The emergence of management as a discipline of society

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Abstract

The environmental changes appear to have destabilised the secured classical theory of management. Organisations are no longer able to control the forces of change and most of the time they are in a state of dilemma. Managers are always in the state of uncertainty and in fear of making wrong decisions. The concept of management of the classical schools of thought seemed to have waned by social changes and social demands for social-ethical responsibility. Society imposes legal obligations on businesses and expects them to obey and adhere to regulations that are relevant to business operations. Furthermore, society expects firms to give back to society that supports their existence and well-being. Organisations that have responded to the legal systems and contributed to improve the community's quality of life and supporting its activities have found to survive better. The management of the firm has to take into consideration how its decisions and actions can affect the interest of the stakeholders rather than taking an exclusive approach of focusing on maximizing shareholders' wealth only. It cannot deny that the survival of the firm has depended greatly on its interactions and treatments of both the shareholders and stakeholders. It is apparent that many of these external demands are making organisations to be a discipline of society.

Keywords: *Management; Social responsibility; Unitary view; Sectionalism; Corporate governance*

1. INTRODUCTION

The emergence of management from a position of obscurity to a prominent place in modern society was one of the more remarkable events of twentieth-century history. Little more than a hundred years ago management barely existed (Florence, 1961), yet today mangers are numbered by the million. One survey estimated that in Britain alone there were 2.75 million people engaged in management with 90,000 persons entering the occupation each year (Constable and McCormick, 1987). Similarly, censor data for the United States has shown that there were more than ten million managers working in that country in the early 1980s and an annual intake of over 500,000 students to basic courses in management (Carroll and Gillen, 1987). However, "management" continues to provoke considerable confusion and puzzlement. (Alan Berkeley Thomas (2003, pp.23)

2. HISTORY OF MANAGEMENT

Historically, management has not always been as visible as it is today, although it has practised for centuries. Records and artefacts from Egyptian and Greek cultures indicate that management concepts and techniques played an important role in civilised societies thousands of years before the birth of Christ. The Egyptian pyramids, for example, vividly illustrate that tens of thousands of people worked for many years on large-scale construction projects. Surely management skills must have been necessary for ancient Egyptians to communicate with thousands of people every day without modern telephone, telegraph or transportation technology.

The Bible provides even further examples of management practices. When Moses organised the scattered tribes of his people and led them out of Egypt, he showed considerable leadership and management abilities. During years of plenty, when the harvests were good, Joseph marked and stored extra grain so that it could be distributed on a first-in, first-out basis in the lean years that followed. Today we call this “inventory control”. In the New Testament, writings about Christ provide a human relations model that is emulated by many managers today. The parable of the ‘Good Samaritan’ is an example of human relations.

In more recent history, too, leaders have used techniques and skills that would be valued by modern management. Marco Polo’s thirteenth-century travels to establish trade between the Orient and the Western world posed significant logistics management problems in the acquisition, movement and maintenance of supplies and equipment. Adam Smith (1776) introduced the concept of specialization of labour; he recommended breaking jobs down into subtasks and reassigning workers to specialized tasks (Adam and Ebert, 1982).

In the early twentieth century, Frederick Taylor (1856-1915) implemented Smith’s theories by dividing jobs into two categories: those performed by operative workers and those performed by managers or supervisors. Thus, was born the scientific management movement. Between 1890 and 1930, Taylor’s work and that of others associated with scientific management sought to determine scientifically the best methods for performing any task, and for selecting, training and motivating workers (Stoner, Freeman & Gilbert, 2018). Scientific management, however, perceived workers primarily as mechanistic, economically motivated beings. The more output they produced, the more money they would receive. Thus, there emerged a very simple view of people at work.

During the Depression, management modified its views, having discovered that workers have multiple, not just economic needs. Thus managers began taking a more enlightened approach toward the subordinate-supervisor relationship, an approach known as human relations. Workers are social people and they have social needs besides economic needs.

Thus began a rapid forty years in the development of management thought. Psychologists, sociologists and other social scientists began in earnest to study people in their working environments. Knowledge concerning human behaviour in organisations has grown rapidly since the 1930s. Additionally, the scientific management approach has benefited from the work of economists, mathematicians and computer scientists. Many of these later, more analytical, approaches were the result of Allied operations research applications in World War II.

