

## Management

'Management' is a ubiquitous term today, so widely used as in fact to lose meaning. The term suggests layers of references and associations that need to be deciphered.

Historically, the emergence of the notion of management and its progressive institutionalization reflect the intersection of three main developments – the spread of the modern belief in science; the progress of bureaucratization and the profound corporate reinvention of American capitalism at the turn of the 20th century. By the end of World War 2, management was a set of practices and tools and an emergent body of knowledge associated with a few institutions of socialization and professionalization. The core was clearly in the United States with little impact on the rest of the world. Things changed, however, after World War 2, when the scope and the nature of management evolved progressively. Firstly, management became transnational. Secondly, management turned from a set of practices and a body of knowledge sustained by a few institutions into a transnational ideology or structuring frame. Management gave way to managerialization. Management knowledge and tools are increasingly seen as a common reference frame and language, across borders, over and beyond the boundaries of what used to be differentiated spheres of social and human life. Management, furthermore, becomes globally a dominant socialization frame for future elites, whether economic or political, or even for elites from the non-profit sector.

The turn of the 20th century saw a profound reinvention of American capitalism. A merger wave on a historically unprecedented scale led to the reorganization of most industries as oligopolies. Large firms were built from an aggregation of many small ones and those integrated giants were incorporated. The emergent joint stock companies were often associated with dispersed ownership and the separation between ownership and control was a consequential outcome. Owners stepped out of day-to-day decision making, leaving the space to salaried decision makers – or managers as those came to be called. The new industrial or service 'monsters' required new tools and techniques making it possible to plan, coordinate and control in spite of size.

Management became a job and was progressively professionalized. Business schools were set up across the country and became

important actors of this professionalization. Later on, from the 1930s on, consultants, the press and professional associations would further strengthen and institutionalize management as a quasi-profession. Together with management and its development as an activity came the structuration of an intellectual field vying through time for the status of a scientific field. In the early years, both the influence of the bureaucratic model and the scientific impulse were strongly felt. Bureaucratic principles were adopted and adapted to the large American private firm, while technicians and engineers pondered on the 'scientific management' of the production process. In his *The principles of scientific management*, Frederick Taylor in 1911 set out to 'prove that the best management is a true science, resting upon clearly defined laws, rules and principles as a foundation' (Taylor 1911, introduction).

Needless to say, management in this sense defined and carried a masculine world and imprint. Management was the new progressive project, reflecting the modernist dream of an absolute control over matter. Rational human beings could access and master the information and the tools needed to maximize the collective good and induce progress, both for the firm and for society at large. Starting in the 1950s, new challenges and opportunities emerged for management.

The context was a unique geopolitical situation where the United States had reached superpower status. That country then projected into the (Western) world insolent wealth and power and the connection was often made to the peculiarities of American managerial capitalism. American political authorities in fact constructed management as a geopolitical weapon. In the words of Paul Hoffman, a high-ranking Marshall Plan official, the United States should 'fight the Communist party line with the American assembly line'. On the other side of the Atlantic, in Europe, chaos, destitution and crisis reigned. This soon also implied dependence when the United States launched a major aid programme around the Marshall Plan and associated initiatives. As a consequence, the desire to imitate encountered the wish to project – and management became an object of export/import between the United States and many countries in Europe and beyond. Productivity missions, where Europeans 'discovered' American capitalism and more particularly management, expert visits and

## 2 Management

exchanges all played a part in the progressive acculturation. From the 1960s on, the internationalization of American firms and service providers took over as a major diffusion channel. Of even more significance in the longer term, though, one should mention the progressive structuration of a management education field in Europe starting in the 1950s. This structuration set itself in direct continuity to Marshall Plan-related initiatives and was financed in part by private American foundations, such as the Ford Foundation. Incidentally, the first President of the Ford Foundation was Paul Hoffman.

