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**ΘΕΜΑ: ΓΛΩΣΣΙΚΕΣ ΠΑΡΑΔΟΧΕΣ ΤΟΥ MANAGEMENT**

**«LINGUISTIC APPROACHES TO MANAGEMENT»**



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# CHAPTER 1

## WHAT MANAGEMENT IS

### 1.1 INTRODUCTION

The English term Management is partly attributed with the Greek term Business Organisation and Administration. However, as the English term is a broader term, it has been adopted in Greek and has been established in the related economic and scientific circles. Recently, Georgios Babiniotis in his Dictionary Of Modern Greek Language (ed. 1998) has used a new Greek term for Management, the term of Administration, which seems to convey better the notion of the English term. Thus, the term “Management” includes the total of necessary acts to effectively guide the performance processes in a company or organization. Such corporate governance acts include Programming, Materialisation and program Control acts (Harvard Business Essentials, 2009).

So far it has not been possible to convey the full conceptual content of “Management” with a purely Greek term, which is proved by the fact that in modern Greek special bibliography the term is either translated as “Management” or “Administration”, despite the fact that these two notions are different, as (according to Mackenzie, 1969) Administration means to attain objectives through others, while Management to arrange the details of an executive task. This failure to translate the term with accuracy and clarity often leads to the simultaneous use of both terms in order to convey in common, as complimentary notions, the content of the foreign term. However, this periphrastic rendering, besides being lengthy, is also proved inefficient in practice, as it fails to express the various dimensions of the term in their total. Moreover, it may lead to misunderstandings, due to possible misuse of the term (Terzidis, 2004).

For these reasons, in the following analysis the English term is adopted, written in Greek letters, as we believe that its naturalization in Greek has long been made, apparently due to the above mentioned difficulties. Nevertheless, the terms “Management” and “Administration” are used as alternatives in cases we believe they render efficiently certain aspects of the analysed object (Petridou, 2001).

## 1.2 DEFINITION OF MANAGEMENT ADMINISTRATION

In our attempt to define the term of Management, we will find numerous words that render the common notion, but emphasise different Administrative activities each. It is hard to find a term that will fully satisfy both theoreticians and professional ‘managers’ (Petridou, 2001).

The term Management has suffered more than any other term in its Greek translation. This is why it is useful to resort to ‘Semantics’, a linguistic science branch which deals with word notion. In the light of ‘Semantics’, Professor Sp. Zevgaridis attempted to explore the roots of Management terminology and the relation between internationally used terms and the respective Greek ones. Therefore, he points out that the terms Management, Administration and Organisation cannot be translated in any other language by means of the pre-existing terms and still convey their English content. The greatest confusion is caused between the terms of Management and Administration, as in Greek language often the term Management is considered synonym to Administration (Zevgaridis, 1972, Petridou, 2001).

Management includes a total of processes with their individual features- functions that describe the behavior of executives based on the principles and axioms of science. In this sense, Administration is a broader notion than Direction, which is considered as one of the functions of Direction, referring mainly to handling the human resources (Gialelis, 2011).

The term 'Management' also refers to the people who manage a business-organization, while the while the noun 'manager'- executive is considered synonym of the Director or supervisor (Petridou, 2001).

In order to monitor the development of the notion of 'Management' we report below the prevailing definitions so far:

'Management' is the practice of attaining results through other people (Zois, Garoufalis, 2008).

This definition is the simplest in international bibliography and explains that those people who manage organisations deal with assigning to others the task to be executed and not with carrying out the task themselves. That is, they prepare and monitor the attainment of the organization objectives and determine actions that will be carried out by others (Petridou, 2001).

Another definition for 'Management' is:

'The total of processes and controls through which is ensured maintaining the organizing connection and the guidance of a group of people aiming at a specific outcome' (Massie, 1979).

Here emphasis is put on the control and organization of a group of people, in order to ensure the achievement of its goals. That is, contrasting interests and pressures within the organization should be balanced, all objectives should be met with relative success and the limited waste of resources and contrast should be ensured (Petridou, 2001).

Thus, 'Management' is the coordination of all productive resources (animate and inanimate) in order to attain specific outcomes.