3. MANAGEMENT SCHOOLS

The history of management thought starts from a search for a universal theory. Today, however, we see that no single theory is accepted (John Naylor (2004), p. 21). Although management techniques have been practised for centuries, management did not emerge as a discipline until relatively recently. Over the years, however, distinct theories of management have evolved and today the discipline consists of four primary schools of thought:

3.1 Classical Management School

It is made up of the scientific management and process theories. The scientific management is based on economic efficiency at the production core of the organisation. It emphasizes the closed-system of logic of engineering, technology and economics unaffected by outside disturbances or influences. It is self-contained and relies little on support from its environment and operates essentially in a world of certainty. People at work were considered to be motivated by money alone. Economic efficiency was the single measure of organisation performance. It was also assumed that by buying the talents of an expert who specialized in engineering technology, management could purchase the rationality it needed. Economic efficiency is related to the ratio of outputs to inputs.

The most significant contribution to scientific management was Frederick Taylor (1856-1915). He separated planning from doing in production because of the difference in skills required. The nonproduction tasks such as scheduling work, purchasing materials and analysing jobs should be done by the nonproduction workers. The transformation activities should be done by the operative or production workers.

The scientific management theory noted the functional level concerning the productivity of workers and the economic factors that influenced them. It was not concerned about the efficiency and effectiveness of management functions at the organisational level.

Henri Fayol (1841-1925), a French metallurgist and a contemporary of Taylor, was interested in the total organisation. He believed that management could be taught and identified five functions in the management process in which managers engage in:

1. Planning in developing a course of actions to be done.
2. Organising involving all activities that lead to the development of the necessary structure of tasks and authority.
3. Commanding in relation to directing the activities of subordinates.
4. Coordinating those activities that bind together all individual efforts and direct them toward a common objective.
5. Controlling activities are those that assure that the performance in the organisation takes place in accordance with planned performance i.e. the organisation's objectives.

The process orientation is similar to the scientific management orientation in the sense that both are concerned with efficiency; both adopt a limited concept of human behaviour; and both operate within a closed system. Much of their thought is still relevant to management today, even though modern management has outgrown many of the concepts advocated by these two schools. The economic and physical needs were the main emphasis of the classical management school and it overlooked the social needs of workers as members of a group and never considered the tensions created when these needs were frustrated. Financial gain is not the only thing that matters to workers as they demand for job satisfaction (Stoner and Freeman, (1989), p.39).

3.2. Behavioural School

The behavioural school began in the 1930s with a human relations movement that emerged quite unexpectedly from some research students in a manufacturing plant near Chicago. The research was originally intended to examine the effects of changes in the physical work environment on production output. Some social scientists on the research team, however, observed that changes in output were often due to factors other than just physical changes in the work area. Specially, workers seemed to respond favourably to the individual care, attention and interest that the experimenters had shown toward their work and noted that productivity increased. The main outgrowth of this research was a new attitude that seriously questioned scientific management’s man-as-machine concept.

Human relations proponents recognize that people are complex and have multiple needs and that the subordinate-supervisor relationship directly affects productivity.
Behavioural scientists - psychologists, sociologists, and cultural anthropologists - have added substantially to our understanding of people at work. Theories concerning such behavioural processes as leadership, motivation, communication and attitude change have been supported with a great deal of experimental evidence from both laboratories and actual organisations.

Applied psychologists have developed behavioural science theories of the individual; social psychologists, sociologists, and cultural anthropologists have developed social systems theories of people in groups at work. Role relationships, group structure, formal and informal power, and cultural differences have all been found to affect performance. In the light of these developments, modern managers have modified their views.

The human relations school has improved on the classical approach, which treated productivity almost exclusively as an engineering problem. The behavioural scientists have spotlighted the importance of a manager’s style and thereby revolutionised managerial training in relation to people-managerial skills, as opposed to technical skills and in terms of group dynamics besides concern for individual workers.

