CHAPTER - III

BUSINESS AND SOCIETY: AN HISTORICAL PERSPECTIVE

In this chapter an attempt is made to trace the genesis and growth of business, with a view to establishing how the changes in political ideologies, transformation in social values and improvements in managerial thought and practices, in the course of development of society, from its primitive, savagious and acquisitive type to the present scientific, welfare and productive form have given way to the emergence of business as the dominant socio-economic institution of the society.

There exists a symbiotic relationship between economic organisations and the surrounding society. As Thomas Pettit has noted: "Chief among the determinants of the particular shape which an economic system takes are the dominant social values of the society of which the economy is a part. In every society there is a more or less continuous interaction between social values and economic institutions".¹ It is, therefore, necessary to understand the evolution of values in order to comprehend some of the underlying forces that have affected the development of business. Because, in general, knowledge and thought precede action, there is a

close connection between the businessman's philosophy of business and actual business practices, consequently, the historic narrowness and inflexibility of the businessman's philosophy has indirectly resulted in one system of business or capitalism which is predominant at one time giving way to another. Business history classifies these stages of capitalism as follows: Pre-Business capitalism - Petty capitalism - Mercantile capitalism - Industrial capitalism - Financial capitalism - National capitalism - Humanistic capitalism.

Pre-Business Capitalism (Before 1100 AD)

The first economic system is the collecting economy (also called food-gathering economy or economy of the Low hunters). It consists in the direct utilisation or use of products of nature without making any alteration in them. This stage of economy, therefore, is merely consumption economy with the absence of any tools or ways of transforming the environment or processing the goods to be consumed.


These collecting economies were eventually replaced by simple transformative economies, which include the accumulation of a certain amount of capital goods devoted to production, as the digging stick, hole or plough, domesticated animals, canoes and sledges, besides these used by the food-gatherers. The characteristic representatives of these types of economy are the agriculturists, higher hunters, and herders. With the advent of practiced agriculture, man ceased roaming the countryside to hunt and collect, and with this cessation came a settled existence and the genesis of small villages.

One of the earliest civilization known to man is that of Sumerians, famous for their development of a written language. Sumerian Priests, the ruling class in the society, developed a written language to report precisely to the chief, the multi-farious activities they used to perform like collection of taxes, management of revenues and estates, collection of sacrifices to God, in the form of money, oxen, goats, chicken, butter, oil and cakes. These written documents stand evidences of managerial control practices. Thus, in the early theocratic states, management control concepts were developed by the religious institutions.

The books of the Old Testament were filled with examples of commercial activities and with laws and regulations for their governance.  

The rise of empires and the attendant problems of public administration led to the development of management. The writings of Ptah-hotep of Egypt, Hammurabi of Babylonia, Moses, the great leader of Hebrews, the ancient record of Mencius, Chow of China, Plato, Socrates and Xenophon of Greece and Kautilya of India, are rich with principles of management applied in public administration. From Military came many examples of management thought. Emperors like Cyrus, Alexander owe their military conquests to the

10 Moses, Exodus, ch.18.  
16 Watson and Dale, Op. Cit..  
17 Tam, W.W., Alexander, the Great, (Bansay: Beacon press, 1957).
principles of management. With single-minded determination and superior managerial talents, the Romans gained control over an estimated fifty million people, extending from Great Britain in the west to Syria in the East and including Europe and all the North of Africa. In the Year 284 A.D. Diocletian became emperor and instigated a new system of organisation which emphasised the successive delegation of authority to control the far-flung empire. During the time of the Roman Empire another great organization that came into existence was Roman Catholic Church. In terms of longevity, the most effective formal organization in the history of Western Civilization has been the Roman Catholic Church. The institution has made significant contributions to management theory in the areas of the hierarchy of authority, specialisation of activities along functional lines and the staff concept.

In this stage, the process of distribution worked on a non-economic setting in which religious, ceremonial, social and psychological aspects were determining factors. Commercial activities were regarded as ignoble and business was held in low esteem. "The books of the old Testament, for example,

are filled with examples of commercial activities and with laws and regulations for their governance. Archeologists have discovered many artifacts which indicate commercial activities that were often subject to rather elaborate and sophisticated rules and codes of ethics. For example, the code of Hammurabi approximately 200 B.C., was set forth by the Babylonian ruler and provided guidelines for merchants and peddlers... Both Grecian and Roman ideology shared a disdain for businessmen but were pragmatic enough to recognise that these activities were necessary in order to accomplish the broader purposes of the empires.21

Thus the cooperative collective economy was characterised by the following:

1. The life of the ancient man was three dimensional: Social, religious and political.

2. The organisations were charismatic and traditional ones and the leaders were savagious or religious in their attitude, consequent upon which the styles employed by them tended to be either Autocratic - exploitative or Benevolent - autocratic.

3. The guiding plan of social activity was based on social status obtained by birth rather than by each individual skills, efforts and contributions.

4. Man had sought to improve his lot by making use of natural resources and he was imitative and explorative in character.

5. Business was work; the creating of things that people want. The production was primarily for consumption and there was little if any production, for exchange.

6. The management process, began in the family organisation later expanded to the tribe and finally pervaded the formal religious and political units. Management is by a process of trial and error or by intuition.

7. Management thought existed, but only in some what nebulous and embryonic state. It embodied the norms and rules that guided the theocratic and political society of the age and sought to improve and perfect the social, religious and political aspects of man with little or no emphasis on advancement in material affairs.

Petty Capitalism (1100 A.D. - 1300 A.D)

Petty Capitalism was the first type of private business capitalism. The Economic man who had largely been dormant in the early cooperative collective economy, arose to introduce business to society and thereby lay the cornerstone for the present civilisation.22

With the fall of Roman Empire, the peoples of Western Europe were reduced to filling the basic need of self protection against murder, robbery and violence. This environment gave birth to the feudal or manorial system

characterised by the rule of Lord himself subject to the king, over a tract of land tenanted by labourers who ranged from serfs attached to the soil, to free men. Among the latter were such tradesmen as millers, artisans, and blacksmiths. Every manor was practically a self-contained economic and social unit in which, except for a few things like salt and metals all other goods needed for consumption were produced at home leaving only a moderate surplus for trade. Within the manorial unit there was division of labour and the craftsmen bartered their produce between themselves, that is, exchanged their articles or services with those of others.

