

A BRIEF HISTORY OF ADMINISTRATIVE THOUGHT

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ABSTRACT:Administrative thought has developed continuously and intensively in the last hundred and ten years. In this work, the main milestones in this process are described, which explain how we have reached the current level of knowledge in this field.

KEY WORDS: Administration, Business, Management, Organizational Behavior, Strategy

THE 1910S

Although some books on business administration were published in the late nineteenth and early twentieth centuries, it was in the 1910s when two books were published that would lay the foundation for the study of management and constitute what has been called classical theories of management.

The first of these books, "Principles of Scientific Management," was published in 1911 by Frederick W. Taylor. Taylor introduced the study of times and movements as a basis for increasing worker productivity and initiated the quantitative approach to management.

Shortly after, in 1916, the Frenchman Henri Fayol published his book "General and Industrial Management", in which he presented the fundamental principles of management and defined what are still considered the main functions of a manager: planning; organization; direction; coordination; and control.

While these ideas were spreading in the United States and France, the German Max Weber, who is considered one of the founders of modern sociology, was the first to develop a theory of bureaucracy, in which he describes an organization or structure characterized by procedures, division of responsibilities, specialization of labor, hierarchy, and impersonal relations. Although these principles are considered typical of public administration, the truth is that many private companies can also be considered bureaucratic, even today. These Weber's thoughts were published after his death, which occurred in 1920, in the book "Economy and Society".

THE 1920S

What must have been a breakthrough in administrative thought in the 1920s, due to the work of Mary Parker Follett, had to wait until 1941, eight years after her death, when her book "Dynamic Administration" was published, in which her essays and short articles on the human aspects of organizations were collected. Follett, a social worker, introduced the concepts of power, community, reciprocal or interpersonal relationships, integration, negotiation, and employee involvement. She was discriminated as a woman and was even denied the opportunity to study at Harvard, but that did not stop her from doing an extraordinary work and she can be considered the founder of human relations theory and organizational behavior studies.

THE 1930S

Elton Mayo published in 1933 his studies on the human and social problems of industrial civilization, particularly highlighting Hawthorne's experiments in which he demonstrated the importance of collaboration and cooperation among employees for a more efficient functioning of enterprises.

In 1934, Abraham Maslow proposed a psychological theory of human motivation, called today the "hierarchy of Maslow's needs."

In 1938, Chester Barnard published his book "The Functions of the Executive", in which he concentrated on the aspect of authority, on the importance of communication and on informal organizations.

THE 1940S

In the first half of the 1940s, during World War II, quantitative methods were developed, not only in the United States but in Europe and Russia, which would shape the field of operations research, as well as project management techniques, which would later be widely applied in business.

In 1946, Peter Drucker published his book "Concept of the Corporation", in which he analyzed the management of General Motors and began a series of books in which he exposed the general principles of modern management and became the most famous author of management books of the twentieth century.

In 1947, Herbert Simon, in his book "Administrative Behavior", analyzed the behavioral and cognitive processes of people who make rational decisions and set limits for human rationality.

Later, Kurt Lewin proposed group dynamics theory and a model for managing organizational change.

THE 1960S

In the 1950s the studies begun in previous decades continued, although there were no very significant advances, but the 1960s began with the proposal of Edmund Jerome McCarthy, in 1960, of the concept of marketing mix (product-price-place-promotion), which is still used in the definition of the marketing strategy of a company, and in 1967 Philip Kotler published his book "Marketing Management", perhaps the most widely used marketing textbook in business schools.

In 1964, Fred Fiedler, in his article "A Contingency Model on Leadership Effectiveness" suggested that certain leadership styles are more useful in certain circumstances, an idea that later expanded to give rise to contingency theory, which states that the management of a company depends on circumstances or contingencies.

In 1968, C. West Churchman, on the basis of studies conducted since the previous decade, published his book "The Systems Approach", in which he presented a good compendium of the applications of this approach to business administration.

In that decade, thanks to the work of Raymond Vernon and Charles Kindleberger, among others, the development of the theories of internationalization of companies began, based on the fact that they must have some kind of competitive advantage to be able to settle outside their country of origin.

THE 1970S

In 1971, Kenneth Andrews published his book "The Concept of Corporate Strategy", in which he proposed to perform an external analysis and an internal analysis to formulate the strategy of a company.

In 1975, Jan Johansson and Finn Wiedersheim-Paul developed the Uppsala model, in which they proposed that the company will increase the resources committed in a country as it acquires experience in the activities it is developing in the market.

THE 1980S

In 1980, Michael Porter published his book "Competitive Strategy", in which he proposed the concept of competitive advantage as the basis for strategic positioning and suggested three generic strategies: low cost, differentiation and focus or specialization. Porter also developed his value chain model and defined five competitive forces that shape strategy, so he is still considered the main researcher in strategic management.

In 1989, Warren Bennis published his book "On Becoming a Leader", in which he explains the strategies that anyone can follow to become a leader.

In that decade, Geert Hofstede published the results of his research on cultural differences at work between citizens of different countries, contributing to the study of the management of multinational companies.

THE 1990S

In 1990, Peter Senge published his book "The Fifth Discipline", and argued that the only sustainable competitive advantage of an organization is its ability to learn faster than its competitors.

In 1991, Jay Barney published his article "Firm Resources and Sustained Competitive Advantage", in which he argued that the main competitive advantage of a company lies in its unique resources, difficult to imitate, continuing the work begun in the previous decade by Birger Wernerfelt.

In 1996, John Kotter published his book "Leading Change," in which he stated that the real task of a leader is to drive change in organizations and proposed an eight-step model for managing change.

In 1997, Clayton Christensen published his book "The Innovator's Dilemma", in which he explains that most companies fail to recognize when and how they should innovate, abandoning their traditional business practices.

Also in 1997, Fons Trompenaars and Charles Hampden-Turner published their book "Riding the Waves of Culture", in which they analyzed national cultural differences, continuing the works of Hofstede.

THE 21ST CENTURY

Jeffrey Pfeffer, who began his research in the 1970s, has argued in this century that companies must learn to transform knowledge into action and to think more deeply and intelligently about critical management issues, people must learn how to acquire and use power, and "the leadership industry" is wrong to idealize business leaders.

In 2005, W. Chan Kim and Renée Mauborgne published their book "Blue Ocean Strategy", in which they propose that companies must find new market niches that have not yet been exploited, and in 2013 Rita Gunther McGrath published her book "The End of Competitive Advantage", in which she argues that the

competitive advantages of companies are not sustainable, and they should consider them as transitory advantages.

Barbara Kellerman published in 2012 her book "The End of Leadership", in which she criticizes the superficial teachings of "the leadership industry" and explains how leadership has changed and how leaders have become weaker and followers stronger. Herminia Ibarra has published several articles on women as leaders and in 2015 she published her book "Act Like a Leader, Think Like a Leader", in which she argues that to be a leader you must first function as such and then think like a leader.

There is a very large number of recent literatures on applications of technology to business; one of these books, published in 2018, "The Advantage of Artificial Intelligence," by Thomas H. Davenport, describes the applications of artificial intelligence to business.

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