to the late nineteenth and early twentieth century writers on management and administration – Weber and bureaucracy, Taylor and scientific management, Fayol and the classical school of management, and so on. A quick “tiptoe through the tulips” of their (claimed) main ideas, a passing nod to Chester Barnard and Elton Mayo, and then it is on to Maslow, Mintzberg, Drucker, Porter *et al.*, with nary a backward glance. The notion appears to be that these writers, mostly long dead, are only of “historical” interest, quaint in their ideas that more modern minds have evolved beyond in their thinking. Yet, as the quote at the head of this paper so cogently observes, the past is never fully gone – it is absorbed into the present and future, it stays to shape what we are and what we do. And so we need to consider the past more than merely *en passant*.

There are also writers whose ideas are not widely explored or known, and even ignored (see, for example, Dye *et al.* (2005); and Nyland and Heenan (2005), both in this issue). Accordingly, the history of management ideas that are proffered in the various management/business tomes (with worthy exceptions such as Wren, 2004) are not only sparse, but also patchy and, ultimately, unbalanced. In consequence, we need to examine more closely the historical development of management concepts and practices, with a view to how they inform the present and “shape what we are and what we do”. This includes examination or re-examination of established historical management concepts; the historical and continuing role of the behavioural sciences in the development of management practices; historical analysis of management philosophies; methodologies for dealing with historical management materials; the importance of the historical perspective in understanding contemporary management; and historical aspects of such workplace features as quality control, cultures, and occupational health and safety.

The art of editing a special edition – bringing together at one time a series of papers allegedly developed round a common theme and then representing them as a cogent whole– is one with often Zen-like qualities: we learn about the art by observing and studying those examples where the editor(s) has not succeeded. And it may be seen by others that this issue can be added to the Zen collection, but I hope not. I have been fortunate in attracting to the issue a series of papers that have been informed by and that, in turn, inform the theme identified in the call for papers. The rest of this paper is concerned with the demonstration of the *Gestalt* that this collection of papers represents, together with a contribution to the discussion about the ownership and control of management knowledge.

Lenses on management history: the current issue

Earlier in 2005, Spender spoke at the EURAM conference about management education, providing some history of the search for academic legitimacy and the ownership and control of management knowledge. While his paper Spender (2005) has not received the attention accorded to those of his North American counterparts, it provides a particularly apt introduction to this issue.

The current chorus of criticism about management education in general, and MBA programs in particular (see, for example, Mintzberg, 2004; Pfeffer and Fong, 2004), is not anything new (Spender, 2005). Spender (2005) takes us back before the generally accepted beginnings of management education in the early twentieth century to its geneses in the fourteenth century and, later, in the German Cameralist schools of the eighteenth and nineteenth centuries. He argues that much of the subsequent history of the professionalisation of management has been about a search for legitimacy, ownership and the control of management knowledge. Spender (2005) concludes that we might do better to shift our thinking from the “manager as administrator” to the “manager as artist” and to reorient our educational efforts accordingly. Similar efforts to move the practice of management beyond administrative process to consider other metaphors of organisation as a basis for leading them have found articulate champions in Morgan (1997) and Bolman and Deal (2003), whose works appeared initially in the late 1980s and early 1990s (long enough ago, it seems these days, to count as of historical interest themselves).

Perhaps one of the reasons that the Cameralists have been not been given their merited prominence in discussions of management pedigrees is because, as Jackson (2005) points out in his exploration of the eighteenth century Cameralist antecedents of bureaucracy, administration and public policy are areas left alone by most management texts. Indeed, Max Weber's exposition of bureaucracy has all but disappeared from recent textbooks and, when it does appear, it is more often than not presented quite inappropriately (see Lamond, 1990; Dye *et al.*, 2005). At a time when there is so much talk about the “business of government” and the citizen as consumer of government services, this is perhaps not surprising. Of course, public policy (and its administration) not only exists, but also represents a critical component of the context within which companies and economic activity are embedded.

Jackson (2005) examines the work of eighteenth century Cameralist, Johann Gottlob von Justi, to shed new light on the evolution of the theory and practice of bureaucracy, and the influence that the Cameralists had on Max Weber's concept of bureaucracy as the rule-bound application of rules. In doing so, Jackson (2005) reinforces the importance of the Cameralist pedigree to our understanding of the development of administration and management,

suggesting it would be timely to investigate further the development of administration in early modern Europe.