The following term specifies further the notion of the Management Process, while it also determines its features- functions:

'Management' is the process of programming, organization, leadership and control of the efforts of the organization members and other productive resources, for the attainment of the set goals of the organization (Petridou, 2001).

The points that need explanation here are the following:

-Process is the systematic way to attain goals.

-Programming is the priori setting of goals and acts.

-Organisation is the coordination of human and material resources.

Leadership is the guiding and influence of subordinates in order to carry out the specific task.

-Control is the total of acts ensuring that the organization is led to the direction of the goal attainment.

Another definition suggests that:

‘Management’ is the working with others and through them for the success of the organization objectives, as well as its members’ goals.

Therefore, administration is a series of functions with which deal the executives, in order to coordinate the work of those carrying it out, so that the objectives of the organization are attained and they essentially fall into the following 5+1 functions of management. These functions are (Petridou, 2001):

- 1) Planning
- 2) Organizing
- 3) Staffing
- 4) Leading
- 5) Controlling
- 6) Coordination

### **1.2.1. Planning**

This function involves determining the state and position of the social organization for the future course to be followed and the means necessary for the attainment of the desired result. That is, Planning consists of determining the goals, the strategy, the tactics, the acts and the means to be employed for the objectives materialization in a specific period of time. Koontz and O'Donnell simply define Planning as the function through which is bridged the gap of the distance between where the person or the social organization is today and where they want to be in the future, determining what will be done, how it will be done, when it will be done and who will do it (Morgan, 2000).

Planning also encompasses Marketing Management. It is the process of planning and execution of an idea. It is the process of pricing, promotion and distribution of goods and services, aiming at creating the transactions that serve both individual and business goals. Marketing Management is the analysis, the planning and implementation of programmes aiming at the creation, the building and maintenance of advantageous relations with the target market, in order to achieve the business goals (Salavou, Kyriakidou, 20100).

Marketing Management includes much more than mere customer finding. It has to be adjusted to the different demand levels. It deals not only with finding and boosting demand (for goods and services), but also with the changes and fall in it. It affects the level, the selection of timing and the nature of demand, thus helping fulfill the business objectives ( Tsaklaganos, 2000)

### **1.2.2. Organising**

Whenever arises the need for a group of people to cooperate in order to attain a goal, organization comes in. There must be found a way to determine the roles, the relations they have with the task in hand, their interpersonal relations. We could say that when we refer to organization, we mean orderly functioning.

Organizing is the management function that structures the way people work. Organising includes finding out what works have to be done and who will do them.

As it happens with planning, organizing is not essentially applicable unless, beyond assigning tasks to the employees, the latter are given the power, the relevant tools and information to be able to carry out the assigned work (Zois, Garoufalis, 2008).

The aim of organizing is to create the work environment that will offer the most to enhance the employee performance. In other JT words, organizing is the means and not the objective (Petridou, 2001).

The relations among people are formed either gradually through interaction, in which case they create unofficial organisations, or intentionally, in order to achieve specific objectives, in which case human effort and productive resources are combined in order to form official organisations.

The term of organizing can be rendered with the three following notions:

- Organizing is the organization unit, that is the total of productive resources, within the framework of which are allocated tasks and are determined cooperation relations, in order to attain common goals with time consistency.
- Organizing is the planning of organization structure, that is, the process of forming of an organizational chart for the materialization of the objectives and the arrangement and correlation of the tasks among the different work positions, so that the inner environment of the organization is clarified.
- Organizing is the description of a framework for carrying out the work, that is, organization work, in order to determine the relations, the outflow and the processes of carrying out tasks.



One definition of Organizing that includes all three notions is: ‘Organizing is the structure and the process with which a cooperating group of people distributes its tasks among its members, acknowledges its relations and carries out the activities that lead to common goals’ (Salavou, Kyriakidou, 2010).

Therefore, we make distinction between the dynamic and the static notion of organization. The first one refers to the constant process-function of ‘management’ that on the one hand aims at the effectiveness and adjustment of the organizing structure to the changes of the environment and on the other hand at the standardization of the tasks execution. The second one refers to the organizing structure, that is, the grid of the specific relation in the work posts, the so-called official organization.