However, the concept of “social man” was thought to be a counterweight to the one-sided “rational-economic man” modal, failed to describe completely individuals in the workplace. On the other hand, attempts to increase outputs in the 1950s by improving working conditions and employee satisfaction did not result in the dramatic productivity increases that had been expected. Apparently, the social environment in the workplace is only one of several interesting factors that influence productivity. Salary levels regardless of the interest levels of given tasks, organisational structure and culture and labour management relations also play a part. Thus, the entire matter of productivity and worker satisfaction has turned out to be more complex than was originally thought. A more recent and rigorous study concluded by social psychologists, P. Mirvis and E.E. Lawler in 1977 also proved inclusive in its findings on the relationship between job satisfaction and performance.

It is envisaged that there are two reasons that attributed to the difficulty of studying relationship between job satisfaction and performance or productivity. First, job satisfaction is largely an emotional response to one’s work and emotional factors, in addition to involving numerous variables, are hard to measure in any terms sufficiently precise to satisfy the requirements of social-scientific study. Second, it is difficult to separate the issue of job satisfaction from the equally complex issue of job motivation (James and Freeman, 1989).

3.3. The Modelling School

The modelling school is concerned with decision making, systems theory and mathematical modelling of systems and decision-making processes.

The decision making is orientated towards making decisions as the central purpose of management. Fundamentally it looks upon management to be involved in decision making. Managers make use of studies dealing with human information needs, information processing, assessing risk and generating decision alternatives to make final choices. The decision theory approach can be expanded to include all decision processes throughout the organisation.

On the other hand the systems theory advocates the importance of studying organisations from a "total systems" point of view. They consider the organisation to be a system of highly interrelated and interdependent parts. When management makes a change in one subsystem, far reaching effects can be felt in other parts of the total system. A policy changes in marketing, for example, can affect finance, production and personnel subsystems. Therefore, identifying subsystems relationships, predicting effects of changes in the system and properly implementing system change are all part of managing the total organisation.

The mathematical modelling has its foundation in operations research and management science. It focuses on creating mathematical representations of management problems and organisations. For a particular problem, the variables are expressed mathematically and the model is then used to demonstrate different outcomes that would result from various possible managerial choices. It is also used to examine organisation decisions from a systems viewpoint. After relationships among subsystems have been represented mathematically, management can use a model to determine the consequences possible management decisions would have on various subsystems throughout the organisation. Often mathematical modelling is used simply to clarify relationships and provide information that might be useful for management decisions. For example, breakeven analysis, inventory control and some resource allocation situations are easily converted into mathematical forms. No one has ever had much success, however, in fitting people into mathematical models. This is because people are too varied and unpredictable.

The modelling school extends the rational, logical, technical orientation of that part of classical theory known as scientific management. Relations among variables exist in organisations and mathematical modelling is used to describe them. Although the modelling school has contributed tremendously to management thought, it alone cannot supply a total approach to management. Modelling theories have a limited concept of human beings; when mathematical relationships are stressed, managerial activities may be neglected and these activities cannot always be modelled. The perceptions of management responsibilities and concepts have evolved through the years and from many sources of research studies.

3.4. The Contingency Approach: An Integrative Thrust

Some developments during the past decades suggest the beginnings of a new thrust in management, the contingency approach. It all began with the idea of defining leadership in management. When it was realised that many factors influenced the style of leadership that the concept of contingency began to provide a better sense to understand leadership style. It is integrative, focusing on fitting together the ideas and concepts of the different schools of thought rather than dwelling on their differences. It "integrates the ideas from a wide range of disciplines to make it possible to be more prescriptive about how to manage under different sets of circumstances" … It is necessary to specify the individual and organisational conditions which modify managerial activity; that is, to specify the circumstances on which correct applications of a concept depends (Tosi and Carroll, 1976).

Specifying the circumstances in which specific actions are appropriate and those in which they are inappropriate is the challenge. This challenge is immense; ideas from many disciplines - organisational behaviour, organisation theory, economics, sociology and psychology - must be integrated. Efforts to meet the challenge posed by the contingency approach have just begun; but the potential rewards seem great. It has taken about 100 years for the management theories to evolve from the time of Frederick W. Taylor to the contingency approach.

4. WHAT IS MANAGEMENT?

So far we have a glimpse of the historical development of the concept of management from the time of Moses until the present time, a period of about 2000 years.