Petty capitalists recognised that his skill in the market place was the measure of his success. To fully utilise his skills he confined his efforts primarily to the local market i.e. village, and restricted the variety of goods, and services. As the system was based on skills it is named as Handicraft System. The Craftsman / petty capitalist followed the principle; 'Buying cheap and selling dear'. There is evidence of sale of goods with the medium of money.

To appreciate the atmosphere and the environment in which the petty capitalist conducted his affairs, it is

necessary to consider the economic philosophy of the era. The Church doctrine reflected a hostility towards businessman and commercial activity and set forth rules and limitations. Usury was a sin, and trade itself was of dubious purity.

The economic doctrine of the church which culminated in the canon law was probably the first formulated body of economic thought. The principle of 'just price' was based on the fulfilment of the law of Christ, 'whatsoever ye would that men should do unto you, do ye also unto them'.

St. Thomas Aquinas, contended that for every article, at any particular time, there was one 'just price' that should not vary with monetary supply and demand with individual caprice, or skill in the market. The distinction between licit and illicit trade depended on the motive of the trader. The exchange price should cover the 'just price' paid by the merchant for the article together with such gain as would enable him to maintain his standard of living. If the price charged by the merchant for any article allowed him to improve his position, such trade was base. Prohibition of usury was justified by the following arguments:

1. According to Aristotle, money itself was barren and that therefore fruit or payment cannot be justly demanded for the use of it.
2. The cannonist argued that when money passed into the hands of the borrower, it should be regarded as a sale of fungible item in which payment of the price was deferred. No payment ought to be made for the loss of time in waiting for the price, because time was God's and ought not to be sold.

Though at every turn, there are limits, restrictions and warnings, the petty capitalist did not suffer much by these laws. He evaded the penalties in numerous ways and flourished gradually. As the benefits of trade began to be appreciated by Society, the enforcement of the doctrine became lenient. 24

During this period, the only notable contribution to management thought was that of Ghazali. He counseled the king on how he should act and the traits he should develop to be a good manager. 25

The petty capitalist system was characterised by the following:

1. Two more dimensions were added to the life of man to make his life more meaningful. He became Social-Religious-Political-Cultural and Economic.

2. The aim of the State organisation was maintenance of order and administered schemes addressed to satisfy the primary needs of the people without which social life would be impossible. The State continued to function, under the vigilance of the theological ethic and the organisations were charismatic, traditional and pure line type. Degradation of mankind continued. Slavery and servitude were prevalent and the leaders were more or less autocratic-exploitative or autocratic-benevolent in dealing with the people.

3. The guiding plan of the social activity remained unchanged and social status was by birth rather than by individual skills, efforts and contributions to the society. The climate that prevailed during this period was an anti-business one though a favourable change was witnessed in the later stages.

4. The philosophy of the petty capitalist was in direct opposition to the dominant philosophy of the State and the Church. His philosophy was based on the principle of democratic economic equality. He believed in economic independence and appreciated able and industrial people. He subscribed to the idea that status in the material world should be obtained through the individual skills and efforts.

5. Business with economic motivation had taken the form of 'trade'. Goods were produced and exchanged within the village and trade was carried on a policy of buying cheap and selling dear. Business had become a means of living.
6. Management thought found some improvement but the principles drawn from and applied to were, mainly the dominant institutions of society i.e., religious institutions and State.

**Mercantile Capitalism (1300 A.D - 1700 A.D)**

Mercantile capitalists believed in wider markets, competition in foreign markets, diversification of functions, delegation of authority, centralised direction and control. The manorial system was superseded by the guilds system and had its golden age between 13th and 14th centuries. The first to emerge was the 'merchant guild system' and it had exerted considerable influence on the commercial and economic life from 1200 A.D to 1400 A.D. in England and Central Europe.

The mercantile capitalist realised the disruptive influence, extreme individualism could have on society. He recognised the need for subordinating the people engaged in business to a better informed central control to further his economic ambitions on one hand and fulfil societal needs on the other. His central policy, therefore was to remain at home in the counting house and exert control over his agents who carried his goods to the foreign

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market. In order to secure control over the type and quality of merchandise, he tried to reduce the wholesale handicraftsmen to economic subordination. By diversification and integration of functions as importing, exporting, wholesaling, retailing, transportation, storage, banking and insurance, he met the problem of risk.

To secure protection against the exploitation of the merchant guilds, the 'crafts guilds' came into being. They had practically a monopoly of labour and promoted specialisation in work. There were as many guilds as trades as for instance, Cobblers' guild, blacksmiths' guild, carpenters' guild etc., Every young man employed in a trade which usually was traditional and hereditary in a family had every chance of eventually becoming a journeyman and finally a master. The function of the guilds was not only economic, professional but also social, political and religious.

By the beginning of the sixteenth century, many of the constraints of the medieval period were being broken down. The urbanization of the population and the development of communities and nations stimulated the growth of commerce and trade. The growing overseas trade of such nations as England, France, Holland, Portugal, and Spain further stimulated commercial activities. 28 Gradual development of

capital, explorations, discoveries, military conquests and exploitation of other continents enabled the trade and commerce to multiply. Externally the historical events as the failure of the crusades, the finding of eastern commercial routes, the discovery of America the confiscation of the guilds' property in England by Henry VIII and internally the monopolistic tendencies, autocratic and discriminatory behaviour of hard masters and wasteful competition among guilds degenerated the guilds and caused their decay. The final blow was dealt by the French Revolution.

The height of recognition for mercantile capitalism came when basic of public wealth was seen to be private wealth, when the chief source of all wealth was thought to be foreign trade, and when the nation was held to the same limitations of policy as the merchant. Business thought and economic thought of Government were united. 29

A number of historians consider the changes in religious values and attitudes as an important basis for the development of the capitalistic ethic. Several consider Judaism as the primary force in the development of the capitalistic system. The basic Judaic values of self-control, hardwork, sobriety, thrift, and abidance by religious laws and teachings were conducive to economic development and

were compatible with the growing capitalism.\textsuperscript{30} While Christianity was yet held in bonds by the Essene ideal of poverty, Judaism did not reject the riches; while the former was filled with pauline and Augustinian spirit of love, the latter preached a rabid and extremist nationalism. Thus all those ethical regulations that were favourable to the development of the capitalist spirit were influential in Judaism a thousand years longer than in Christianity... We have called the Jews the Father of Free Trade and therefore capitalism. They were prepared for this role by the free-trading spirit of their commercial and industrial law.\textsuperscript{31}