The function of organizing is not an aim in itself, but rather a means to attain the company objectives and aims at imposing order and creating an environment conducive to group work. This is attained because are prevented possible conflicts among workers regarding their work object, regarding the power they have, regarding the use of productive resources. Thanks to organizing, the information flow is also rationalized, communication and outcome control is enhanced, the work tasks are simplified and its productivity is increased with the acquired specialization. Finally, it efficiently contributes to forming and materializing the business strategy (Petridou, 2001).

The symptoms of ineffective organizing in a business involve:

- Confusion about the authorities and administration limits (the subordinate does not know who to refer to).
- Conflicts and contrasts among people or organizing units due to vaguely distributed authorities or the non-objective assessment of each group needs.
- Vacancies for a long period of time.
- Underemployment of people or underuse of production means.
- Asymmetrical work allocation.
- Extreme increase in the power of informal groups.

- Rigid bureaucracy (excessive organization).

To ensure effective organizing, the following basic organizing principles must apply:

- Order unity: each subordinate position will accept orders only by one subordinate position on a specific matter.
- Administration or supervision limit: the number of subordinate positions (supervision limit) or else the responsibility area of each supervisor depends on the type of work, the geographical dispersion of the positions, the degree of decentralization or the degree of authorizing and the overall organizing culture of the organization.
- Harmonization of responsibility and authority: the responsibility (authorities) assigned to the work positions is always relevant with the authority assignment, which is equal to the authorized use of productive resources necessary for fulfilling the responsibility. The notion of authority is distinctive from the notions of power and influence, which refer to the unofficial power one has to impose and cause action.
- Grouping: the classification of activities with common characteristics in groups, based on criteria such as the type of work carried out, the function of the business, the product, the geographical area, the group of customers, etc.
- Coordination: each work position must have clearly set official communication channels, which appear on the organizational chart.
- The existence of organizational charts and valid task descriptions that correspond to the organization needs. An organizational chart is the official organization structure, which graphically presents the work positions and the authority relations connecting

them. Job description is the document stipulating : a) each position features (position title, nature- specialty of the position, organizational connection of the position with the others) b)the responsibilities and authorities of each position (detailed description of the essential works assigned to this position, their logical flow and their time duration, the possible use of production equipment and the secondary or complimentary works assigned to the position), c) the qualifications required by the people occupying the respective work position.

In each organizational chart, we see:

- The organizing units (directions, departments, work positions) which constitute the organization.
- The grouping criterion used.
- The organizing levels.
- The types of authority assigned to each position (linear, executive, functional).
- The administrative hierarchy of the positions.
- The administration limit of each organizing position.
- The specialties of each position.
- The official communication channels.

In the organizational charts, we cannot see:

- The degree and the extent of responsibility and authority of each position.
- The dynamic constant development of responsibilities for each position.
- The unofficial groups and the unofficial communication charts.
- The possible changes in the responsibilities and authorities of certain positions due to authority assigning (Petridou 2001).

### 1.2.3. Staffing

An organization success depends on how well the executives develop and maintain its various resources. In a profit-making business, significant resources are the capitals, the raw materials, the facilities and equipment, as well as the markets for the products or services. However, as it happens with all organisations, the most important resource is humans. The administrative function of staffing cares about the development and maintenance of the organization human resources. The managers deal with the following tasks:

- Determining the work to be done and allocation to work positions.
- Analysing the relevant value of the tasks, in order to decide on relevant reward levels.
- Providing for future vacancies in staff.
- Manning and selection of employees for these vacancies.
- Offering new employees the chance to be more useful to the organization, while at the same time improving their self-image.
- Assessment of the performance of employees at work.

Many executives and also readers believe that the staffing processes are in the realm of personnel management of the company. Thus, the managers should not deal with this administrative activity. The truth is that these executives have all sorts of various issues to consider daily and decide upon.

However, this is the case only in big companies or organisations that have personnel management, staffed with all specialists. In our country, where the 99% of businesses are small/ medium, it is not possible that they have personnel management. Therefore, each manager in the Greek business deals more or less with the staffing processes.

Besides, even in a big company, the managers deal with: finding the appropriate personnel, examining the CVs of candidates, interviewing candidates, assessing the work of their subordinates, introducing rises, promotions, dismissals.

