

*Economic Theory*

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**DEVELOPMENT OF THE THEORY  
AND PRACTICE OF MANAGEMENT:  
METAPHYSICS OF VS PHYSICS**

**Abstract**

The main provisions of the evolution of the management theory in the context of general scientific principles and lines of research are considered. On the basis of analysis of different approaches to the management in its historical retrospective, the possibilities of its development under the modern conditions from the point of view of overcoming of the outdated approaches and ineffectiveness in the national system of management are demonstrated.

**Key words:**

History of management development, theory of management, principles of physics and metaphysics in management, modern approaches to the theory and practice of management.

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The majority of scholars suppose that management existed since those times, when the individual with the help of «the carrot and the stick approach» forced another individual to do something, predicted in advance. For a good reason, one of the classical definitions of management sounds as «provision of fulfillment of work with the help of other people». Therefore, the profession of manager can be considered as one of the most ancient.

In such a way, unlike the generally accepted approaches to the definitions, metaphysics<sup>1</sup> of management emerged long before its physics – formation as an area of scientific researches and practice of organizational activity<sup>2</sup> (Table 1).

<sup>1</sup> METAPHYSICS[< Gr. «Meta ta phisika» «after physics» (in such a way, the Aristotle philosophical works, which were placed after his tractates on physics, were called)] – 1) method of thinking, opposite to the dialectics, which considers phenomena of reality not in their development and interrelations but in a state of rest, separately; 2) in the idealistic philosophy – antiscientific fictions about «spiritual origins» of being, subjects, which are inaccessible for sensation (about God, soul, etc); 3) in the modern bourgeois philosophy – the same as ontology (the unity of the cognitive and logic theories); 4) something absurd, and therefore, difficult to understand, hazy [1, 306].

METAPHYSICS – 1) Philosophical science about notionally cognitive origin of being . The term «M. » emerged in 1 century B.C. as a title of the Aristotle philosophical tractates, which were placed after physics by the systematician of his works. Aristotle called this section of his system of philosophy as a «first philosophy», which researches the highest notionally cognitive origins of everything existing [2, 476]. METAPHYSICS – a branch of philosophy, which studies the basic general principles, including ontology, the science of being and cosmology, science of universal true, which is closely connected with epistemology (theory of knowledge or science); in general, philosophy of speculative or esoteric origin [3, 940].

<sup>2</sup> Analyzing lots of sources, the definition of Ukrainian authors is the most appropriate to the subject of definition and research of physics:

PHYSICS (Gr. – science dealing with nature) science about the most general properties of matter and laws of its movement connected with its construction and transformation. Regularities, determined by P. are shown in the whole nature. All earth and heavenly bodies, big and small are subjected to gravitation. Mechanic, electrical, chemical nuclear processes are subordinated to the law of conservation of energy. Development of P. is always connected with the productive activity of a man. At all stages of its development, P. was and remains the theoretical background of technology. Nowadays, physical methods of investigation acquire crucial significance in other sciences. It becomes the leading science of natural study. P. is connected with the philosophy of dialectical materialism. P. was and still remains the battlefield of material and idealistic trends in philosophy. P., opening the laws of nature, provides the confirmation of materialistic worldview, consolidating the positions of dialectic materialism. P. emerged in the years before Christ. Establishment of P. as a separate science was provided by the needs of manufacturing production in 15–16 century. The second period of development – is the beginning of 19 century. It differs by the important discoveries in the different sections of P, determination of unity between the physical phenomena and generalizations, which make physics the integral science. The modern period of P. began from the end of 19 century by the discovering

From the other side, the development of «physics» of management is closely connected with the physics as a science and area of research. Thus, for example, the three Newton's laws of mechanics are known, they were translated into the language of management, namely – idea of organizational survival in the long-term perspective; synergy principle; model of communication process construction. Therefore, it can be quite interesting to compare these two areas in the historical retrospective, concluding that individual, being a crown of nature did not become its creator. Both at the micro- (person), and macro- (organizations) and mega-levels (society) – they should be subjected to physics) (Table 2).

*Table 1*

**Basic principles of construction of physics and metaphysics**

Physics	Metaphysics
nature	culture
technology	socium
material substance (field)	being (cosmology)
movement (construction)	epistemology

Composed by the author [1, 306; 2, 476; 3, 940; 4, 625–626].