Other writers, most notably Max Weber, emphasized that the changes in the religious ethic resulting from the reformation and the protestant movement provided an ethical and hence economic climate which was highly favourable to the progress of capitalism. Weber suggested that the growing protestantism in England, Scotland, the Netherlands, and later in New England was the primary reason why these countries were the first to undergo industrial development. Others have indicated that the new spirit of individualism

\textsuperscript{31} Sombart, Werner., The Quintessence of Capitalism, (trans), and edited by Epstein, M., (London, T.Fisherunwin, 1951), pp.265-266.
encouraged by humanism and protestantism were dominant forces in the evolving capitalism. Eells and Walton summarize the role of the Reformation leaders in the development of this new ethic as follows:

"Luther's emphasis on individual enterprise, on biblical interpretation, and on the importance of work was reinforced and expanded by Calvin, who placed frugality, thrift, and industry—virtues dear to those earlier businessmen—high in his scheme of values. Furthermore, by focusing on the notion that worldly success and prosperity might be construed as signs of God's approval for the elect, Calvin provided a religious incentive that harmonized effectively with the spread of the profit motive in Western Society." 32

Thus the tenets of Calvinism provided the basic framework for the encouragement of capitalism and set the stage for the development of the protestant ethic in the new world, puritansim continued the stress on the virtues of hard work, sobriety, and an accumulation of worldly goods as a sign of being in God's grace. Weber saw in the pronouncements of Benjamin Franklin, the essence of the Protestant ethic. He said that all Franklin's moral attitudes were colored by strong utilitarianism. "Honestly is useful, 

because it assures credit, so are punctuality, industry, frugality, and that is the reason they are virtues". Weber cited Franklin's view that the accumulation of wealth was a sign of God's grace. "If we thus ask, why should 'money be made out of men', Benjamin Franklin himself, although he was a colourless deist, answers in his autobiography with a quotation from the Bible, which his strict Calvinistic father drummed into him again and again in his youth: 'Seest thou a man diligent in his business? He shall stand before kings (Prov. xxii 29)".  

Beginning with thirteenth century, the management principles found application in the economic sphere of man's business. However, it was during the 14th century that trade flourished and systematisation was increasingly made. In 1340, Luca Pacioli of Genoa, published a treatise describing the double entry book-keeping system that was in vogue in Venice.  

The two books written by a modern historian, Frederic C. Lane, "Venetian ships and shipbuilders of the Renaissance" (an economic history of the venetian shipbuilding industry) and Andrea Barbarigo: Merchant of Venice (1418-1419) (a biography of an early "business Man") give us insight into some managerial practices and the

advanced state of commerce and industry in Italy during 14th, 15th and 16th centuries.

The partnership and joint venture were two chief types of business organizations in Renaissance Italy. The partnership was designed for and used mainly by business firms while the joint venture was usually employed in one-time deals, explorations or ventures. Sometimes the Venetian family partnerships became a combination of investment trusts and holding company in which the holdings were spread among real estate, government bonds, merchandise, and commercial accounts payable. In international commerce, Andrea Barbarigo and other merchants made wide use of two legal relationships: Joint ownership and agency. Joint ownership was usually a joint venture in which the owners had limited liability. The combinations which were formed to charter merchant galleys from the state split the ownership into shares, and shareholders shared proportionately in the expenses and profits of the ventures.

In the Sixteenth century, when the Venetian state and navy were at their zenith of power, methods of large scale production were needed to build the war fleet and maintain its reserve. The Arsenal of Venice, as a consequence, became what was perhaps the largest industrial plant of the world. Many of the problems created by size, warehousing, assembly line, personnel, standardisation, accounting, inventory
control, cost control etc., were solved with an efficiency that modern industry might well emulate. 35

Sir Thomas Moore, 36 a moralistic economist contributed, utopian ideas for the management of society. Niccolo Machiavelli 37 set forth four management principles for the successful operation of the state viz., (1) reliance on managerial consent, (2) Cohesiveness, (3) Leadership, and (4) will to survive. 38

Thus, the Mercantile Capitalism is characterised by the following:

1) The life of the man had been broadened and made more meaningful. It was now Social-Political-Religious-Economical-Cultural-Aesthetic.

2) The State was ruled by Monarchs guided by the theological ethic, and organizations were either pure line or departmental line types. Degradation of mankind continued despite the moral preachings of philosophers, priests and moralists.

3) The guiding plan of social activity did not change and social status was by birth rather

than by individual skills. The rise of guilds though encouraged individual skills and abilities and promoted specialisation, their rules of entry into craft fostered the rule of heredity, as a determinant of social status.

4. The philosophy of mercantile capitalist and the economic philosophy of the state got fused as society recognised private wealth as the chief source of public wealth. Under the mercantalistic concept the individual was subordinate to the state and economic and business activities were dedicated to the support of the power of the state.

5. The ideal groups of people viz., Religious, Aesthetic, Social, Political made a workable adjustment to the mercantile system. A drastic change in the religious values and attitudes took place creating a congenial atmosphere for the trade to flourish.

6. Business sphere got enlarged and it became commerce, with aids to trade coming into existence. Businessmen reduced risk involved by way of diversification. Several types of business organisations were developed and the Arsenal of Venice, stands as a testimony for the large scale organisation created and managed during this period.

7. Business management found some respectability as a discipline and practice. Management principles applicable to business were crystallised in the writings of this period. This period is significant for it affords an insight into the first real system of managerial practice and into the thinking of the early management elite.
8. Though Business was operated with profit as the main motivation, the welfare of the members was given significant consideration. The guilds furthered the social, political, religious interests of the members.

**Industrial Capitalism (1700 - 1850 A.D)**

Although the philosophy of Mercantilism dominated, the economic scene during the 16th and 17th centuries, by mid 1700 it broke down and Industrial Capitalism emerged. Mercantile Capitalism gave way to specialisation from within and Industrial revolution from without.

'The Industrial revolution', a term coined by Arnold Toynbee to describe the swift and far-reaching changes in the economic and technological orders which took place in England from about 1770 to 1840, ushered in the present age of Industrialism. The capitalist system, whose propelling force was the profit motive, has been born as the twin brother of industrialism.\textsuperscript{39}

The factory system was characterised by the accumulation of expensive machines under one roof and the employees now came to a central location to work. The Industrial capitalist was a specialist and drove his employees to work hard and tried to make greatest possible profit from his

There was therefore, a great deal of interest focussed on streamlining operations, eliminating waste, and motivating (in the form of money) workers to increase their output. Management under the factory system was characterised by strict military control and organization. The owners were classified as merchant manufacturers and they were more interested in selling their product than in developing a basic system of good management.  

