

the fundamentals, philosophy, and mechanisms of scientific management is essential to a proper understanding of subsequent management theories in the area of--if you do your reading and you get into this area of management theory, you find these other terms--organization theory or control theory and planning theory, or the management process theory, or decision theory, using this new area of management science, or the behavioral and social-system theory, or to go up into the overall umbrella, the area of management systems theories. All of these came and developed.

A case can be made that all present-day management theory had its seeds in the first identifiable stage of management theory, namely, scientific management or classical management theory, which dominated management thought until about 1930. Then there came a second stage of management theory or management thought which is called organization and system. Starting in the 1930's we began to change our programming and thinking about management and moved in here to a second stage of management theory which is characterized by the name and concept of organization and system.

This conceptual framework requires the concepts of both administration and management, which have caused us some confusion later as to what is the difference between administration and management. But this concept requires both of them. Administration represented the ownership point of view, and it involved two things: (1) the formulation of policies, and (2) the establishment of the organization. This was the era then when we came in and developed to proficiency the line or the line and staff concept of organization, and, secondly, the divisionalized organization, with this concept of decentralized operations with central policy control. This was an adaptation of the Taylor functional foremanship concept of organization.