

## **MAKING SENSE OF THE PRESENT**

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### **Management & Organization History Stream**

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It has been said that those who fail to understand history are destined to repeat it. For managers, it is too late; it has occurred already. This is because few organizations or academics know very much about management before Frederick Taylor. The literature is devoid of a management history prior to the twentieth century.<sup>1</sup> This is due in part to the dearth of industrial documentation and an incomplete oral tradition beyond the internal financial affairs of organizations of the period.<sup>2</sup> Indeed, a large part of this study was gleaned from social and economic history. Interestingly, economic and social historians also have identified this gap, but have made little attempt to do anything about it.<sup>3</sup>

Almost without exception, the popular management press has published books that focus on the content of management – what do managers do, and what should they do, what leadership is, how to develop strategic management capabilities, and so on. But, in order to properly interpret management content, its context must be understood first. There are two questions that must be answered: 1) How was work organized? and 2) How was work managed? These questions have to be asked of every significant period in the history of work. Britain and the United States were chosen for this study because the change from agriculturally-based work to mechanized work first began in England as a result of the first industrial revolution, and because of the influence that American ideology has had on the rest of the world following its own industrial revolution.

To make sense of the present, we must study the effects that these industrial revolutions had on earlier agriculturally-based work. The last stable period in this respect was in England from 1550 to 1750 and in North America from 1600 to 1860. Although there were significant political upheavals during those times, the kind of work, and the way in which that work was organized and managed changed very little.<sup>4</sup>

The next significant period was the Industrial Revolution which occurred from approximately 1760 to 1820 in England and 1860 to 1920 in America. This was followed by what has become known as the traditional organization with its hierarchical organizational structure, chain-of-command, promotion from within, job specialization and job descriptions, and division of labor, among other things.

The next period that followed was the Horizontal Revolution, so named for its emphasis on delayering organizational structure, though in reality it has been a collection of revolutions that has included radical changes in management terminology, an abandonment of traditional hierarchies, dissolution of the psychological contract, and the pursuit of multifarious networking by all stakeholders. This revolution began about 1965 in the United States and a bit later in the United Kingdom. To a large extent it still is a revolution in progress.

Both industrial revolutions and the horizontal revolution occurred as a result of the convergence of three factors: changes in technology, demography, and the workforce. The organization that is emerging is the value-based organization, which emphasizes the mutual exchange of equal worth between and among employers and employees, and internal and external customers. Only by understanding this progression in organizational history can we make sense of the present.

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<sup>1</sup> Pollard, S (1993). *The Genesis of Modern Management: A Study of the Industrial Revolution in Great Britain*. First published in 1965 by Edward Arnold Limited. Reprinted by Gregg Revivals, Aldershot and Ashgate publishing Company, Brookfield, VT. Licht, W (1995). *Industrializing America: the Nineteenth Century*. Baltimore and London: The Johns Hopkins University Press.

<sup>2</sup> Cochran, T C (1981). *Frontiers of Change: Early Industrialism in America*. New York and Oxford: Oxford University Press. Gordon, R B and Malone, P M (1994). *The Texture of Industry: An Archaeological View of the Industrialization of North America*. New York and Oxford: Oxford University Press.

<sup>3</sup> e.g. Chandler, A D Jr (1977). *The Visible Hand: The Managerial Revolution in America Business*. Cambridge, MA: The Belknap Press.

<sup>4</sup> Coward, B (1997). *Social Change and Continuity: England 1550-1750*, revised edition. New York: Addison Wesley Longman Limited.