From the above mentioned we assume that, regardless of the existence or not of personnel direction in a business, all managers have to take decisions regarding the proper

staffing of the organizational unit of the business for which they are responsible (Kanellopoulos, 2003).

#### **1.2.4. Leading**

Leadership is related with affecting people so that they offer the best they can in relation with the company goals. Leadership is related mainly with interpersonal relations between management and the employees (Magliveras, 1997).

Given that the notion of leadership suggests that some people follow the leader and that people follow those who fulfill their needs and wishes, it becomes obvious that leadership involves things such as motivation and communication.

#### **1.2.5 Controlling**

A simple definition of controlling is that it is the process through which a company management verifies the coincidence of attained results with the determined plans (Gibson, 2001).

More analytically, controlling is the management function through which is attained the assessment of the obtained results and their comparison with the determined plans, in order to verify the attainment of the objectives set during planning and also the possible errors, omissions and discrepancies with these objectives and explore their causes as well as the implementation of correcting acts (Gibson, 2001).

Controlling function keeps managers constantly updated on the course of their department works. The feedback system, the most important phase of the control process, verifies the attainment of the objectives set during planning and also the possible mistakes, omissions and discrepancies with these objectives that are in this way easily perceived and followed by the necessary correcting acts (Petridou, 2001).

Controlling and planning are intertwined and this is the reason they are called ‘the management twins’. The one function cannot exist without the other. The importance of controlling for planning is obvious in determining the objectives, which are specified or reset based on the feedback information offered by the controlling system. In that sense, the information concerning the strengths and weaknesses of the inner business environment in the goal attainment, are assessed again and contribute to the more realistic setting of new feasible objectives and the new processes and action plans (Maniatis, 2005).

Controlling is of course rather related with planning, but is present also in all other management functions. It is the function informing us on the efficiency of the organizational structure and the tasks structure, on the effective motivation of communication, the appropriate leadership style and the rational decision making (Maniatis, 2005).

Also, there are many reasons that render the controlling function necessary in organisations, such as the ongoing changes in the outer environment, the complexity of the organisations inner environment, the frequent human errors, the constant compelling need for authority decentralization (Petridou, 2001).

### **1.2.6 Coordination**

Some management experts consider coordination as the sixth function of management. However, it is more accurate to consider coordination as the essence of management in the sense that each of the five management functions are basically a acts contributing to coordination (Karapistolis, 2001).

These are concisely the five plus one functions of management. How many are systematically carried out in Greek businesses? This is a whole different question (for most of them, they are just theories).

I dare say that the biggest problem of the majority of Greek businesses is not finding the financial resources, nor competent staff, but rather the lack of proper management. And in the absence of proper management, things go wrong.

### **1.3 THE MANAGEMENT FACTORS**

So far, management has been defined as a system of functions. These functions, however, are the result of the existence of four basic factors: a) knowledge, b) skills, c) philosophy or culture, d) systems.

The effective application of the management functions requires, just like all other human activities, knowledge. Nowadays there is a quite satisfactory notional and theoretical background regarding the functions of Management. Without it, would be impossible to apply effective Management (Siganos, 2005).

Except knowledge, Management as a human function requires a series of skills, determining the potential of a person to apply, put the Management functions in practice, using their knowledge (Karapistolis, 2001).

Nevertheless, Management as a human activity requires the existence and application of Management systems (tools), such as the systems of information, planning, rewards, control, etc.

The above four Management factors are of equal importance, as in the absence of one of them, it is impossible to apply Management. Also, it is obvious that among these four factors there is interaction, in the sense that each one affects the existence or form of the others.

### **1.4 THE IMPORTANCE OF MANAGEMENT FOR THE ECONOMY OF EACH COUNTRY**

The fact that the 'Management' soon became the central wealth producing feature of the developed countries and the basic need of developing ones, shows the important role it plays in the economy of each country and the international relations it builds (Piperopoulos, 2008).