Noting Spender's alternate characterisation of the manager as artist, we might expand this exploration to include the notion of the manager as "author" of the managerial script. This is, in a sense, what Hamilton and Hamilton (2005) do in their paper, "Timeless advice: Daniel Defoe and small business management". Daniel Defoe probably is best known as the author of *Robinson Crusoe*, but he was also an early entrepreneur who late in his life published a business text called *The Complete English Tradesman*. If, as Napoleon had suggested, Britain was a nation of shopkeepers ("*une nation de boutiquiers*"), then, in Defoe, the *boutiquiers* had a strong supporter who saw them, along with the merchants and tradespeople, as the backbone of British society.

Hamilton and Hamilton's (2005) description of *The Complete English Tradesman*, as a "sprawling work of almost 1,000 pages with a haphazard organization, including chapters in a seemingly random order" might lead some to consider that the book was a preview of postmodernism rather than entrepreneurship (see Sokal and Bricmont (1998) for an apposite deconstruction of this observation). It is in the considerable overlap between Defoe's advice and modern small business management principles; and the breadth of topics, from accounting and cash flow to inventory control and customer service, however, that it bears a striking resemblance to modern small business management texts.

Despite being dismissed by literary historians as a product of failure and based on 20-20 hindsight, Hamilton and Hamilton (2005) argue that *The Complete English Tradesman* has made an important contribution to the development of the management pedigree. A pamphlet produced in 1748 by well-known kite-flier, Benjamin Franklin, which is cited in Weber's *The Protestant Ethic and the Spirit of Capitalism*, bears an uncanny resemblance to Defoe's work (Hamilton and Hamilton, 2005). If, as Hamilton and Hamilton (2005) suggest, it is true that Defoe influenced Franklin, who in turn influenced Weber, then Defoe's work does indeed deserve further review.

The type of stereotyping by literary historians of Defoe's work appears to be reflected in the equivalent treatment of the respective works of management theorists Henri Fayol and Mary Parker Follett, at least according to Parker and Ritson (2005). Interestingly, Parker and Ritson (2005) conclude that, while both Fayol and Follett have been victims of the stereotyping characterised as the "management-fashion-setting process" (Abrahamson, 1996, p. 254), their subsequent treatments have varied according to the differential processes applied to them and their works. Follett and her work were celebrated in the early part of the last century, but fell into obscurity in the 1920s and 1930s. It was when her work was rediscovered in the 1980s and 1990s that the stereotype was challenged as part of the rediscovery process and new insights into her ideas developed. On the other hand, according to Parker and Ritson (2005) management scholars have always "known" Fayol and his links to F.W. Taylor, and so there has been no need to revisit the understanding of Fayol as a European adherent of scientific management (the falsity of this has been demonstrated by, among others, Lamond (2003, 2004)).

Was Fayol's approach to general and industrial administration simply a fad? Smith and Boyns (2005) consider the impact of Fayol's work on British management theory and practice, especially in light of the support given to his ideas by respected British management thinker and writer, Lyndall Urwick. On the basis of a series of case studies, Smith and Boyns (2005)

conclude that, while Fayol's theoretical influence has stood the test of time, his impact on practice has been much more limited. Their observation that Fayol's impact has been on management theory but not on practice might be considered somewhat puzzling *prima facie*, especially in light of the Lewinian dictum concerning the 'practicality' that should characterise good theory. Lamond (2003, 2004) offers a possible solution to the conundrum.

While Fayol's commentary was originally published in French nearer the turn of the twentieth century, it was not until 1949 that the "definitive" translation of *General and Industrial Management*, by Constance Storrs, appeared (Fayol, 1949). Twenty-five years later, Henry Mintzberg (1973, 1974) dismissed Fayol's characterisation of managers and management as folklore. Managers do not plan, organise, coordinate, command, and control, as Fayol (1949) claimed. Rather, Mintzberg (1973, 1974) asserted, they enact a series of roles – informational, decisional and symbolic – in various combinations according to the day-to-day exigencies they face.

