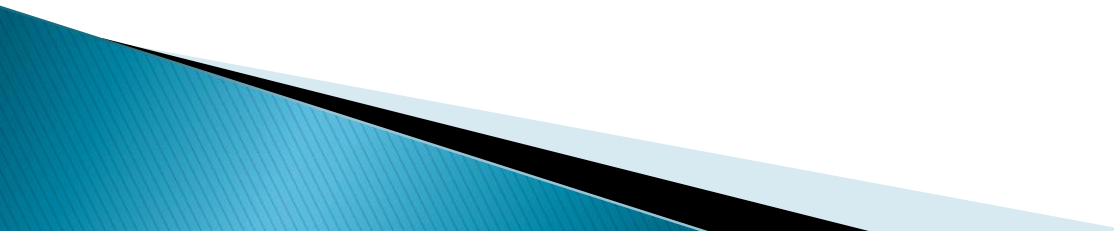
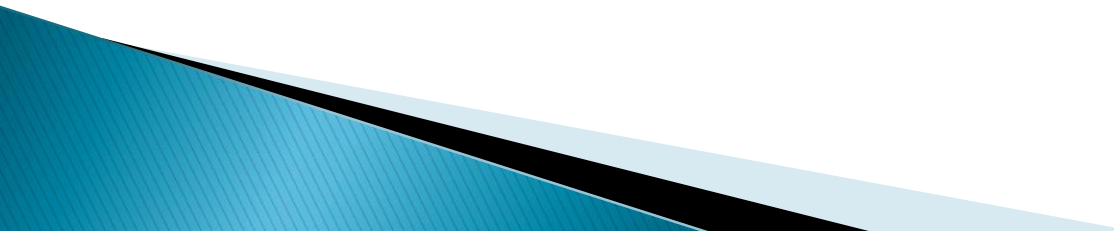


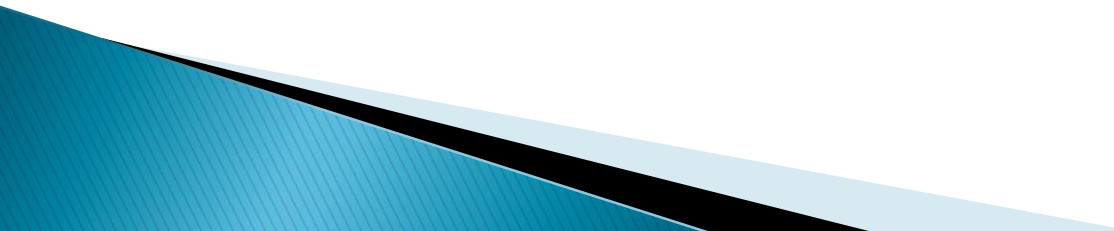
# **Pre-scientific Management Era**

Umakanta Nayak

# Genesis

- **MANAGEMENT IS AN OLD ART AND YOUNG SCIENCE. AS AN ART IT IS AS OLD AS MANKIND. BUT AS SCIENCE IT EMERGED SINCE THE LAST QUARTER OF 20<sup>TH</sup> CENTURY.**
  - **ORGANIZATIONS, MANAGEMENT AND EMPLOYMENT RELATIONS ARE INTRICATELY RELATED.**
  - **THE ORGANIZED HUMAN CIVILIZATION BEGAN WITH ASIATIC MODE OF PRODUCTION, AGRICULTURAL SETTLEMENTS UNDER FEUDAL SYSTEM, FOLLOWED BY DOMESTIC PRODUCTION SYSTEM AND INDUSTRIALIZATION. THE EMPLOYMENT RELATIONS AND MANAGEMENT PATTERNS WERE DIFFERENT DURING EACH OF THESE PERIODS.**
  - **LARGE SCALE INDUSTRIALIZATION DEMANDED THE NEED FOR MANAGEMENT AS A PROFESSIONAL SKILL AND MANAGEMENT DISCIPLINE AND PRACTICE COULD BE UNIVERSALLY TAUGHT AND APPLIED.**
  - **GLOBALIZATION, INFORMATION TECHNOLOGY MADE THE WORLD A GLOBAL VILLAGE WHEN MANAGEMENT HAD TO THINK GLOBALLY AND ACT LOCALLY.**
- 