Management in the sense of the co-ordination and control of collective endeavour is an age-old activity, identifiable in the work of the pyramid-builders and empire-builders of ancient times. But the origins of modern management lie in the great social and economic upheavals of the 18th and 19th centuries which were the time of the Industrial Revolution. Competition began to grow and organisations became large in size and increased in technical complexity. The consequential effect on management was specialization and the emergence of management education. The need to understand management has become a pressing concern in the 21st century.

The earliest attempts to provide a systematic analysis of modern management were made by the practising managers in their writings in the early decades of the 20th century. They have influenced the structuring of the subject-matter taught through management courses. However, with the increasing involvement of the social sciences the early classical writings on management started to change and alternative views of the nature of management are developed. The classicists were criticised for their narrow, unsophisticated and managerially biased attempts at management theorising for basing their views more on beliefs derived from experience than on careful study and observation of managerial work based on empirical study. However, the answer to what is management is very much a contentious issue than it was when the only systematic answer available was that provided by the classicists.

Management has been called "the art of getting things done through people". This definition by Mary Parker Follett, calls attention to the fact that managers achieve organisational goals by arranging for others to perform whatever tasks may be necessary - not by performing the tasks themselves. However, management is much more in fact, that no one simple definition has been universally accepted. Moreover, existing definitions change as the environments of organisations continue to change.

Stoner and Freeman (1989) provided a more complex definition of management as "the process of planning, organising, leading and controlling the efforts of organisation members and of using other organisational resources to achieve stated organisational goals".

On the other hand, John Nylon (2004) gave a broad view of management by defining management as "the process of achieving organisational objectives, within a changing environment, balancing efficiency, effectiveness and equity, obtaining the most from limited resources and working with and through other people." Efficiency refers to how well resources are being transformed into outputs. Effectiveness is an assessment of how far a stated objective is achieved. Equity is about how fair distribution of outputs is being made among the recipients e.g. how their needs are satisfied, no matter how well off they are.

It is apparent that writers of management base their understanding of management practice on certain fundamental assumptions. These assumptions define the parameters within which accounts of the nature of management practice are developed. Different assumptions give rise to different theories of management. Nevertheless, these theories can have important implications for management practice. To the extent that they define both the ends and means of management they serve to clarify both what management does and how it does it. Management is actually based on two aspects of management practice, *the means of management and the ends of management* and it is to these two aspects that basic differences in assumption apply.

The key issue with regard to means is rationality. The theory of management will be different depending on whether there is rationality or no rationality of the means adopted to achieve the given ends (outcomes/results). This is where the philosophy of ethics, legality and justice come into play and influence the decision-making process in management.

The key issue with regard to ends is that of sectionalism. Theories of management will be different according whether they assume that management is concerned with the pursuit of *unitary ends* or *sectional interests*. Unitary ends refer to the common interest of the people in the organisations while sectional interests refer to a group that has the power to influence the outcomes of an organisation and where conflicts often arise among groups in the organisation.

By putting the two aspects i.e. means and ends together into a framework as in figure 1, four major ways of understanding management can be seen: a rational professional practice, an exploitative practice, a magico-religious practice and a political practice.

		Means Objectively rational? Yes	No
Ends	Unitary	Rational profession	Magic/religion
	Sectional	Exploitative practice	Politics

Figure 1: Analytical Framework for management

4.1 Rationality in Management

Rationality refers to the means by which managers apply to achieve their objectives. They rely on their scientific knowledge acquired from experience and from what they have learnt. However, different experience and learning reflect differences of emphasis leaning in one direction or the other. In this regard there appears to be some sort of rigidity in the practice of management.

In objective rationality, it implies that the actions and the intended results are held by all members to achieve the set goals. On the other hand, subjective rationality refers to changes that may be made by mangers in relation to changing situations or situations in the environment to achieve the goals of the organisation. It is to be realised that rationality can exist in a continuum where at one end of the pole it is fully objective and at the opposite pole fully subjective and other variations of rationality that fall between the two opposite poles.

4.2. Sectionalism in management

Management is a collective practice among individuals or groups in an organisational setting. However, in sectionalism, it is assumed that one among several groups has the capacity to influence organisational outcomes. Under such a situation, managers are held to possess distinct interests which are in conflict with those of other stakeholders. Therefore management practice can be held to be essentially self-interests of one group such as the higher management. This may be in conflict with the interests of the shareholders and other stakeholders.