*Table 2*

**Basic characteristics of the stages of physics and management development**

Time (stage)	Physics	Management
B.C	Before history period	Tradition
15-16 century	Definition as a science	Systematicity
19 – beginning of 20 century	Entirety	Scientific character
Middle of 20 century	Separation of trends	Diferentiation
Beginning of 21 century	Synergetics	Metaphysics

Composed by the author [4, 625–626; 7, 83–96].

of electron, and radioactivity, is specified by the penetration of the research thought to core of atoms and their construction, opening of new elementary particles etc. The basic tasks of P. at the modern stage are examination of the general properties of laws of motion of matter and field. The methods of modern mathematics are used in P. The most important sections of the modern P. are theory of relativity, quantum physics, atomic physics, nuclear physics, and physics of elementary particles, cosmical rays, and rigid body. Along with the above mentioned, a range of sections and problems were formed into separate sciences such as: geophysics, biophysics, astrophysics, physical and technological sciences [4, 625–626].

In 1987, the leading specialist in the sphere of management Peter Drucker noticed that the best managers in the history were people, responsible for the construction of pyramids, inasmuch as they, in conditions of available resources deficit had to manage the process of construction of pyramid tombs from the birth to the death of Pharaohs. According to the approximate computations, the construction of pyramids required the work of more than 100 thousand of people within the period of 20 years. Under the modern scales, it means – to manage a group of builders, consists of 100 thousand persons, including planning, organization, monitoring of work, and likewise such additional problems as organization of workers' nutrition and accommodation. At this example, we may see the main defect of management and its metaphysics – losses while passing of effective methods and principles of management, till now the secret of construction of Pyramids is not unbridled [5].

Probably, at that time the elements of physics in management appeared: there is evidence that Egyptians knew the quantitative restrictions of the number of people which are under the management of one man (manager). As a rule, the 10 workers account for one director – this principle of organization of labor was called «the rule of tenth» afterwards, this principle was used in different civilizations and caused the emergence of the management theory, so-called «biological» line of research (life cycle, psychological characteristics of organizations, decision-making, etc).

Thus, in Peter Drucker's works, there are illustrations of two types of business by analogy with two types of organisms: invertebrate and vertebrate animals. He supposes that need in management emerges when invertebrate animals escalate into vertebrate ones. On his opinion, in business such need appears when the number of employed people reaches hundreds of people [6, 21, 30–31].

As it was noticed in the definition of physics, in 15–16 century simultaneously with the needs of organization of social activity a new stage in the development of management started. Likewise the differentiation of development of physics on the époques of Ancient World, Middle Ages, new history and modern times, classicists of management, married couple Frank and Lillian Gilberth (1868–1924, 1878–1972) defined three stages of development of management: *traditional, transitive (systematic), and scientific*.

*Traditional stage* of management evolution is the longest – from foundation of countries to the industrial revolution (XVI–XVII century). In those times, practice of managerial activity was inherited from one generation to the next by means of preservation of the best examples management, avoiding inefficient instruments of management. It is interesting to admit that in the different regions of the world researches examined the same problems but the subject of research was different. For instance, alternative ideas of management were examined by nearly all esteemed contemporaries – Greek philosopher Polybius (210–

122 B. C.) and Chinese philosopher Sima Qian (145–86 B. C). Let us briefly consider these ideas.

Polybius in the work «World history» considers three forms of power in terms of personification: kingdom (autocracy); aristocracy; democracy. If the power is personified by the clever men, it has positive character («positive power») and promotes development of society. But positive forms of power can be transformed into negative ones: then the kingdom is transformed into monarchy, aristocracy – into oligarchy, democracy – into ochlocracy, making the destructive effect till the time when the new power comes. The basic idea of Polybius is regularities and fortuity in the changes of the forms of power.

Sima Qian paid attention to the principles of government in kingdoms, which succeeded each other in China. Power is a people management, which is based on the human nature. There are three positive qualities of human nature, using which it is easy to manage people successfully:

- openness (safety) – basis of government in the kingdom Xia;
- instinct of respect – basis of government in the kingdom Yin;
- culture – basis of government in the kingdom of Zhou.