- ▶ People have been shaping and reshaping organizations for many centuries.
  - ▶ We can trace the stories of people working together in formal organizations such as the
  - ▶ Greek and Roman armies, the Roman Catholic Church, the East India Company, and the Hudson Bay Company.
  - ▶ People have also long been writing about how to make organizations efficient and effective - since long before terms such as "management" came into common usage.
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- ▶ Despite its importance to every man, management is one of the nebulous and at the same time most ubiquitous functions in all societies.
  - ▶ Management History is difficult to reconstruct
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# Prehistoric

- ▶ Last great glacier age being dated 10,000 to 9,000 BC
- ▶ Lithic culture- group activities and tools
- ▶ Chalcolithic and Iron age- Agriculture

## Ancient Civilizations:

- ▶ **Solomon:** the famed biblical ruler, directed the establishment of elaborate trade agreements, managed construction projects and molded peace agreements in the tenth century BC

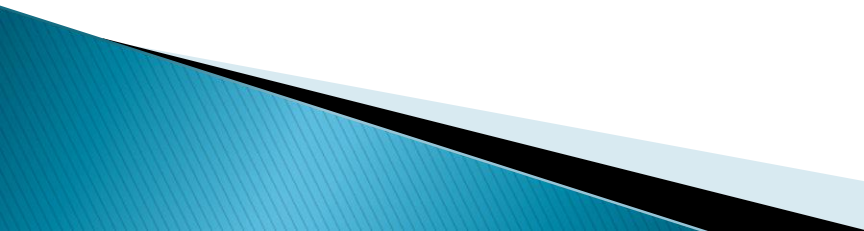


- ▶ **Sumerian Civilization:** Sumerian temple priests developed a vast tax system
  - ▶ **Egypt:** Structures- The great pyramid of Cheops covers 13 acres and contains 2,300,000 stone blocks each weighing an average of two and one-half tons.
- Decentralized Governance

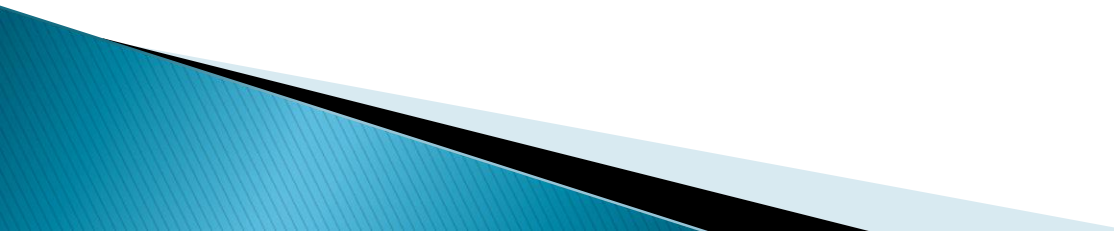


- ▶ **Babylonia: 2000 BC**
- ▶ Babylonian business transactions were highly documented on tablets- Responsibility cannot be delegated
- ▶ The Akkadian code of Eshnunna- price control and criminal penalties
- ▶ Code of Hammurabi- Responsibilities, Control
- ▶ Nebuchadnezzar- production control and incentive wage payment

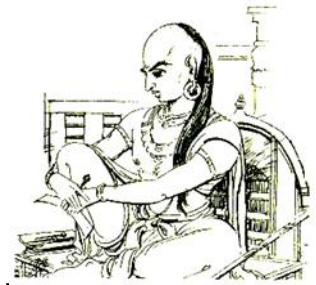


- ▶ **Hebrews-** Moses : personnel selection, training and organization
    - Found in chapter 18 of exodus
  - ▶ **China**
  - ▶ *Chow*: The constitution of Chow, probably written about 1100 BC
    - Directory of civil servants to the emperor- jobs and duties are clearly delineated
  - ▶ The Art of War, written by the Chinese philosopher *Sun Tzu* more than 500 BC
    - Strategy, Planning, Directing, Scientific Selection
- 