4.3. Magic and Religion

Magic refers to the idea that if certain procedures are followed certain results are expected. It is not related to the concept of science. It does not conform to any proven theory. It is very much related to the experience of certain people. It is just a means to reduce uncertainty and may be valuable to certain people in the society. Managers may use certain technique or procedures hoping certain outcomes will follow. This is like magic. E.g. By using the 'best available techniques', it is expected that fears of accusations of irrationality or bias can be successfully warded off.

Religion is a much broader concept than magic but it is also related to deal with uncertainty. It is assumed that God knows everything and all-powerful. Religion is a set of beliefs and practices which provide an overarching meaning to human existence. Through participation in rituals and ceremonies, believers come to share in and to pass on this meaning and also experience with fellow celebrants. Religion is used by some people to make sense of the world they live in.

Cleverley (1971) pointed out that magico-religious view of management exists on organisations. The religion of management is administered by priesthood, the Accountants and attended by magicians, the consultants. Many of the management concepts or theories are viewed as to be rationally sound and are accepted in practice in management. Culture is also considered to be a form of religion in organisation.

4.4. Politics

Politics is the way of life in organisations because there are many sources of conflict. It is the exercise of power among and between groups within the organisational structure. Decisions in the organisation are often made based on politically negotiated orders. Collective objectives are accepted through the process of merging of individual group objectives. Groups that have control over the limited resources and information appear to have more power over others that are dependent on them. Politics is often used to overcome difficulty to resolve conflicting situations in order to attain the direction and objectives at the organisational level.

5. MANAGEMENT: THE RATIONAL PROFESSION

Henri Fayol (1949) has emphasized that a body of knowledge needed to be created to teach the knowledge or theory of management. Management is not based on personal whim and fancy; it must be based on a body of knowledge created to be taught and trained in the education system. Management is a rational profession. However, it is the belief that if the business cannot serve the society then its existence may be a liability to the shareholders. Society may act against the business if it cannot properly serve the people. Management as a profession is to make an organisation to function in the long-term interest but its success is dependent on being accepted by the community. The priority of an existence of an organisation is dependent on its ability to integrate with the stakeholders for long term interest.

5.1 The practice of management

Mintzberg (1973) found that few of the chief executives spent much time in general planning, one of the mainstays of the classical view of management. Therefore, the classic view of the manager as a planner is not in accord with reality.

Kotter (1982) studied 15 general managers and found that they relied on universally applicable principles and skills when managing rather than upon a detailed knowledge of the business they were managing. He regarded that none of the managers could be regarded as “professional managers”. Managers must be able to apply their expertise based on their experience and developed in specialised form in the local contexts. They should rely more on their experience gained through contact with others but not based on rational analytical process.

Stewart (1983) found that in her study of 160 middle and senior managers spent only nine uninterrupted periods of at least half-an-hour in thinking or planning in a period of 4 weeks. It showed that managers are not reflective planners. They actually existed in a ‘while of activity’, spent most of their time talking to other people, and were located in a web of relationships, with peers, bosses and subordinates, in which they were often as much a dependent party as someone upon whom others depended.

In 1959, Dalton’s observational study of American managers found them to be individuals with sectional interests which may conflict with organisational goals and policies and who may pursue them by lobbying, concealment or misrepresentation of information.

These studies of managerial work seem to pose a serious challenge to the views of the classical school. If management is supposed to be about planning, organising, commanding and, coordinating and controlling there appears to be precious little evidence that this is what managers actually do. Nor do they appear to make much use of 'scientific knowledge' in their work. Rather than pursuing to that agreed goals in a context of harmony and consensus, managers seem to have interests of their own which they may pursue irrespective of official organisational goals. Managers seem to depart significantly from the classical view.

Hales (1999) found that managerial behaviour is shaped by the rules and resources of environing systems which serve to constitute, define and legitimize it. Further evidence of such a contention, can be seen from the demanding need of corporate governance in organisations. Managers are departing from their fiduciary duty to the organisations and the shareholders. This is a departure from the unitary view to the sectional approach. It is apparent that the classical image of management seems to be little more than an idealized conception of what it ought to be. As such it would appear to contribute little to an understanding of the realities of management.