Qian also writes that positive qualities are transformed into negative ones: openness into wildness, respect – into blind cult of power, culture – into inclination to external, ostentatious. Change of principles (qualities) means change of government [see 7, 83–84].

*Transitive stage* is connected with the development of management and activity of organizations from the beginning of the Middle Ages to the end of the Industrial revolution. An important contribution into the formation of the backgrounds of modern management was made by the Catholic Church, which introduces the description of duties and staffing of churchmen of different levels. The distinct formulation of their duties provided the passing of information (instructions) from the Pope to the laypeople, in other words, the effective communication network was created. Organization of church was so effective that its organization structure is still unchangeable.

Foundation of unitary state in France caused the emergence of the important principle of management in the modern European management, namely the system of subordination in the medieval France.

Philosopher of technology Lewis Mumford in the book «Myth of machine» defined four basic forms of collective actions in the production and development of management:

- communal form of organization of collective work;
- bureaucratic organization («megamachine»), which determined the division of labor, command hierarchy, standardization, designing;

- city as a means of organization of economic and political functions;
- Benedictine system, which emerged in VI century, connected with the voluntary associations of people in accordance with the testament of St. Benedict of Nursia, who told that labor is the moral and religious duty of a man.

The achievements of this system are:

- alternation of physical and mental labor;
- scrupulous order of the working day (Benedictines divided day into 24 hours);
- implementation of machines which preserve labor;
- organization of «free cities»;
- formation of the accounting principles (balance, dual recording).

In the European languages the term «Benedictine system» is used even now as a symbol of qualitative work, effective fulfillment. Benedictine system became a keystone of the new status of the management of physics [8, 355–357].

Systematic management is specific for the period of formation of market relations. Productive activity of enterprises required a certain apparatus of management. Division of labor and after that, productive cooperation and specialization, mechanic factories caused the emergence of the American system of production with the oppressive system of management<sup>3</sup>.

The last point of systematic management was the year 1886, then at the meeting of American Society for Mechanical Engineers, one of the founders and the President of the Company «Yale & Town Manufacturing» Henry Towne (1844–1924) made a presentation «Engineer in the role of economist», in which he proved that firstly, management is an art and secondly, the engineer should be interested not only in technological effectiveness, but also in calculation of expenses, incomes, profits [6, 93-94].

Namely this conclusion caused the emergence of the next stage of the physics of management – schools of scientific (F. Taylor) and administrative management (H. Fayol) – which became the apogee of its development.

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<sup>3</sup> Systematic management also promoted the emergence of the authoritarian type of manager, based on the conception of «machiavellianism». Its provisions are still studied in the schools of business, in particular, methods of the quick achievement of power, which enable to make decisions, punish others, defend oneself from others, those who can dispose your future; construction of relationships on the hierarchy line «subordinated – manager» (The basic idea of conception: never make enemies if it is possible to avoid it).

The principal phase of the methodology of scientific management was the analysis of the subject-matter of labor and definition of its basic components. As a result, the different explorations were conducted: motion and time study, shooting of production operations and others. The problem of the one of founders of this trend, F. Taylor became classical. He determined the optimum size of the spade from the point of view of increase in the labor productivity. Weights of evidence suggest that it was the first practically solved optimization problem [9, 5–40].

The school of scientific management proved that effective management enables to reach the maximum product release with the minimum expenses. The methods of organization of effective collective work were also developed. The majority of us got acquainted with its founder F. Taylor in the work of V. I. Lenin «Scientific system of squeezing sweat».

Therefore, it is useful once more to speak about the basic ideas (scientific methods of analysis of work for the determination of the better ways of production; emphasis on studying, training and choosing of employees, cooperation between employees and managers) and reaching (increase of effectiveness and productiveness at the enterprises; introduction of scientific analysis at the working place; creation of the system of standards, which will combine labor requirements and their fulfillment; gradual introduction of cooperation between managers and employees; transformation of the function of «master» into «specialist - manager») schools of scientific management, inasmuch as «who does not know the past, has no future»<sup>4</sup>.

Together with the above mentioned, the school of scientific management had provisions in its basis, which caused the development of metaphysics of management, namely the simplified approach to the motivation (recognition of only material incentives to the labor); look at the employees as an annex to the machine; authoritarian management; underestimation of the role of the upper management; disregard of interrelations between organization and outside environment.