Lamond (2003, 2004) has sought to reconcile these apparently contradictory understandings by way of a comparison of managers' preferred approaches to managing with their experience of how they manage on a day-to-day basis. He concluded that the two views can be understood to be different layers of the same ontological reality, at least to the extent that, given the similarities between Fayol's characterisation and managers' preferences and between managers' day-to-day experiences and Mintzberg's roles, Fayol gave us management as we would like it to be and Mintzberg gave us management as it is. Returning to Smith and Boyns' (2005) conclusion, it appears that while Fayol (1949) proffers a theory that makes intuitive sense (and so we continue to theorise and even to develop managerial prescriptions on that basis), it is not always able to be translated into the action consistent with the demands confronting the manager in the workplace.

While the arguments between Fayol, Mintzberg and others has essentially been "in-house", this was not the case for pioneering feminist management scholar Mary van Kleeck. Born in 1883, she died at Woodstock, New York, in 1972, a unknown in her own profession (given that she was 89 years of age, she did not, as suggested by one young listener to the conference paper on which this article was based, die at the "3 days of peace and music" that, in any event, took place in 1969). Nyland and Heenan (2005) trace the development of van Kleeck's ideas and her influence on and in the Taylor Society in the USA in the period between the world wars. They point to the impact on the Taylor Society in general, and van Kleeck in particular, of "The Right to Manage" crusade launched by American business in 1944 against the call of the Congress for Industrial Organizations (CIO) for greater labour involvement in management.

This crusade continued into the 1950s where, in 1953, the 70 year-old van Kleeck was called before the House Un-American Activities Committee (HUAC), and accused of being a Communist Party member and an agent of the USSR (Nyland and Heenan, 2005). Like Follett before her (see Parker and Ritson, 2005), subsequent acknowledgment of van Kleeck's contribution is not well-known, being confined to histories of feminism, social welfare, and labor. Perhaps Nyland and Heenan (2005) are in the vanguard of a new movement to recognise the work of van Kleeck and "the many other Taylor Society members who sought to promote the democratisation of management by promoting the diffusion of control over management knowledge amongst the widest possible body of stakeholders".

Abraham Maslow was another scholar who came to the attention of the US federal government authorities in the early 1950s, when he was a signatory to an open appeal to repeal the Internal Security (McCarran) Act that had effectively made the Communist Party and any government-designated “communist front” organisations illegal (Dye *et al.*, 2005). He is, however, much better known to a host of management academics, students and practitioners alike for his “hierarchy of needs”, which, according to Dye *et al.* (2005), has been used variously to justify, guide or inform the implementation of customer relationship management (CRM) systems; attempts to lower recidivism in convicted felons; the definition of customer needs and segmentation of individuals based on those needs; explanations of the mechanics of motivating CEOs, senior management and directors of firms; and the motivation of employees from Generation Y. This popularity is in spite of the demonstrated lack of empirical support for Maslow's hierarchy from as early as 1973 (Dye *et al.*, 2005).

This treatment of Maslow would appear in the first instance simply to be a case of “never spoil a good story with the facts”, but it would seem that a much more complex set of dynamics is involved. Rather, it looks like the drive to represent the complexity of Maslow's ideas in more simple form has overflowed from simplicity to the simplistic. As Dye *et al.* (2005) point out, exposure to Maslow's corpus of work would have challenged us to incorporate, *inter alia*, the relationship between culture, organisation, and motivation, and the exploitation of uncertainty and dominance by unscrupulous leaders into the mix. Instead, we retreat to the simplistic in the form of the ubiquitous hierarchy.

We mentioned earlier the passing “nod” to Chester Barnard on our tip-toe through the management tulips. While he is better known for his work on the functions of the executive (Barnard, 1938), Novicevic *et al.* (2005) seek to acquaint us with Barnard's exposition of executive responsibility, alerting us to the moral as well as the technical aspect of leadership in Barnard's (1948) framework. While Maslow might have been able to alert us to the behaviour of unscrupulous leaders on the “dark side” of the organisation (Dye *et al.*, 2005), Barnard argued how crucial a leader's moral capacity is for the sustainability of cooperative efforts inside and outside the organisation (Novicevic *et al.*, 2005).