The system was supported by a theory of individualistic capitalism designated as the 'Great Merchy'. The theory has been reduced by Elton Mayo to the following headings:

1. Natural society consists of a horde of unorganized individuals.

2. Every individual acts in a manner calculated to secure his self-preservation or self-interest.

3. Every individual thinks logically to the best of his ability, in the service of this aim.  

This theory first appeared in a work of Francois Quensey and was further developed in England by David Ricardo. The utilitarian hedonistic theory developed later on by Bentham has striking resemblences of this theory. In 1776, with the publication of Adam Smith's 'An Inquiry into

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the Nature and Causes of the Wealth of Nations', the Capitalistic ethic received its grand theory. Smith emphasised that any governmental interference with commercial activities would tend to upset the natural balance, and he championed 'Laissez-faire' concept of letting business alone to work out the allocation of resources within the constraints of the market place. "Smith's theory of capitalism, reinforced and somewhat modified by Bentham and Ricardo, formed the philosophy of the Industrial Revolution and is still widely held in the Western World. It produces a wonderful world of full employment, lowest possible prices and costs, maximum efficiency, and progress and freedom. This dream is clearly seen in many of the pronouncements made by American business leaders even today. 42

Classical economics added to the Industrial Capitalists' philosophy by providing for a business freedom to supplement the growing demand for social and political freedom furthered by the French Revolution. The political leaders in England recognised that complete freedom of trade would allow them to dominate the world market because of England's obvious margin in manufacturing facilities and techniques. 43

The 1700s were ripe for the introduction of an improvement in manufacturing techniques and the development of a new approach to management. Sir James Steuart's\(^44\) theory of authority and study of impact of automation, Adam Smith's\(^45\) principle of specialisation, control concepts, pay back computations, laid strong foundations to the developing management thought. James Watt and Mathew Boulton of Soho foundry, England and Robert Owen of New Lanark Mill provided a scientific vehicle upon which the manager could begin to build his discipline.

Many classical economists attempted to describe the qualities and functions of manager. Samuel P. Newman\(^46\) wrote in 1835: "He should possess an unusual share of foresight and calculation., exhibit preservance and constancy of purpose., he needs discretion and decision of character", Adam Smith suggested, "order, economy and attention", while Marshall\(^47\) proposed "self reliance and promptness". With regard to function, Turgot\(^48\) suggested "Direction and Control",


Say was struck with the importance of "Planning", Bowker emphasised "Organising and Directing", whereas Samuel P. Newman gave a better list comprising planning, arranging and conducting the different processes of production: Important contributions came from industrialists as well. Charles Dupin a French Engineer wrote on industry, work and welfare of workers. Charles Babbage advised the use of time study techniques, R & D, centralisation of production processes, costing, demand estimation etc. These writings represent virtually the first attempts to express the functions of management as an emerging theory. In doing so, they laid groundwork as it were, for Taylor and Fayol who were to follow half a century later.

Thus the industrial capitalism is characterised by the following:

1. Man's life became more meaningful with the creation of new avenues for fulfilling his needs, ambitions and ideals. His life was now social-economic-political-religious and cultural.

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51 Dupin, Charles, Discours sur le sort des ouvriers, (Paris: Bachelier, Lobraire 1831).
2. The French Revolution and Industrial Revolution ushered in a new socio-political order that gave freedom to the people. Countries became democratic and states granted freedom to business by adopting the philosophy of 'Economic Liberalism' and pursued 'Laissez-faire' policy.

3. Individualistic capitalism emerged and was justified by the 'Great Hersey' supported by Bentham, Adam Smith, Ricardo and other classical economists. Profit had become the primary driving force of the economy.

4. The guiding plan of the society had changed and status was acquired more by individual effort and profession than by birth or heredity.

5. Though 'money-making' was preached as an evil, businessmen found a favourable climate for advancement of their activities. Businessmen had almost slipped from the tight grip of the religious institutions.

6. Business developed into Industrial system for producing goods to meet the increasing demand and to make huge amounts of profits.

7. Business operations were made effective with the aid of the disciplines like Economics, Science, and Technology. Classical Economists developed 'economics of the firm' to provide necessary know-how to Industrialists.

8. Business organisations were designed on departmental line basis and Management continued to be autocratic. Workers and consumers were exploited. It might be said that, to the Industrial Capitalist, producers
and sellers were persons, while workers and consumers were things. However, some industrialists chose paternalistic style of management and showed concern for the welfare of workers.

9. Provincialism of management concepts was put to an end and horizons were broadened. No unified theory of management was developed but the writings of this period reinforced the growing idea of management's importance to the developing firm and paved way for the advent of true scientific management.

Financial Capitalism (1850 - 1930 A.D)

During the second half of the 19th century a new industrial era began in America, brought about primarily by the expansion of mechanical industries and by the abolition of slave labour. In 1862, the limited liability Joint Stock Company was introduced and with it the division between capital and management, the separation of owner from employer were effected. Financiers Jay Gould, J.P. Morgan and Cornelius Vanderbilt built up large business organisations and these organisations had a definite influence on the development of the American economy throughout the 19th century. The Industrial Capitalists

saw their demise in their practices of extreme specialisation, and ruthless competition and created an economic disorder. Financial capitalists restored order to the economic chaos by substituting cooperative competition for cutthroat competition and diversification of products and multiple economic function for specialisation.  

The problem of size gave an impetus to the rapid growth of management as a distinct discipline and practice. Henry Poor[^54] enunciated three principles, 'Organisation, Communication and Information', and Daniel C. Mc Callum[^55] developed organisation Chart. Henry R. Towne[^56] and Metcalf[^57] began to develop and apply a unified system of management instead of usual hit-or-miss one typically employed. In 1818, Joseph Warton donated $100,000 to University of Pennsylvania to establish a

[^57]: He delivered three papers to American Society of Mechanical Engineers titled: The Engineer as an Economist (1886), Gain Sharing (1896), and Evolution of Industrial Management (1921).
[^58]: Metcalf, Henry C., Scientific Foundations of Business Administration, (Baltimore: The Williams and Wilkins Co., 1926).