The transnational expansion of management reached Europe and Japan first. With the fall of the Berlin Wall, though, a similar process and similar mechanisms opened up new frontiers – and management went East (in the broad sense of the term). While management spread as sets of tools and practices, the intellectual and scientific sphere around ‘management knowledge’ also expanded and matured significantly during this period. Here again, the reach became progressively global. Originally American journals became global references and targets for scholars, professional associations (both scientific and administrative such as the AACSB – American Association of Collegiate Schools of Business) entered internationalization paths. Locally or regionally, initiatives to structure the field of management knowledge were deployed and multiplied. The number of business schools exploded everywhere, the MBA (Master of Business Administration) went from being a uniquely American degree to a global label or ‘licence to manage’; regional associations and conferences were set up; journals were launched and English imposed itself as the lingua franca of this intellectual and scientific community.

The diffusion of management as sets of tools and practices and associated institutions and bodies of knowledge thus marked the second half of the 20th century. Progressively, the organization of economic activity has come to be profoundly influenced all around the world. In the meantime, management has become increasingly depoliticized, in appearance at least. When management emerged, at the end of the 19th century in the United States, it was a tool of power for decision makers without ownership rights. They used this tool in their interactions with both labour and shareholders.

After World War 2, management was clearly construed and constructed as a geopolitical weapon. Management would bring wealth and prosperity to battered countries, it was assumed. Wealth and prosperity would keep Communism at bay.

Since then, though, the evolution has clearly been towards claims of neutrality and scientific ‘purity’. Management on the whole presents itself as preoccupied only with efficiency questions, not power issues. This neutral posture has probably significantly contributed to the broadening appeal of management and its universalist ambitions. The progress of management in the past twenty years or so has reinforced and has been reinforced by the transnationalization of our economies and societies, the success almost everywhere of marketization and neoliberal ideas and the triumph of science. All organizations, including state administrations, universities, cultural or health sector organizations are reinventing themselves using models from the private business sector. Hence, management is spreading into many spheres of social life, which had until then been governed according to different logics. Undeniably, this is having a profound impact. Management tools and knowledge even spread to institutions like the Church, marriage, the family. The individual him/herself should manage him/herself, his/her career, love and sexual life, family relationships, self-presentation... Bookstores are full of ‘self-management’ books and guides.

Management undeniably has become an institution, in the profound sense of a stabilized cognitive frame. As an institution, it plays out furthermore at the transnational level with a profound impact on the most unexpected corners of the world and on the most surprising sides of our lives. As an institution, a stabilized structuring frame, management is becoming less and less discussed and contested. In fact, it is more and more transparent to the actors themselves and has an air of taken-for-grantedness. The progress of management education all around the world is important here as a powerful socialization mechanism. Elite formation across the world increasingly implies some training in management, in one form or another – and this is true for elite formation in general not merely for the training of economic elites. This confirms

that the posture of neutrality is nothing more than that – a posture. From a simple power tool, management has turned into a ‘regime of practices’, an ‘hegemonic’ or ‘disciplinary’ discourse, in the words of Michel Foucault.

Marie-Laure Djelic

#### **Bibliography**

Djelic M. L. 1998. *Exporting the American model*. Oxford: Oxford University Press.

Djelic M. L. and Sahlin-Andersson K. (eds) 2006. *Transnational governance*. Cambridge: Cambridge University Press.

Gemelli G. 1998. *The Ford Foundation and Europe (1950s–1970s)*. Brussels: European Interuniversity Press.

Sahlin-Andersson K. and Engwall L. (eds) 2002. *The expansion of management knowledge*. Palo Alto: Stanford University Press.

Sklar M. 1988. *The corporate reconstruction of American capitalism*. Cambridge and New York: Cambridge University Press.

Taylor F. 1911. *The principles of scientific management*. New York: Harper Bros.

#### **Related essays**

class; Cold War; corporations; Ford Foundation; higher education; language; Marshall Plan; Master of Business Administration (MBA); organization models; Pax Americana; philanthropic foundations; productivity missions

Author Copy