Of course, Barnard was not the first to talk about the moral imperatives of leadership. For example, Weber (1946) was concerned about the fitness for purpose of those appointed to positions of authority and their capacity to carry out their duties *sine ira et studio*. Fayol (1949) too, wrote about the importance of integrity as a necessary characteristic of the manager. It was Barnard though, who talked about the role of the executive as a lynchpin in the nexus of the organisation's internal and external stakeholders, and who emphasised the importance of stakeholder management as a process that must be characterised by authenticity (Novicevic *et al.*, 2005).

Leadership, as Humphreys (2005) suggests, may well have existed “from the dawn of the first interactions of humankind” but, despite the best efforts of Weber, Fayol, Barnard and others, it remains an elusive concept. It seems that we are unanimous in pointing to the importance of leadership while being capable of thorough disagreement on what this thing called leadership actually is. One dimension along which desired/required leadership actions/characteristics/attributions/relationships might vary, is the environment/culture within which the exhibited leadership qualities are embedded. Humphreys (2005) uses two case studies – “the retreats of Xenophon and Chief Joseph ... separated by many hundreds of years and miles” – to illustrate the point.

He examines the behaviours of each and the outcomes achieved and concludes “contextual influence could determine the appropriateness of transformational and servant leadership” (Humphreys, 2005). While this might be seen to be “obvious”, the creativity of the methodology contributes to the generalisability of the findings and allows us to be more confident of the principle in the broad, even if the author expresses some reservations in this regard. It encourages us to look for more than the “one best way” approach.

This issue of *Management Decision* concludes with a paper that approaches the “value of management history” proposition from the perspective of using contemporary methodology to revisit relatively recent events to analyse them and identify lessons for today's managers.

Rather than simply trying to pick out lessons from the past for the present and future, Grattan's (2005) article attempts to use current methodology as a basis for the analysis, through an examination of strategy in the Battle of Britain from the perspective of modern strategic management theory. In what one of the paper's reviewers described as a “ripping good yarn”, Grattan offers the reader a contemporary route into the understanding of key events in the skies over Britain in the Second World War. In particular, he seeks to understand what the German strategy was, and how was it determined. These strategic issues are considered against the theories of strategic management and indications for business practice are discussed.

The search for legitimacy, ownership and control

Spender (2005) talks about the recent history of the management profession (and management education) as constituted by a search for legitimacy, ownership and control of the knowledge. One might ask whether this is “professionalisation” or, rather, the bureaucratisation of organisation and everyday life that Weber pointed to, sadly, as an inevitable outcome of the efforts to find that “one best way” to manage that is the stuff of means-ends rationality, and the triumph of form over substance (see Lamond, 1990).

The articles in this issue not only offer a series of lenses on management history *per se*, the same lenses can be used to examine aspects of that search for legitimacy, ownership and control. Who has a “voice” and whose ideas are ignored in the line of management scholars and theories we have considered in this issue does not appear to be simply a matter of judgements based on criteria connected with what is logical, rational, objective, valid (those criteria in which we allegedly take pride as scholars). Rather, other values, especially those associated with the managerial prerogative appear also to hold sway. It behoves us then to not only seek out all the voices, but also to be clear about the criteria we use to judge their veracity. Perhaps it also behoves us to seek not to “own” the voices but, rather, in the footsteps of van Kleeck, to democratise that knowledge, making the facts known to all (Nyland and Heenan, 2005).

In doing so, we need to be conscious of context – historical, geographical, cultural, and so on. For example, despite the obvious impact of the environments in which the preceding management scholars can be seen to have developed their theories and frameworks, the textbooks that claim to represent them demonstrate an almost total neglect of the socio-political context in which management theory is discussed (Dye *et al.*, 2005). Dye *et al.* (2005) remind us of the need to incorporate these elements in our understanding of the theories we are examining, especially when we are making decisions as managers whether to import those ideas into our organisations and the contexts within which they are embedded.

Let us then, seek to absorb the past in order to understand the present and inform the future and, in remembering the past, build on it rather than merely repeat it. Then we will be practical. Then we will be better able to provide thoughtful and provocative insights into current management practice.

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