<sup>4</sup> It is appropriate to speak about the principles of productivity of H. Emerson, which were based on the postulate: «*To work intensively – means to make maximum efforts in the work; to work smart means to make minimum efforts*», particularly:

1. Exactly settled ideals or goals (Nikolas I made a road from Moscow to St. Petersburg with the help of ruler and this road cost 337 thousand of dollars for a mile, in Finland, where the engineers managed the work – this road cost 23 thousand of dollars).
2. Common sense (the offensive organization, which exploits resources, ruins them should be replaced by defense organization, which creates)
3. Competent consultation.
4. Discipline. (rules of organization are the most important regulator of human behavior).
5. Fair deal with personnel. (While hiring of people, such things as appearance, education, behavior are in the past. A special attention should be paid to the inner capabilities, character), as well as quick, confident, full, distinct permanent accounting, dispatching control of standards and schedule, normalization of conditions, standardization of operations, written standard instructions, reward for productiveness [9, 69–102].

For a certain purpose, «physics» of the school of administrative management became a counterbalance of the above noted (H. Fayol, L. Urwick, etc.), which is closely connected with the substantiation of organizational or functional view on management. Specialists of this school (it is often called classical and its establishment is connected with the name of the French scholar Henry Fayol, who is called «the father of management») began gradually examine the approaches to the improvement of management organization in whole.

Conflict between American and European schools of management at the beginning of XX-century (which in future caused the development of metaphysics of management in reference to esotericism), partially emerged because of individuals of two contemporaries – H. Fayol (1841–1925) and F. Taylor (1856–1915) – and correspondingly their approaches to the management studying. Fayol was an engineer from French cadres<sup>5</sup> whose carrier was ended by the place of the President-General Manager of the resource company (after that appointment he generalized his experience in the investigation of organization and power). Taylor was an American engineer, who began his career as an industrial worker. Firstly, he worked as an engineer of steelmaking company, within the years, he became one of the first consultants in management in the history of business. Taylor was not interested in the problems of organizational authority – his attention was concentrated on the effectiveness, in particular, he offered to divide tasks of the lower level of linear management between eight specialists with focused specialization, which caused the idea of matrix organization in the final result.

Works in management of Fayol and Taylor emerged simultaneously, but because of the beginning of the World War I, the exchange of two schools provisions did not take place. In particular, Fayol did not recognize the linear system of management, according to which each employee was subordinated to several line managers. Probably, this precisely why the matrix organization structure was not popular in Europe and the USA [11, 81–94].

The objective of administration school was the determination of general characteristics and regularities of organization and creation of universal principals of management on their basis, the adhering of which on the opinion of followers of this trend, will provide success for organization. These principles deal with two main aspects: the first is the determination of the basic function of business and development on this basis the rational and functional scheme of man-

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<sup>5</sup> Cadre (fr.) – specially trained group of key personnel which is able to direct the actions and training of others (New Webster's Dictionary of English Language, Surjeet Publications, 1988. – 1824 p. – P. 218). In France (historically first centralized country) cadre – the highest layer in the hierarchy of political and economic organization of society, which has power and authorities at the micro- and macro-levels. In such a way, the well-known euphemism of Stalin: «Cadres are all-important» [10] mean not attention to the man (as it is mostly used in the modern public presentations) but a crucial role of managers and emergence of the new elite layer in the Soviet society – nomenclature.

agement organization (management as a profession for training and improvement; method of synthesis of conceptions (principles) of management into the unique theory; formulation of organizational goals by the personnel administration, means of employees' protection and support of communications; management's responsibility for development), the second – development of organizational structure of employees' management (determination of functions and principles of management; emphasis on the broad functions of the upper management, connected with the organizational policy; universal managerial instructions; clear system of hierarchy and subordination).

Fayol tried to transform metaphysics of management as a consideration of differentiated facts and phenomena into his physics. The initial look of Fayol at physics of management was that he considered it compulsory in any sphere of human activity: in production, business, politics, government, religion, family, etc. Management wasn't delivered as classes in the schools and universities. Fayol explained this fact as the absence of the theory of management.

Fayol tried to define the theory of management as a combination of principles, rules and methods of management, developed and checked by the general work experience [9, 139–152].