- ▶ **Greece:** Polis- city states
    - Republic of Plato- Division of labour
  - ▶ India- Kautilya's Arthashastra- Science of polity
  - ▶ Major themes- political, Social and economic management
  - ▶ Duties of king, ministers, councilors, departments of government, Diplomats, war and peace,.
  - ▶ Management of trade and commerce, law and courts, social customs
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# KAUTILYA/CHANAKYA'S WISDOM ON MANAGEMENT



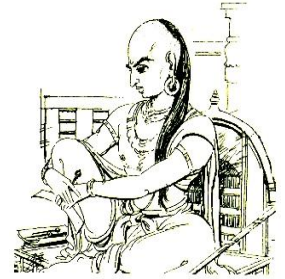
- Science– By learning science one can know what being spiritually good and what material well being is. The science of politics is the only science which is connected with all sciences
- Humanity– Keep the mind steady in adversity and in prosperity. Avoid causing injury to others. Avoid persons with falsehood and those harmful.
- Economics– Agriculture and trade constitutes economics.
- Discipline– Security brings self-discipline. Discipline comes from two ways. Acquired and inborn
- Learning– Science bestows discipline to people who are desirous of learning. Learn science from perfect expounders. Having close consort with elders will improve learning.

# KAUTILYA/CHANAKYA'S WISDOM ON MANAGEMENT



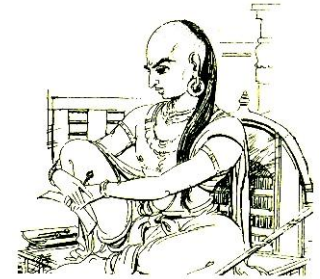
- Self-control– Leader having no control over senses will be ruined. Control over senses will overcome lust and anger. Avoid another man's wife and wealth. One shouldn't go beyond ones boundaries. One should avoid association with persons who are unrighteous
- Pleasure– enjoy your sensual pleasure without harming your spiritual qualities. Excess of sensual pleasures will bind you to material miseries.
- ▶ Ruler ship: It can be successfully carried out with the help of associates. Behave like master when you are in position.
- ▶ Decision: Own decision can be misguided. Ask for second opinion.
- ▶ Appointing staff– Do not appoint your playmates, they can mistreat you. Appoint your teammates by knowing their loyalty. Before appointing staff know their qualities and calculate the benefits of them to the company. Appointment of staffs shall be done by well-versed. Also appoint the person who does not have practical knowledge but conversant of science.

# KAUTILYA/CHANAKYA'S WISDOM ON MANAGEMENT



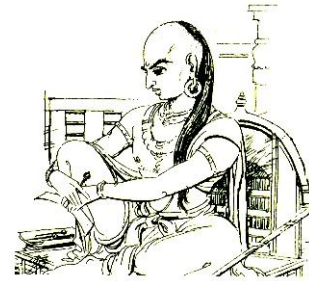
- ▶ Secrets– should not be discussed in conference even with your teammates. If secrets are communicated with many, you will become subservient to them. If your secrets are exposed to others, you are accustomed to bend towards the opinion of the knower of your secrets.
- ▶ Loyal– Whoever helped you in difficult situations, know them as truthful and loyal
- ▶ Retention– If you know that one is having good conduct, never make him to leave.
- ▶ Testing– Integrity of staffs is proved by secret tests. Rank your staffs according to their ability.
- ▶ Office discipline– Contacts with outsider inside the premises should be avoided. Attendance and movement of employees should be carefully examined. Incoming and outgoing couriers/parcels should be written and checked with proper seal. The usage of MDs room by other person without permission is equivalent to jewel theft and he should be punished.