Professors Farmer and Richman (1965) point out that the distinction between 'industrially developed' and 'developing' or 'under-developed' countries can rely on the application of Management techniques in the businesses of these countries. More specifically, they write:

“We consider organizing and administration as the only crucial social activity in relation with economic growth. The natural, economic and human resources are nothing more than passive features which will have to be combined and coordinated efficiently through a proper active management, in order for a country to achieve an essential economic growth level. A country may have various natural and human resources, plenty of specialized workforce and important funds, and yet be relatively poor, because there are few competent managing executives to combine successfully these resources in order to promote and distribute goods and services (Petridou, 2001).

Recent data shows that productivity in American Industry is by 40% higher than in Sweden, 60% higher than in Germany, 70% higher than in France, 8-% higher than in England and this is mainly due to the difference in the quality of Management in American businesses (Nektarios, 2010).

In Greece, research of The Hellenic Society Of Business Administration proved that: In 1963, a 15%-20% of the businesses applying consciously scientific administrative methods, while in 1971 this rate rose to 35%-40%. Nowadays, there is optimism that almost 50% of the Greek businesses use scientific management methods. The reasons behind the non-application of scientific Management methods by Greek businesses lie in the mentality of just caring about the present, the fact that the company 'does well' and the lack of special 'manager' training (Siganos, 2005).

The contribution of Management, however, to the development of international economic relations and balance economies underlines in her article the famous American sociologist Rosabeth Moss Kanter (1985), who wrote: “Good Management is our best hope for world peace, as the compelling need for growth pushes organizations beyond national borders, in a quest for new markets. The world is interrelated through a series of intersecting trade relations, in which the managers' profits for the survival of their multinational



companies carry a bigger weight than the profits of politicians. The quality of living, the technological growth and the world peace are all products of good Management (Petridou, 2001).

## **1.5 THE SIGNIFICANCE OF MANAGEMENT IN THE FUNCTION OF ECONOMIC ORGANIZATIONS**

Each economic organization in the private or public field has a mission and a set of goals that justify its economic activity. Its survival, efficiency and development are goals served by the production of material or non-material goods to satisfy the needs of consumers (Piperopoulos, 2008).

The efficiency and longevity of each economic organization are the priority goals in its activity and are more specific when are determined goals such as the rise in the efficiency of the turnover, the funds, the profitability, the employee satisfaction from their work, the improvement of the work conditions, the restriction of environmental pollution and so on. The efficiency of an economic organization is usually assessed in terms of the successful fulfillment of the organization goals, including its economic and social goals. Therefore, there is a strong connection between efficiency and the survival of each economic organization, even in the case of public charitable organizations. And this is so, because no organization will survive for long unless it attains its economic goals and assumes its social role (Makridimitris, 2004).

Each profitable organization, however, does not simply aim at attaining satisfactory profits that will ensure its survival and growth, but it strives to maximize its profits, too. Maximizing profits for a business means it attains a higher rendering of its funds or the productive resources it employs for a series of years and not that it attains the highest pure profit in a short period. That is, it is possible to sacrifice profits of one year in order to achieve higher total profits in the years to come. The profit, however, should be measured after considering in the total expenses and revenues respectively, the social cost and the social benefit caused by the function of the economic unit (Petridou, 2001).

The economic organizations of all types employ productive resources regularly to attain their economic and social goals. These goals are affected by internal and external factors, that is, the internal and external environment of the organizations respectively. The internal environment consists of the human resources and various other economic or natural productive factors employed within the framework of man-made decisions. They are, therefore, variables submitted to the direct control of organizations. The external factors (external environment) that affect the efficiency of the organization goals are the state policies, the consumer requirements, the competitors acts, the funders decisions, the available workforce, the legislation, the developments in technology, the harmonious cooperation with suppliers etc, that is, variables affecting seriously the organization function without being directly controlled by them (Ioannou, 2005).

Within the framework of a systematic approach to Management science, the economic organization is considered an open system, in the sense that it is a set of features (productive resources) submitted to its direct or indirect control and are in a dynamic interrelation with one another and among the exterior environment features. To attain the goals of the economic organizations there must exist cooperation between the features of the interior and exterior environment, in order for the resulting outcome to be the desired one, while at the same time the basic economic principle of getting the best results with the least sacrifice must be fulfilled. Thus, if we consider the economic organization as an open system where the inflow deriving from its external environment (human, economic, natural resources) are turned through a processing system (supply, production, distribution, financial function, people administration) to outflow (products, services, waste, reputation) offered back to the external environment, the need for management of the relevant efforts becomes obvious (Petridou, 2001).