Inasmuch as the practice is much richer than theory, there is a discrepancy between them. And this was the reason of those difficulties, which emerge in the further analysis of theoretical generalizations of management.

The boost for the further development of metaphysics of management was the change of the paradigm «homo oeconomicus» (economic man) into «homo socialis» (social man) [12, 33–34].

Although the authors of scientific management and classical approach recognize the importance of the human factor in the tasks of management, the model of «economic man», in the aspect, designed by Taylor, up to 30-s of XX century, it seemed to be inadequate for the effective activity of organizations, because of the fact that material interest and particularly economic incentives stopped to be the propulsive forces of employees' motivation for the theorists and practitioners of management (events in USSR influenced on this fact).

The line of research aimed at human relations was originated in response to the impossibility of management entirely realize a man as a basic element of effective organization.

E.Mayo is considered to be the founder of human relations school. As a consequence of investigations at the American enterprises («Hawthorn Experiment») he found out that the group of employees is a social system with its own system of control. Having influence on such system, it is possible to improve the results of organization's activity. Mayo's idea lies in the common revelation of positive attention to the people influences on the productivity of labor (let us remember the proverbial wisdom: «A little sympathy goes a long way»). Therefore,

the doctrine of Mayo was called «human reserves of productivity». Human relations school is concentrated mostly on the methods of determination of interpersonal relations (conception of relations among the members of collective of Raymond Miles). It recommended to use the methods of human resources management, which comprehend the more effective actions of direct supervisors (line managers), consultations with employees, providing a wider possibilities for them for intercommunication at work<sup>6</sup>.

Basically, the provisions of human relations school caused the implementation of the different conceptions of scientific researches – from the human ecology (based on the general theory of the systems) to the human resources management (which is the core of modern management). Therefore, we may say that the «physics» of management is ended with the emergence of the «human factor» (as Graham Greene said: «This God damned the human factor» it must be understood that, the man can be both the strongest and the weakest element of any system).

The modern leading scholars in the sphere of management (P. Drucker, T. Peters, P. Senge and others) even began to identify «management» with «management of human resources» (personnel). The given phenomenon is especially specific for the international management as a determinative stage of its development in conditions of globalization [12, 29–30].

Apotheosis of the physics of management in the second half of XX-century were: establishment of the quantitative school and system management, developed on the basis of the theory of general systems (usage of the mathematical methods in management), openness in the organization and situational approach (interrelations of matter and field), embranchment of management science, (emergence of such its components as «operational management», «financial

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<sup>6</sup> Keynotes of *E. Mayo*:

- People are most of all motivated by the social needs and feel their individuality thanks to the relationships with other people;
- as a result of industrial revolution and rationalization of the process of the labor process, the labor itself significantly lost attractiveness, therefore people go after pleasure in social interrelations;
- people are more sensitive to the social influence of group of people, equal to them, than to the stimulation and means of control, which are used by managers;
- Employee will fulfill the instructions of manager if the last one will satisfy the needs of his subordinates and their desires concerning understanding.

Keynotes of *P. Miles*:

- People should be loved, respected and considered as a part of collective;
- Basic duty of manager to persuade each employee in the fact that he is the part of collective;
- Manager should explain his plans to the subordinates and discuss them. He also should promote their participation in the process of planning and decision making [8, 90–91].

management», «banking management», «investment management», «innovation management», «tax management», «management of external economic activity», «custom management», «ecological management» etc)<sup>7</sup>.

In such a way, we may say that from the beginning of 70-s of XX-century, physics of management holds down metaphysics in three aspects:

- 1) consideration of phenomena of reality not in the process of their development and interrelation, but at rest, discretely;
- 2) availability of oddity, and as a consequence mistiness;
- 3) esotericism of origin.

Examination of the metaphysics of modern management let us make a conclusion about the availability of the «effect of nested doll (matryoshka)» in its development (when under the first layer, gradually the second is opened – in mathematics this phenomenon is connected with the search of derived composed functions). In other words, unwillingness (or inability) of the modern experts (both at theoretical and applied levels) to consider the dynamics of management as a system, caused the separation of its «pictures», understandable only for those, who manage to compose them into «mosaic».