# KAUTILYA/CHANAKYA'S WISDOM ON MANAGEMENT



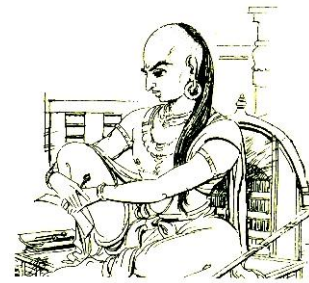
- ▶ Assistants– Company proprietor should keep trained person and well-known as his personal assistant. Loyalty proved and hereditarily known can be a personal assistant to the owner of a company.
- ▶ Employment– hire a person who bear troubles and endowed with energy and power. Employment should be made to those who are firmly devoted and having quality of uprightness and friendliness. Should not recruit a person who is not endowed with character. An employee should have the qualities of eloquence, boldness and should be trained in Arts. An employee always should be easy to hold in check. Inquire about employees abilities by tracking his old friends and colleagues (reference check). Making conversation with one candidate (interview) , test his eloquence and boldness. Test employees handling situation in the difficult tasks. By undertaking the test make sure of friendliness and firmness of the candidate. Check the character along with other qualities of a trainee. Mostly personal observations will give clear results of a candidate. Know the physical fitness before appointing a person. It is good to have psychometric tests before employing a person. Employ a person who has knowledge in auxiliary sciences. Test the integrity of the candidate by secret tests.

# KAUTILYA/CHANAKYA'S WISDOM ON MANAGEMENT



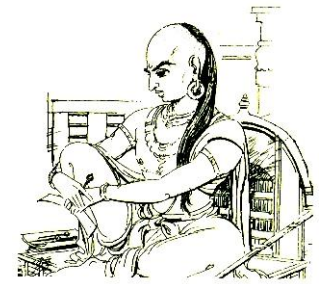
- ▶ Employment (contd): The secret tests on piety will show loyalty of the candidate. Person's uprightness can be judged by his disinterest over the material gains. Person who is not addicted to recreation can be appointed. Purity of a person can be identified by the test on lust. Loyal persons should be employed in judicial department,. Piety persons should be engaged in stores and administrative departments. Loyal and fearless person can be employed as a guardian/over taker of a concern/company ( arbitrator). Those who have proven loyalty, piety, and pureness can be employed in house keeping and as chief/ manager. All the secret tests for employing a candidate should be outsourced to an external agency.
- ▶ Spies: By means of secret tests one who proved uprightness before the board of directors, the head shall appoint him as a person of secret service. Secret agents shall be encouraged with money and honor. Secret agents would report only to higher authorities. By proven truthfulness house keeping person can also be appointed as spy. Art of association is an important criterion for a spy, who can appoint spies in turn to assist him. Spy who makes consequent mistakes in their part shall be terminated silently. Spies are responsible to identify bribery.

# KAUTILYA/CHANAKYA'S WISDOM ON MANAGEMENT



- ▶ Rules of leadership/administrator: leader always should be active so that employees will be active accordingly. If leader is remiss then followers will also be the same. Employees are more important because they do the work for leader. An active leader is beyond the reach of his competitors. The leader should always be energetic
- ▶ Leader is to maintain a complete work chart of a day to be divided into 8 parts i.e task per hour. On the opening hour income and expenditure works or financial strategies should be discussed. On the second hour leader should meet the marketing people and representatives. Third hour shall be study hour for the leader. Distribution of tasks to the respective department will be done on the 4<sup>th</sup> hour. Reading official mails and consultation with secret agents will be done at 5<sup>th</sup> hour. On the 6<sup>th</sup> hour he can have a relaxation with some recreations or there may be a consultant meet. On the 7<sup>th</sup> hour leader should go through/verify the works of administration and housekeeping. During the 8<sup>th</sup> hour the upcoming product review can be discussed with senior officers. The day can be ended by saluting the almighty for the works finished.
- ▶ When leader is in his room or in his place restrictions should be avoided so that employees can meet him liberally. Leaders should work according to the matter of emergency. Leader should deal with urgent matters in person. Procrastination of the works can make it harder or even impossible. Leaders should always respect the people who have knowledge. Anger is a self-destructing weapon of a leader. For leader, benefits to the company are the benefit to him; benefits to him are not the benefit to the company.