It is apparent that the reality of management is different from the image of it that has been provided by classical writers. Controversial arguments arose when people observed that the managers do not follow Fayol's categories of management, the responsibilities which lay behind it and which give it meaning. In reality, managerial behaviour is shaped by the rules and regulations of the legal systems in which companies operate. Managers who devote more time to them and who display more skill in carrying them out tend to produce better productivity and obtain better organisational results. It implies that in the process of decision-making, they look for information and evaluate them before they make their informed decisions. They have in fact planned, organised before implementing the decisions as required by the legal systems and the 'forces of change' in the environment.

In today's dynamic environment, it is difficult to envisage that managers do not plan and evaluate carefully before making their decisions. The difficulty in getting the appropriate information for decision making has really placed them in a state of uncertainty and the risk in making wrong decisions is always there. Often than not, if they are not careful, wrong decisions are made and the organisations failed to achieve their objectives and therefore their strategies are in jeopardy. At times they may have failed to make emergent changes and have to face transformational changes which may have an adverse effect on the performance.

While the external environment creates forces of change on the organisations, it also increases the state of uncertainty among the managers. On the other hand, organisations cannot control these forces of change and most of the time they are in the state of dilemma. If the organisations do not respond to them especially to make fine tunings and incremental adjustments then they may have to face drastic or transformational changes which may be too late to stabilize the competitive position of the organisations. Drastic change can be modular transformation or corporate transformation. The classical management approaches are more adaptable for stable environment situations which no longer prevailed in today's environment. The advances in globalization and internet communication technology (ICT) are changing all the time and creating new momentums for the markets and organisations.

Both fine-tuning and incremental adjustments to environmental shifts allow organisations to perform more effectively and optimise the consistencies between strategy, structure, people and processes. However, as organisations successfully become big and stable, they face internal resistance to change. In times of major change, drastic changes in strategy, structure, people and processes may be required. The classical concepts of management may not fit the dynamic nature of the management required in organisations. The planned strategy developed by the normal process of planning usually turns out to be the emergent strategy because of changes made in response to environmental changes in order to maintain strategy-environment fit. Sometimes it is necessary to adjust the structure in order to attain the strategy-structure fit for competitive reasons. Of course, structural changes can bring about cultural changes in the organisation because of the new requirements and adaptations of new skills and learning. The consequential structural development of organisations is the moving away from hierarchical structure to organic structure to attain flexibility and responsiveness to the forces of change - a necessity as a matter of long-term survival.

Regardless of the size of organisations and type of technology used, the use of more flexible working patterns and the ways of structuring of the work appears to be increasing. This apparently is the concern today because without the security of organisational structure the level of job security becomes an issue among the managerial and professional workers.

The environmental changes appear to have destabilised the secured classical theory of management. Bureaucratic structure has given way to organic organisations. The existence of rules and regulations in bureaucratic organisations has given way to "contingency approach" - it depends on the situations, time and circumstances. Organisations are also becoming more dependent on the legal systems governing the management and operation of businesses. Laws are created by the society to satisfy societal needs and for peaceful development and growth of a society. Business laws are created for the economic growth of a nation and for the proper conduct of trade with other nations.

Power, cooperation and conflict are part of the politics of organisational life as organisations breakdown from their bureaucratic fortresses. Power is the ability to influence the behaviour of others. It is something that one has and becomes valid only when others give value to it. Some persons may have more knowledge, expertise or resources than others and if these are scarce or desired, then that person will have greater amount of power than others. However, power exists only in the eye of the beholder. It is not necessarily the control of resources or knowledge that give someone power but the belief by others that he or she has that power of control. It is a question of 'relativity of power' where one person perceives another to have power while another person believes otherwise. Power is normally used by the top executives to overcome conflict or resistance to change or to avert conflict or resistance. Such a political behaviour in the organisation is not all that bad. As organisations become more organic, the chances of conflict seem to abound. According to the pluralist view, conflict is unavoidable as it has become the life of organisations. The strongest support for this view is that there are many sources of conflict in organisations. On the other hand, the unitary view is that conflict is not possible in an organisation because there are rules and regulations to follow, there are common goals to achieve, and conflict could be avoided before it becomes noticeable. This view is not tenable because conflict can be good for organisations if they are controlled within the threshold value for creativity and innovations to occur. Situations of conflict that cannot be controlled will bring about dysfunctions in organisations.