In this generative atmosphere of managerial expectation, F.W. Taylor and his Scientific school of management thought emerged. He propounded the "Efficiency Philosophy" and produced the first major breakthrough with traditional 'this-is-the-way-We've-always-done-it' approach by replacing it with 'What-is-the-best-way' approach. Gantt developed 'daily balance chart, and task-bonus plan, introduced the psychology of employee relations. Hugo Munsterberg and Walter Dill Scott rounded the psychological facet of management. Harrington Emerson enunciated twelve principles of efficiency and Gilbreths laid foundation for job simplification, work standards, and incentive wage plans through their motion studies. Henri Fayol in France pioneered the Administrative Management.

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school and Oliver Sheldon elevated management to the status of profession. Hugo Diemer and John Duncan wrote the first text books on management and moved it foursquare into the class room. Louis D. Brandeis popularised the scientific management idea and put the word efficiency on almost every tongue.

In 1858 Charles Darwin published his classic, "Origin of the species" in which he set forth the theory of evolution of biological organisms from lower to higher forms of life. The concept of "survival of the fittest" expanded by him was extended from the biological organism to the broader social order by Herbert Spencer. Social Darwinism suggested that the most capable and resourceful of people would rise to the top of the social hierarchy and that this was the natural order of things. Social Darwinism along with protestant ethic and Adam Smith's Laissez-faire provided the basic ideology for the businessmen.

to justify accumulation of resources and their use for self-interest. The dissenters from this ideology were Karl Marx, Frederick Engels who wrote 'The communist Manifesto' in 1848 and 'Das Capital' in 1867. They said 'The bourgeoisie wherever it got the upper hand, put an end to all feudal, patriarchal, idyllic relations, pitilessly tore as under the motely feudal ties that bound man to his 'Natural superiors', and left remaining no other bond between man and man than naked self-interest and callous cash payments'. Marx called for, a proletarian revolution to break the capitalistic order and to establish communism.

Adam Smith's Economic ideology was subjected to scathing criticism by writers like Carlyle and Ruskin. Thomas Carlyle called economics as the Gospel of Mammon and John Ruskin in his "Unto the Last" a book of essays, characterised economics as "a bastard science, the science of getting rich". The German Historical economists, the Austrians and Jevons in England exposed the weakness of the classical economic system. French Economist Sismondi repudiated classical economics for its over emphasis on acquisition of material wealth. Further, the 'Naturalism and optimism, the myth of harmony between individual and

social interests, was exploded by the fact of increasing pauperism at a time when industrialism supported by socio-political and economic ideologies was achieving the high point. People steeped in poverty suffered most from economic crises that raped the economy repeatedly exposing the hallowness of classical doctrine.

As if to add fuel to the fire, 'many of the captains of industry in the late 1870s were engaged in highly unethical practices and created substantial public dissatisfaction with the business system. Various forces in society suggested that the unfettered application of the 'Laissez-faire' concept might not be effective in a system of oligopoly and monopoly and this had led to regulation and control of business by government.

With the growth of complex industrial organisation, Labour movement received added impetus and the Knights of Labour was organised in 1869, and the American Federation of Labour was created in 1886, and radical unions such as the socialist labour party and Industrial workers of the world (IWW) developed between 1895 and 1920. The IWW or "Wobblies" gathered workers into militant industrial unions with the purpose of overthrowing the capitalistic system.
However it was the great Depression, beginning with the stock market crash of 1929 and continuing with a massive economic collapse that hit the last nail in the coffin of the "Financial Capitalism".

The Financial Capitalist Society was characterised by the following:

1. The vistas of human life became more broader and more meaningful. The dimensions were Economic-Political-Social-Religious-Cultural.

2. Adam Smith's 'Naturalism and Optimism' was subjected to scathing criticism and Neoclassical economists led by Alfred Marshall shifted the emphasis on to 'Welfare' from 'Wealth', to give respectability and utility to economics.

3. Herbert Spencer's Social Darwinism was also refuted by many, particularly by Karl Marx and Frederic Engels and the idea-'Classless Society' and 'Egalitarianism' was propounded.

4. American revolution and abolition of slavery had brought about a complete change in the Socio-Political order that ushered in a new era in which, 'Democracy and Welfare' became the guiding principles of society. States in order to promote welfare of the people, adopted the policy of 'regulation and control' and legislative framework was created to ensure proper conduct of business.
5. Industry expanded, organisations became large in size, competition became oligopolistic and monopolistic in structure and technology and capital wielded considerable influence on the growth, rise and success of business enterprises.

6. Big business caused the divorce of ownership with management, spawned a further separation between management and labour and laid the way for the growth of a managerial class in industry.

7. Trade union movement was organised to work against the militant business organisation in order to protect the interests of the workers.

8. Business geared its energies to secure 'maximum efficiency and maximum profits'. The focal point was 'production'. Marketing was selling, Personnel was recruiting and training, and Finance was acquisition of funds. Workers and consumers were exploited and business indulged in several unethical practices. As a result, Business earned ill-will of consumers, hostility of workers and displeasure of societies. Business began to lose its respectability and credibility.

9. Business organisations became functional ones and were designed mostly on 'Line-Staff' pattern. Delegation and to some extent decentralisation were made and Management styles ranged between autocratic to paternalistic.
In this era, business management began to change from day-to-day, brush-fire type of operation to a more all-inclusive, longer-run approach. It was a time of genesis in the totality aspect of management thought. Management thought acquired 'technological determinism of America' from Taylor, 'French thesis of Universality' from Fayol and 'traditional post-war British love for broad compromise' from Sheldon and became a multi-dimensional, universal philosophy. Management had come to be regarded as an Art and Science.

National Capitalism (1930 - 1960 A.D)

National Capitalism took over control of business on behalf of labour and petty capitalists. The underlying purpose of National Capitalism is of a social character— to remedy the inequities created under industrial and financial capitalism. National capitalism and social democracy are to be regarded as transitional business and political systems.

The socio-political order during this period was very much turbulent. Capitalism in America and Britain, Communism in Russia and Fascism and Nazism in some states.

in and outside Europe were the governing doctrines of the State. Based on the slogan "all within the state; none outside the state; none against the state; the fascists suppressed or reduced to immobility of any association, trade union, or cultural group. Distrust of reason and exaltation of instinctive intuition together with hero worship were also characteristic of the theories". The cult of war was prominent in them. 'War is to man as Maternity is to woman' according to Mussolini. Anarchists like Godwin, Kropotkin and Marx Stirner held that 'State is an unnecessary evil which human society cannot dispense with'. They propagated for restricting state action. As a champion of the working classes against the encroachment of state, Anarchism appealed to proletariat of Italy, Spain and France, where combined with Syndicalism, it became a force until the beginning of World war II. In Russia it was combined with nihilism until the triumph of the communist revolution. French writer G. Sorel proposed in 1905 Syndicalism as a development of Anarchism. As Sabine remarks:

'The cornerstone of syndicalist doctrine was the inevitability of the class struggle and the need of the proletariat to perfect its own appropriate forms of collective organisation and institution.