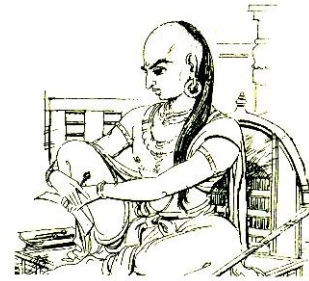
# KAUTILYA/CHANAKYA'S WISDOM ON MANAGEMENT



- ▶ Infrastructure– The company should build its own building only by renowned and expert builders. The company should be able to escort the employees even in natural calamities. Precautionary measures should be taken against fire etc. Every person should have a cabin and they should not leave nor move to others unnecessarily. Company should not provide any recreation facilities which obstruct the work.
- ▶ Heads of each department shall be appointed by the company. Manager of the company will lead the heads. Benefits given to the HOD by the company shall not be misutilised. In case of loss, the company can stop giving exemptions and benefits to the heads. The benefits attained by the projects by HOD should reach the owner of the company. HOD should be impartial to the kinsman staff and other workers. HOD can terminate any employee for their incapacity, with the permission from higher authorities. HOD should take care of system maintenance and housekeeping for increasing the profit of the company. HOD should have clear knowledge of future obstacles and should take decision to overcome from them. HOD should guard the existing projects and should create new and innovative projects. HODs have the power to lay off the staffs for misusing company items/products.

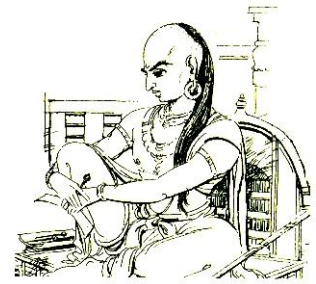


# KAUTILYA/CHANAKYA'S WISDOM ON MANAGEMENT



- ▶ Utilization of Disposables / unused places: Unused places shall be utilized without affecting the office work. The vacant area can be used as recreation or pantry area. Vacant space in the centre of the office can be used as a park. Grow trees and make pools for beauty and cleanliness in the vacant place. Company should appoint security for guarding the premises. Such guards shall be adequately rewarded.
- ▶ Finance: Finance manager should have the receipts even older than 100 years so that he would not falter in respect of expenditure. Wise manager should show an increase of income decrease of expenditure. Special allowances shall be given to the employees for sudden calamities. Fine shall be levied on officers who are regularly irregular to the work, delay the work. It shall be double for the junior officer as the senior officer can be incapacitated by the junior's failure. Reducing incentives can be a punishment. An officer of the finance department should check day to day, weekly, fortnightly, monthly and annual income and expenditure. Company should check the source of income with the reference of place and time. The officer of accounts can be warned for the imperfect and illegible manner of maintaining entry books of accounts. The loss of accounts records made by the officer of finance should be fined. The false statement in the entry books is considered to be a theft and the responsible officer shall be punished.

# KAUTILYA/CHANAKYA'S WISDOM ON MANAGEMENT



- ▶ Recovery of revenues: Each and every single work of the company depends on the income of the company. Clean activities, suppression on theft, present cash are some of the things which increase the income of a company. Obstruction, lending, loss, damage, misuse, wrong trading are the causes of depletion of the industry. Not attending the faults, ignorance of growths, improper delivery etc. will lead company to deplete and economy to decrease. The failure of concealment and misappropriation made by the officers should be fined. If an officer ordered a consignment which gave loss previously; he should be warned and it should be avoided in future. Failure, late and denial of payment amount to misappropriation. Head should regularly inspect and interrogate the person who pays, receives and records the payments. False statements made by any one in the finance department should be punished. If officer denies all charges against him but proved guilty will be liable for severe punishment. Incentive can be given to informers of the accounts misappropriation.