Management aims at the efficient coordination of all acts related with the processing of inflow into outflow, as well as the influence of the variables of the internal and external environment. The function of the economic organization will be in one sense more effective, as long as the value of outflow is greater than or equal to the value of inflow. To attain this, the economic organization must function rationally, that is, it has to be managed based on the basic economic principle. Aiming at the 'greatest result with the smallest sacrifice' will be

relevant with qualitative and quantitative features, such as the high fund recovery, market share, employee satisfaction with their work, improvement of the quality of their living, elimination of contrasts at work, safe work conditions, decrease of environmental pollution, addressing problems through work intensification etc. (Papadakis, 2007).

Consequently, an economic organization will function efficiently if it is managed in such a way as to attain the best result (high profits, longevity and development, satisfied employees, social response, etc.) with the least sacrifice (minimum cost, decrease in materials waste, minimum environmental pollution, elimination of contrast at work, etc.)

The responsibility for the effective function of the economic organizations is assumed by the executives who manage the processing of inflow into outflow, aiming at producing positive quantitative results for the economic unit, as well as for the society (Brinia, 2008).

Therefore, the Management of an organization includes activities such as taking rational decisions, planning and organization of the task to be carried out, managing the people who are going to carry out the task and controlling the results of all the above efforts.

The acts or features of management, or in other words the functions of Management will ensure a favorable internal environment for the economic unit to function, so that it will use the appropriate resources from its external environment and offer it its outflow, attaining its economic and social goals. (Petridou, 2001).

## CHAPTER 2

### HISTORICAL OVERVIEW OF THE FIELD OF MANAGEMENT

#### 2.1 GENERAL

Taking a look at Management history, we will find out that it is not something new; it has historical background.

Many years ago the various theoreticians dealt with management, that is, the way in which the employees can be motivated in order to perform well.

Turning back to Old Testament, we find out that Iothor, Moses' father -in -law, was one of the first analysts.

Also, going back to ancient civilizations such as the one of the Egyptians, we see that there were plans, organization, leadership, control systems, because otherwise would be impossible the construction of the pyramids, which were buildings made of about two and a half million slabs each weighing approximately two and a half tons and their construction required the work of thousands of people for twenty years. It therefore becomes obvious that such a venture shows the efficient application of management functions and tasks.

## 2.2 THEORIES OF MANAGEMENT

### 2.2.1 Taylor's Theory

The function of Management has existed since ancient times, but the systematic organization of its knowledge started essentially at the beginning of our century. **Fraderich Taylor** (1856-1915) was one of the founders of Organization and Management. With his treatise "Principles Of Scientific Management", published in 1910 in the USA, he is considered the father of Management Science. He believed that the rise in productivity was the only way to ensure higher salaries but also higher profits. He also supported that through the application of scientific methods it is possible to increase productivity without wasting human work. Also, that employers and employees should stop considering the profit distribution as the main problem and focus their attention on the greatest possible rise in profits, in an climate of understanding and fruitful cooperation.

### 2.2.2 Fayol's Theory

**Henri Fayol** (1841-1925), a French engineer, is considered to be after Taylor the father of "Management Theory" and in Europe he was the founder of scientific Management. Regarding the principles of management, he emphasized the high hierarchy ranks of the organizing and managing pyramid and analysed the tasks of the managers. He maintained that the various acts or activities within the organization, despite their differences, can fall into certain groups, called business functions. These are: technical, commercial, financial, safety (protection of the employees and the estate) and accounting. To these functions he added the ones of management, which are analyzed into tasks of planning, provision, organizing, human administration, coordination and control. These tasks, which constitute the basic Management functions, have been so far, with slight changes, a significant part of the theory of management.

### 2.2.3 Max Weber's Theory

**Max Weber** (1864-1920) was another representative of the classic theory. He studied especially the research methods of the social science, especially emphasizing the managing phenomenon. He claimed that bureaucracy (the management through bureaus) is the most rational way to exert control on people. The same goes for the field of management. According to him, bureaucracy, which is not a negative phenomenon, is an organizing theory responding mainly to the needs of the big, complex businesses. As its basic features, he reports the strictly defined authorities, the rigid rules and the application of a hierarchal organizing system.