In a syndicalist society the state and private property would disappear and the use of the instruments of production would be in the hands of the workers with the consent of society.\textsuperscript{74}

Pluralism represents middle-of-the-road-solution to the question of the role of the state. Pluralist writers Durkheim, Duguit, Belloc, Laski, Maciver and E. Parker contend that 'owing to increase of voluntary associations in society, such as the church, economic and cultural associations, it is no longer the individuals but the groups who are confronted with the state. Moreover, most of these groups are more competent in their own line of interest than the state itself and, in as much as they are social groups, their nature is in no way inferior to that of the state. Hence they should be endowed with their own juridical personality independent from the state, not as a concession, but as a matter of inherent right; the state is incompetent to impose its authority on them'. Based on this S.G.Hobson and G.D.H.Cole of England founded Guild socialism according to which a nation-wide net of guilds, each guild comprising all the producers of an industry from the unskilled workers to the managers, properly

\textsuperscript{74} Sabine, G.H., \textit{A History of Political Theory}, (New York: George G. Harrap, 1937).
coordinated would provide the basis of the new social structure. They advocated 'Financial Society' wherein both manual and intellectual workers will be in full control of the economic process of production and distribution.75

In 1941, James Burnham76 predicted that the capitalist society would be replaced by Managerial society with managers taking over every position of importance and with State ownership of the major instruments of production.

The period represents a period of crisis for political ideologies and the world war II set at rest all these forces. The Welfare state owing mainly to the British experiments on nation-wide social and economic reforms came into prominence and its policies are being followed in many parts of the world, not excepting India.

The nineteen thirties was the most significant decade that set off the most rapid advance in economic thought with the publication of Keynes,77 General Theory

of Employment, Interest and Money', in 1936. Keynesian revolution, in the words of Joan Robinson, destroyed the old soporific doctrines and we are left in the uncomfortable situation of having to think for ourselves. Keynes' greatest achievement was the liberation of Anglo-American economics from the tyrannical dogma of J.B. Say, "Supply creates its own demand". Keynes reformed capitalism by advocating the necessity of State intervention in order to increase aggregate demand and employment. His theory revived economist's interest in the theory of growth and welfare and vast literature pertaining to growth has been released from the pens of economists. Kaldor, Hicks, Scitovsky laid foundations of the new welfare economics with the help of the 'compensation principle' avoiding all value judgements. On the other hand, Bergson, Bergson, Abram, 'Toward A New Growth Model', Problems of Communism, March-April, 1973.

Samuelson,83 and others have developed the concept of social welfare function without sacrificing value judgements.

The climate for business was favourable though public was skeptical of the conduct of business organisations. The mergers and consolidations dictated by expediency than rationality resulted in problems of size unwieldiness, inflexibility and overburdened executives and forced many executives to overhaul their organisation structures on rational basis. This led to a new 'organisational revolution' to facilitate effective and efficient functioning on democratic lines. Another important aspect that caught the attention of writers and practitioners was 'Human factor'. The failure of capital to retrieve business out of rut, the organised trade union movement world wide and the "Equality philosophy" propagated by the behavioral scientists led to this development.

The 'Social Man' or 'Social systems approach' to organisation was earlier originated by three intellectuals Max Weber84 of Germany, Emile Durkheim85 of France and

85 Durkheim, Emile, The Division of Labour, (Paris: F. Alcan, 1893)
Wilfred Pareto, a French-Italian. The thesis of these writers was that social attitudes or sentiments function to cause the system to seek an equilibrium and the task of the ruling class in the society was to provide the leadership to maintain it when disturbed by outside or inside influence. Their ideas had unquestionably influenced Elton Mayo, Roethlisberger, Mary Parker Follet and Chester I. Barnard who pioneered human relations approach. Bakke's Fusion process, Herzberg's Two factor theory of motivation, McGregor's X and Y theory.


study of groups by Homans, Dubin, Dalton, and Selznick—all these contributions exploded the myth of the 'economic man' and added new dimensions to the knowledge of management.

While the humanisation of business organisations was continuing, another visible trend in this period was increased application of quantitative tools and techniques in business field for obtaining optimal utilisation of resources. Decision theory including organisation theory, cybernetics and sub-optimisation, operations research, linear programming, game theory, and simulation introduced by Simon, Churchman and his associates, Stafford Beer.

and others laid foundation for the systems revolution that brought about tremendous change in perception and practice of business management.

Peter F. Drucker through his thought provoking writings 'The End of Economic Man (1939)', 'Concept of Corporation (1946)', 'The New Society (1951)', and 'The Landmarks of Tomorrow (1953)' signaled the new maturity in management thought. Management had come to be regarded as an 'Inter-disciplinary Mix'.

The 'National Capitalism' is a period of transition, characterised by doubt and fear, of war and peace and failure, revival and progress:

1. Man in this period has become more rational, realistic democratic, enterprising and innovating. His urge to improve the quality of life, seek all round betterment is more pronounced. His life dimensions in order of importance are: Social - Economic - Political - Cultural & Religious.

2. Religion lost its supremacy as a guiding force. It became more a regional and individualistic aspect. Many countries became free and secular states, though some third world nations particularly Muslim Countries continue to be Religious societies governed by military dictatorships.
3. Many political ideologies viz., Fascism, Nazism, Anarchism, Syndicalism came into prominence but became spent forces. By the end of the World War II, 'Pluralism' and 'Welfare' gained currency and Britain's success lent them credibility. Controlled economies tended to move toward democratic socialistic societies whereas market economies started moving toward humanistic capital societies. Peace and progress had become watch words of Governments.

4. Business was regarded as the mainstreet of Socio-economic system of society. Organisations became, technology-based, capital intensive, decentralised, dynamic and sensitive to environmental forces. Business was organised on international arena and gave birth to many Multinational Corporations.

5. Economic philosophy shifted its emphasis completely from 'Wealth' to 'Welfare and Growth' and business organisations realised 'Maximisation' as a suicidal attempt and changed their attention to 'Optimal utilisation' of resources.