Organisations have to adopt conflict resolution programmes to resolve conflicting situations and create social structures to stabilise their position. Politics play an important role for conflict resolution in order to get the organisation to go on with its goals.

Another aspect is that society is playing a significant role in getting the organisations to maintain their competitive positions in the market. The management of the firm has to take into consideration how their decisions and actions will affect the interest of the stakeholders rather than taking an exclusive approach of focusing on maximizing shareholders' wealth only. They cannot deny that the survival of the firm depends greatly on their interaction and treatment of both the shareholders and stakeholders. This implies that they have to discharge corporate social responsibility to the stakeholders. The firms have to ensure that their products or services are of good quality and can benefit the users and act to enhance the welfare of stakeholders by providing financial supports for the social activities of the local community. The firms can no longer exist in a vacuum; they need to support the interests of the stakeholders. They have to play this economic responsibility by providing employment opportunities, maintaining a successful position in the market, providing quality goods and services to the community. The firms are also expected by society to obey and adhere to regulations that are relevant to business operations. Society imposes legal obligations on businesses. Besides legal responsibility, firms are expected to exercise ethical responsibility. Firms are expected to do what is right, fair and just in their dealings with all stakeholders and to act in a manner consistent with expectations of societal mores and ethical norms. It is expected by society that the firms have to give back to the society that supports their existence and well-being. They are expected to play a role in improving the community's quality of life and supporting its activities.

Milton Friedman (1963) has argued that business's function is economic not social. Businesses do not have the moral obligation to undertake corporate social responsibility initiatives unless the shareholders benefit from them. If a firm uses corporate resources to solve social problems, it will reduce efficiency and impair profitability. The social issues and social responsibilities are non-business issues and non-business responsibilities. The concept of corporate social responsibility is inconsistent with the role of business, which is to make money and maximize shareholders' wealth. Seeking profit is a moral obligation. Corporate social responsibility is seen as endangering this motive. Milton Freeman agreed that firms must obey the law and do not do harm to others in carrying out their business operations. However, he is against corporate philanthropy because it distorted corporate managers and profitability. The government should be playing this role of social responsibility. Milton Freeman is actually supporting the classical concept of economic function of management.

In the modern and globalised world, firms are expected to be more proactive in anticipating the expectations of various stakeholders and to take the necessary actions to meet those needs (Ackerman and Bauer, 1976). Firms are assessed by their ability to respond to social demands.

Further development of the concept of management abounded after the WW2, with the evolution of the business process reengineering (BPR), which can be looked upon as the revival of the scientific management approach of Frederick Taylor (1856-1915). It creates and emphasizes the importance of the processes both productive and non-productive aspects in the entire organisation. It relates that production function alone is not adequate to enable the organisation to survive but all other activities in the organisation are involved and necessarily contributed to the success of the production operations. BPR looks across functions by which organisational performance is capable of becoming more logical, effective and efficient in order to attain competitiveness. It is closely related to the concepts of total quality management, just-in-time, lean operations and the production systems. Externally, it is customer focused and market driven and internally, it is process focused and team-oriented. It must be able to be competitive in the areas of cost, quality, lead time, delivery reliability, productive characteristics, product support and service and to meet customer demands. At the end of the day, it is the market that must be capable to accept what the company delivered; indicating that the survival of an organisation is dependent on the society it is in.

It seems that the classical concept of management theory has been overpowered by social demands and expectations. Firms that failed to respond to societal needs may suffer adverse consequences of losing their long-term interests.

6. CONCLUSION

The studies of managers at work present a very different view of management to that offered by classical management theorists. Managers seem to rely little on scientific knowledge, formal principles or theories in the conduct of their work. As a consequence, it is difficult to depict management as a practice based upon objective rationality. The managers appear to have pursued personal and sectional goals rather than social ones seem to question the idea that management is concerned with overriding the unitary view of the classical concepts of management.

In the globalised world, the changing environment has created new challenges to the concept of classical management from an internal perspective to the external social demands. There are many facets of external demand that required organisations to be a discipline of society in particular the mechanisms of corporate governance and corporate social responsibility and the legal systems. However, Fayol's (1916) five functions in the process of management are still valid and are studied in the management schools but the implementation process of the management theory is a matter of the contingency approach.

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