### 2.2.4 Gantt's Theory

A colleague of Taylor's, **Gantt** worked as a business counselor on issues of employee selection and the development of systems, motives and extra rewards. He supported as well the need for cultivating cooperation and understanding between the management and the employees. He also emphasized the importance of training and the human factor in all management problems. He developed graphic ways of representing plans, aiming at the best administrative control and focused on the meaning of time and cost in the planning and control of work.

### 2.2.5 The Theory Of Human Relations – Elton Mayo

In 1920 made their appearance the first disputers of Taylor's and his followers' theories. They were blamed for the fact that scientific management treated the employees as machine parts, expecting standardized moves and methods. They claimed that, if the businesses allowed their employees the active participation in issues related with the work conditions and methods, their morale would be boosted and they would be more willing to cooperate. This theory was called Human relations movement and its main representatives

were **Elton Mayo and F. Roethlisberger**. Research carried out in 1920 in big industrial companies showed that the employees' participation in work groups and the fact that they felt their opinion and feelings mattered for the company helped raise productivity and yet regardless of the improvement or deterioration of the work conditions.

Nowadays, the approaches concerning the various dimensions of management and organizations (economic, business, information, quantitative, psychological, social, political, etc.) derive their scientific background from other scientific fields, such as Mathematics, Economics, Sociology, Anthropology, Psychology, etc. and constitute individual fields or scientific approaches of the wider Management science.

## **CHAPTER 3**

### **THE MANAGEMENT SCHOOLS**

#### **3.1 THE SCHOOL OF HUMAN BEHAVIOR**

The supporters of the empirical school believe that it is necessary to study the various cases and problems of managers in the past.

This will help the younger to avoid past mistakes, but also to apply more effective techniques in similar cases at present or in the future.

In their opinion, management is an art, rather than a science.

external and internal factors and conditions within the business, the approach of past cases is not always the same. Even in seemingly identical cases the approach is always different. Besides, each manager is an individual with their own personality and experiences. Thus, it is impossible to expect a manager to react and approach some problem in the exact same way as some colleague of his will.

### 3.2 THE SCHOOL OF THEORY AND DECISIONS

The supporters of the above school believe that the success of a business depends on the way decisions are made by a person or a group of people.

Exactly this is the main weakness of this school. Managing a business does not mean just making decisions; this is only part of management. Managing means planning, organizing, directing, staffing and finally controlling.

### 3.3 THE SCHOOL OF STUDENT APPROACH

The supporters of this school consider management as a logical process that can be expressed through mathematical symbols and signs. However, this is not possible most of the times, as not everything regarding management can be applied with symbols and formulas.

## EPILOGUE

The usefulness of Management application in all organization forms is given and formed according to the goals, the form and the purpose of each. However, they all have as a common orientation the attainment of efficiency, in the sense of fulfilling goals with the minimum possible cost. Thus, for example:

- Family, beyond its basic attainments and purposes, aims as a social group to ensure the best possible quality of life to its members, with the least possible sacrifice.
- Trade union associations, within the framework of their own purposes, aim at attaining their goals with the least possible sacrifice.



- Private businesses, having as their main objective to attain profit, they aim at the best relation between benefit- cost.

Therefore, to the extent to which each social organization aims at the efficiency, management is necessary, since by definition it is the total of acts through which are successfully used the available resources. Therefore, there will only be efficiency in the case of some form of planning or organizing or control or guidance of the people related with the family, the business, the trade union, etc.

Certainly, planning, organizing, staffing, leadership and control cannot take the same form and expressed in the same way in a family, a trade union, a multinational or a small business, in a public or private organization. Each case has its own particularities and requires the individual implementation of management knowledge. But the basic features, the notions, the principles and the theories have general validity and universal application.

Another concern could be related with the way we develop and apply management in countries with different cultural, social, economic and technological particularities. If, for example, the management applied in industrialized countries could be applied also in Greece. The answer to this question is that the basic notions and principles of management apply to all countries. The features that require adjustment are the methods, the processes and the techniques of the management functions application, in a way that they suit the Greek reality.

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