6. Organisations employed 'committees' and managements adapted democratic style of functioning. The degree of delegation and decentralization had came to be known as the yardsticks of executives' effectiveness in performance.
7. Labour movement gained momentum worldwide and proletariat societies emerged in controlled economies. In market economies, the Trade Unions exercised their power in decision-making process by virtue of their stronghold in the society.

8. Nourished in the efficient hands of Money, Urwick Holden, Smith and Fish, enlightened through the rich humanism of Follet, Mayo, Maslow, Herzberg, Churchman, Homan, integrated through unifying hands of Argyris, Likert and Koontz, strengthened by the quantitative approach of Boulding, Stafford Beer, Morse, and Gold man, basked in the glory of Barnard, Simon and Drucker, the multi-dimensional character of management thought has assumed a maturity of mind and independence of attitude. It was recognised as an art, science and interdisciplinary mix.

9. The Managers of this period had to confront the problems of size of the organisations, technological developments, organised movement of workers for fair deal, public hostility against the acts of exploitation; and government's encroachment into the area of decision making through legislative measures. On the other hand, they found plentiful opportunities for organising business on large scale at national and international level, and chances of innovating, and improving processes, techniques and products to obtain better results. Managers accepted these challenges.
and emerged as a new creed of international significance in the enlightened business communities of the world. This gave new impetus to management education world wide and management career became more acceptable and respectable.

**Toward Humanistic Capitalism**

Beginning in 1960s, it is a period of transition for free and developing countries. "It is in this period that a 'things-first' and 'people-second' culture began to reassert itself as a 'people-first' and 'things-second' culture. The new age represents a very broad, extremely complex, still unfolding process of a massive value change in society of which the rebellion of young, the challenge from the rural areas, women's liberation, the wave of environmentalism, and other influences are manifest. It is an age characterised by phrases such as "Quality of life, power to the people, peace, love, brotherhood, disadvantaged, dignity, communication, environment and numerous others". 101 The various features of the society in transition are briefly outlined here.

1. Emergence of Creative and Whole Man:

Throughout long evolutionary process, man's life was predominantly shaped by environment and natural selection. But man has acquired the creative skills and will mould his life in the manner that pleases him. The values of the emerging creative man are not self-oriented but they are society oriented.

2. Emergence of Humanistic Capitalism:

Humanistic Capitalism has become the logical successor of capitalism. "The ability of capitalism to bring about a human society is held increasignly in question. Various forms of Socialism have been tried and found wanting. Commenting on the progress of American Capitalism, Bertrem Gross wrote: 'This nation seems inexorably on the road to a technocratic State... Friendly Fascism... a managed society ruled by a faceless widely dispersed complex of warfare-welfare-industrial communications-police bureau-cracies'. The thrust for efficiency has resulted in boring and stultifying jobs, and a scarcity of them at that. Technological and economic growth are pushing against limits of the ecosphere. And a resurgence of religious and spiritual interests testifies to a hunger..."
for deeper understanding of man's place in the universe that is not satisfied by the utilitarian quest". 102

3. Emergence of Pluralistic Organisational Society:

The twentieth century has been a period of growth in size and complexity of organisations in all fields - business, government, military, educational, religious and medical, and society in every developed country has become "Organisational Society". Performance of these pluralistic institutions in the society is the determinant of country's peace and progress. Whether a country will enhance individualism, preserve democracy, and accelerate progress or imposes regimentation, thrusts dictatorship and perpetuates stagnation is entirely dependent upon the performance of these organisations. That is, responsible performance of these institutions autonomously is the only safeguard of freedom and dignity in a pluralistic society. 103

4. Emergence of Turbulent and Enlarged Environment:

Evidence from the recent past suggests that society will be anything but certain and placid. Increasingly

organisations will operate in turbulent environments in which there are dynamic processes arising from the field itself which create significant variances for the component systems. As Wilbert Moore suggests, 'never in human history so many people have been engaged in attempting to remake the environment, to increase our capacity to use and enlarge the environment for human purposes and to re-model the rules and social arrangements that govern man's interaction with his fellows'.

5. Emergence of A New Ethical Perspective:

The acquisitive, utilitarian, growth-consumption ethic is now being replaced by distributive, service, ecological-self realisation ethic. The ecological ethic involves recognition of the limited nature of available resources, including space, and recognition of man as an integral part of the natural world-hence inseparable from it and from its governing process and laws. It fosters a sense of the total community of man, and responsibility for the fate of the planet and relates self interest to interest of fellow men and of future

generations. It implies movement toward a homeo-static, yet dynamic, economic-ecological system, in which man acts in partnership with nature in modifying ecological relationship and in establishing satisfactory recycling mechanism. 106

6. Emergence of Business as a Dominant Social Institution:

Business organisations are no longer conceived to be suppliers of economic goods and services but are regarded to be social institutions with social objectives to meet the rising expectations of public. As Davis and Blomstrom say: "The modern business is a social system in itself, but it is also part of a larger social system represented by society in general. Clearly, there is a reciprocal relationship between business through religion, law, custom and host of other influences. But business is not a mute servant; it speaks with a voice of leadership in the affairs of society; it is a change agent influencing society in many ways, it is an important voice in pluralism of many voices." 107 A similar view can be found in the following observation of Schell - "In the modern industrial world, there is no significant group of men than the business

administrators. In their hands, even more than in the hands of government itself, rest the day-to-day prosperity, contentment and happiness of the people." According to Peter F. Drucker, business management has 'a dual edge on the economic society: first, it expresses its faith in the vital concept of man's livelihood through systematic organisation of economic resources and secondly, it believes that economic change can be made into the most powerful engine for human betterment and social justice'.

7. Emergence of Business Management as a Profession:

In a society of evermounting complexity the values of business will become a target for criticism. 'Business men are aware of the great necessity for order in their affairs, for business is future oriented and only through order and rules, environmental uncertainty can be reduced in a rapidly changing society'. The primary forms of social controls are:

1. Competition in the market place, where the control is exerted primarily through the market mechanism.

2. Governmental regulation wherein control is exerted directly by federal, state and local governments, and

3. Self control, the growing professionalisation of management.\footnote{111}

Though some writers and practitioners decry professionalisation of business saying 'business is not a profession', and that 'business should not attempt to pass as a profession', there has been a movement along the continuum toward professionalisation of management.\footnote{112}

8. Emergence of Systems and Contingency Approach:

In the Machine Age man sought to take the world apart to analyse its contents and our experiences of them down to ultimate indivisible parts: atoms, chemical elements, cells, instincts, elementary perception and so on. These elements were taken to be related by causal laws, laws which made the world like a machine. This mechanistic concept of the world left no place in science for the study of free will, goal seeking and purposes.\footnote{111} With world war II, we began to shift into the systems age.