With due time, (after the breakup of the Soviet Union, and recognition of management as a separate branch of scientific research), being armed with the main postulates of American management, the national system of management turned out to be captivated. Accepting the rules of the American system of management of the end of XIX – beginning of XX century (according to F. Taylor), which under the modern conditions of organization environment did not suit with the national realities, we were captivated by the system, which failed a test of time, in spite of the fact that «neotaylorism» became an essential part of the organizational systems of management [13, 61].

It should be mentioned that even at the beginning of the third millennium, axiomatics of management research is not changed (the one «boost» in the theory in the middle of XX century was the recognition of the organization openness as a system – again and again it can be compared with the geometry of Euclid and Liubachevskiy, although this «openness» is of abstract character: in practice,

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<sup>7</sup> Generally, such phenomenon became the display the development of metaphysics of management (namely «artificiality»), if we analyze for example the content of domestic educational and qualification programs of the disciplines of the major «management», we may see that in their majority, have nothing to do with management but are identical with the economics of enterprise, branch (banking, tax, customs affairs) or economic (investment, innovation or external economic) types of activity. The evidence of the above mentioned were the certificates of specialties, according to which, the scientific researches were conducted and the theory of management did not have its appropriate place and its basic provisions were hidden in the list of topics of specialties «World economy and international economic relations».

P. Drucker confirms the thesis that organization, which comprehends 500 people, become unsociable and external environment is illusive for it).

Nowadays without regard of Fayol's analysis of management, the study of the basic aspects of management in the educational programs is conducted in the order, described in the «classical» modern American work in management: manager and organization (10 roles of manager and skills of management); technology of management (communications and managerial decision-making); process of (fulfillment of the functions of planning, organization, motivation and control in different interpretations) [14]. The above mentioned in its turn, caused the blossom of metaphysics of management in the modern researches, when the analysis of the processes and phenomena is taken place separately, without interaction and interdependence of the components in the system of management, which are permanently developed and changed.

Moreover, the theory of management did not become the subject of scientific research. Both in qualified publications, and dissertation researches it is impossible to reveal the integrated approach to the development of the theory and practice of management in conditions of the changes of environment of economic activity and globalization (probably further post-globalization) – the majority of authors still analyze the basic provisions of situational approach to the system management of 70-s – 80-s of XX century, in spite of the fact that within the period of the 40 years both the organization and its enlivenment cardinaly changes [12, 36–37].

Development of the modern physics of management is considerably remained out of view of researchers, who still adhere to the metaphysical methods of analysis. It is as if, the process of management is still unchangeable within the period of the last century, although as a process, functions and place of manager in the organization is not an axiom.

First of all, the cardinal changes of the process of implementation of the management function is taken place (for example concerning dividing the kinds and terms of planning – nowadays the strategic plans are composed for a term of 1 year with their quarterly correction; organizational structure is not constant, it is changed as a result of the development of organizational strategy; motivation becomes sub-function of the more general function of administration along with the training (coaching); control is transformed into monitoring as an integrated function with planning, etc). The technology of management is also changed, in particular the process of decision-making and communications in conditions of modern information space. Under the modern conditions, the classical approaches to the main postulates of management at the macro- and micro-levels such as for example the stages of strategic management and the process of managerial decision-making do not always promote the success and survival of organizations.

Together with the above mentioned, these processes cause the changes in the classical views concerning place and role of manager in the modern organization of global environment (Table 3).

Table 3

**Comparable characteristics of requirements to the modern managers**

Functions of manager	National manager	International manager
Planning	Strategist, able to analyze not only economic, political and legal, but also cultural life of the country	A person with the global thinking, who understands that the global business rapidly changes and becomes more and more interdependent
	Dialectician, who understands that changes and stability do not stand together	Analyst, who is ready to manage the changes and transactions in the global world
Organization	Statesman, who is able to communicate with politicians of any rank, well informed with the standing instructions, agreements, laws, etc	Statesman, who is able to work with people with different world views and cultural values
Motivation	Leader-motivator, who guides his organization and subordinates to the stated objectives, taking into consideration the changes in the world economy	Initiator, who is able to create an instructional system and adaptation to the changes of the competitive environment of the global economy, involving grand total staff, motivating the improvement of its skills.
Control	Long-sighted initiator, who clearly understands that live in the past is an inadmissible luxury, which wastes forces, time and resources	Long-sighted, perspective initiator concerning complex markets of international environments
	Attentive researcher not only of managerial but also marketing functions, who reaches their obligatory unity in his activity	Coordinator of interdependences of business functions (marketing and productive) through the national borders
Technology of management (communications and decision-making)	Creator of its own information system	Flexible employee, ready to accept the international appointment on the basis of being well-informed about other cultures, having the ability to negotiations
	Active counteragent of independent consulting services, cooperation with which can provide a success for the company	A man who realizes the differences in national cultures, who understands that even in conditions of globalization, the markets are culturally different

