

1.1: History of Management Theory

Learning Objectives

- Describe the history of management theory

So what is management theory? First, let's break down the term. Theories help us understand our experiences by using research and observable facts. Management is the act of supervising and directing people, tasks, and things^[1]. So, simply put, management theory is a collection of understandings and findings that help managers best support their teams and goals.

The Importance of Management Theories

Management theories help organizations to focus, communicate, and evolve. Using management theory in the workplace allows leadership to focus on their main goals. When a management style or theory is implemented, it automatically streamlines the top priorities for the organization. Management theory also allows us to better communicate with people we work with which in turn allows us to work more efficiently. By understanding management theory, basic assumptions about management styles and goals can be assumed and can save time during daily interactions and meetings within an organization.

Theories can only reach so far, and management theories are no exception. There is no such thing as a one-size-fits-all management theory. What may work for one organization may not be relevant for another. Therefore, when one theory does not fit a particular situation, it is important to explore the option of developing a new theory that would lead in a new, more applicable direction. While some theories can stand the test of time, other theories may grow to be irrelevant and new theories will develop in their place.

The Evolution of Management Theory



While the next section will get into the nitty-gritty behind the history of different types of management theory, it is important to have a basic understanding as to why management theory was such an important and ground-breaking idea. The Industrial Revolution is at the center of management theory. From the late 1700s through the early 1900s, the Industrial Revolution brought extraordinary change to the workplace and forever transformed the way companies operate.

The Industrial Revolution brought better and faster technology allowing companies to perform more efficiently than ever before and gave them the ability to dramatically increase their output. However, increased output meant lower prices which increased demand which in turn required more employees.

Companies that once had a couple dozen employees were now growing into gigantic corporations. No longer was it possible for a manager to know each and every one of their employees on a friendly level. In order to meet demand, company leadership had to ensure their employees were productive. Sounds simple, right? Not exactly.

While productivity goals can be set easily, managing a team to meet productivity goals was not so simple. For the first time, managers had to find new and innovative ways to motivate a sizable number of employees to perform. Since this was a new concept, research, observations, experiments, and trial and error were all used to find new and better ways to manage employees. The Industrial Revolution gave birth to a variety of management theories and concepts, many of which are still relevant and essential in today's workforce. In addition, many management theories have developed since the end of the Industrial Revolution as society continues to evolve. Each management theory plays a role in modern management theory and how it is implemented.

Practice Question

<https://assessments.lumenlearning.co...essments/13677>

Let's take a look at some key management theories, explore their history and reasoning, and learn about the masterminds behind them.

1. Taylor, F. W. (1914). *The Principles of Scientific Management*. Harper. ↵

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