A system is a whole that cannot be taken apart without loss of its essential characteristics and hence it must be studied as a whole. Now, instead of explaining a whole in terms of its parts, parts began to be explained in terms of the whole.¹¹³

The primary aim of the systems and contingency approach is to maximise congruence between organisation and its environment and among various subsystems (Goals and Values subsystem, Psychosocial subsystem, Technical subsystem, Structural subsystem and the coordinating managerial subsystem). The appropriate fit between organisation and its environment and the appropriate internal organisational design will lead to 'greater effectiveness and efficiency and participant job satisfaction'.¹¹⁵

9. Resurgence of Egalitarianism:

Beginning in 1960s, the resurgence of egalitarianism, with its emphasis on equity as the chief criterion for judging public and private policies and actions, has

significant impact on business. The two important features of the new egalitarianism are—first, the new egalitarianism has been both quieter and stronger than its predecessors. The rise of this movement has continued for more than a decade and has pushed the equity criterion into the forefront as a yardstick for appraising the effectiveness and merit of government policy and business action; second the new egalitarianism has a well-defined philosophy replete with its own philosopher and his school of social scientists, public administrators and humanists. 116

10. Emergence of Social Philosophy of Business:

Concurrent with these value changes, a social philosophy for business has come into offing—more precisely and directly—advocating the business managers to change their mode of decision making, alter their style of functioning, and reorient their attitudes towards constituent groups of business and redefine their objectives, in order to enhance organisational credibility, viability and longevity.

Waynes, Bartels, Hodges and Baumhart advocated the principle of corporate conscience and careful observation of moral principles in the conduct of business, while Bowen, McGuire, Davis and Blomstrom and others enunciated the doctrine of Social responsibility.

As the 1960s wore on and the 1970s began, a new development in the concept of social responsibility was given shape by the Committee for Economic Development. Against the opposition provided by vehement critics like Friedman, Lewis, Henry Ford II, Leavitt and others, the new philosophy was elaborated and explained by writers, who include practitioners as well, like Steiner, Arrow, Bauer and Fenn, Anshen, Ackerman, Abt, Chamberlin, Jacoby and others and it has become entrenched into the fabric of business organisations.

CONCLUSION

Since the dawn of human civilisation people have been struggling, trying to choose the best ways of using their limited resources to meet their needs, to satisfy their wants, to achieve the cherished objective - the creation of an egalitarian society, characterised by peace and prosperity. But it is only in the fleeting moments of recent history i.e., after industrial revolution - that people have made progress in improving their economic conditions. The recent change is revolutionary and in its wake, a tremendous transformation in the ways of thinking, modes of operations and means of evaluating have resulted in. All these changes from traditional to the contemporary society in a summary form may be given in Chart III.1 and III.2.

In the light of the significant trends visible in almost all societies, some managerial stress and disorientation is being experienced. Keith Davis observed: "Business must devise new strategies for coping with modernity. It must be concerned about its social inputs as well as its economic outputs. They (managers) will work not for perfection (because that is impossible in an uncertain world) but for a high batting average. The best of their intellectual abilities will be required to achieve results that meet human

### Chart III.1

**Changes in Summary Form**

<table>
<thead>
<tr>
<th>Traditional Capitalistic Ethic</th>
<th>Emerging contemporary Ethic</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Protestant ethic of individualism, property rights, and self determination</strong></td>
<td>Growth of social ethic emphasizing community, group participation and responsibilities, and sociocultural influences on individual welfare.</td>
</tr>
<tr>
<td>The individual maximising self interest leads to higher levels of social welfare</td>
<td>Need for cooperative social behavior</td>
</tr>
<tr>
<td>Increasing efficiency through division of labor and specialisation</td>
<td>Recognition of limits of specialisation in terms of human satisfaction</td>
</tr>
<tr>
<td>The business enterprise as an economic unit</td>
<td>The business organisation as a socioeconomic institution</td>
</tr>
<tr>
<td>Profit maximisation as a single objective</td>
<td>Profit as a major objective, but increasing recognition of social objectives. Satisfaction of multiple objectives</td>
</tr>
<tr>
<td>Total emphasis on effective and efficient economic performance</td>
<td>Emphasis on effectiveness, efficiency and participant satisfaction</td>
</tr>
<tr>
<td>The business organisation as a closed system</td>
<td>The business organisation as an open system interacting with its environment</td>
</tr>
<tr>
<td>Responsive only to market and competitive environment</td>
<td>Responsive to many interest groups and social forces</td>
</tr>
<tr>
<td>Laissez faire view of governmental actions</td>
<td>Recognition of role of government in meeting social objectives</td>
</tr>
<tr>
<td>Humans seeking exploitation and control over the nature</td>
<td>Living in harmony with and under the constraints of nature</td>
</tr>
<tr>
<td>Strong commitment to economic growth through exploitation of environmental resources</td>
<td>Recognition of the limits of growth and movement toward conservation of resources</td>
</tr>
<tr>
<td>Unrestrained utilisation of science and technology. Laissez faire and deterministic view of technology</td>
<td>Recognition of limits of science and technology. Perceiving a need for controlling technological applications</td>
</tr>
<tr>
<td>Society's expectations of business limited to production of goods and services</td>
<td>Society expects business to deal with broader issues of the quality of life</td>
</tr>
<tr>
<td>Measuring business performance by profits</td>
<td>Measuring business by profits and other indicators of social performance</td>
</tr>
<tr>
<td>Patterns</td>
<td>Concern</td>
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<tr>
<td>Efficiency</td>
<td>Work and productivity</td>
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<tr>
<td>Equality</td>
<td>Employees and relations</td>
</tr>
<tr>
<td>Effectiveness</td>
<td>Resources</td>
</tr>
</tbody>
</table>
expectations. The emphasis of the 1980s will have to be on all the functional areas of management: planning, organising, controlling, decision making, communicating, motivating, leading and the development of a social responsibility philosophy".142

142 Davis, Keith, 'Some Basic Trends Affecting Management in the Administration, University of Minnesota, Alumni Series, May 7, 1976.