Composed according to: [6, 190–191; 15, 23–24].

In such a way, we can see that in comparison with the classical views, the modern imaginations concerning the role of manager in the organization essentially changed.

In other words, recently, the theory of management is essentially changed under the influence of the business doing practice, the facts, early considered as axioms, nowadays are permanently objected, considering the views and opinions of the well-known experts in management.

In particular, the classicist of the theory and practice of management T. Peters, who introduced the theory of *dreamarking*, admits that in the modern organizations it should be got rid of the «competent manager», who does not understand the strategic vision of organization. On his opinion, the above mentioned manager is the enemy of organizational success, inasmuch as the professional, who manages to do only a little, is restricted by this own knowledge, which contradicts his further development. It should be mentioned that under the modern conditions, the theoretical developments of management are unanimously supported by the practice of business doing. For example, the leading companies, making decisions concerning the hiring of experts in management and marketing, are not satisfied only with their resume, but require the presentation of their creativities. Moreover, the modern companies in the sphere of IT (information technologies), which are considered as a future of organizational development, in general refuse from the managers as nonproductive personnel [16, 127–128; 17; 18].

It is obvious that such changes in the paradigm of management were caused by the gradual transition from the social and psychological approach (of physics) to the social and psychological approach (of metaphysics in its second development) of economic processes studying.

From the beginning of the 80-s of XX century, the distinct and organizational-economic benchmarks of investigations in the sphere of management are replaced by the methods and means of psychological sciences and physiology of person (theory of life cycle, Buddhistic economy, diagnostics of organization, psychiatric curve of decision making in conditions of changes, etc).

Probably such transition was predetermined by «professional ignorance», caused by the emergence of information technologies, the development of which caused the fact that the personnel of organization, primarily managers were not ready properly to analyze and use the available information [19, 353, 365–366].

Under such conditions, neurolinguistic programming emerges firstly, after that neuroeconomics (it studies how economic behavior can shape our understanding of the brain, and how neuroscientific discoveries can constrain and

guide models of economics)<sup>8</sup>. In the end of the second millennium the metaphysics of management promoted the emergence of different «inventions» of science and practice of management – «funky management», «jazz management», «management-sense and management-death» etc., which on the opinion of the modern «homilists» of management allows easily overcome all organizational problems on the basis of psychological approach to the nature of management [see, for example 21, 10–12].

Development of the second line of metaphysics of management became the logical background of emergence of it's the best show – esotericism. For the most part, insitutionalism became the theoretical basis for such approach, the representatives (John Kenneth Galbraith, Daniel Bell, Alvin Toffler and others) of which considered the change of the role of manager and management in the modern world socium.

Thus, for example, one of the most important aspects of researches of Toffler's economic systems was his analysis of interrelations and ownership and owners (in future this trend will be called «managerism» – theory, in accordance with which the control over production is passed from the private owners (capitalists) to the hired managers, who dispose capital for their own purpose).

Analyzing the technological dependence of a person in the manufacturing process and leverages management in it, Toffler maintained that managers (so called integrators) became the center of the system of economy and its top. They monitor the public production at the different levels of social system, at that; blunt the fallout, caused by the scientific and technological progress and human development. As Toffler considered: «Marx in the middle of XIX century thought that any owner of instruments and technology – «means of production» – will control society. He proved that inasmuch as the works are interrelated, the workers can ruin the production and capture the instruments of their owners. The workers will be the owners and will determine their own rules. The game of the history played a trick on his expectations... a large system of leverages of new groups emerged – those who manages the system and integrates it. As a result, neither owners nor workers came into power. Both in capitalistic and socialistic nations there were the integrators, who climb to the heights of power» [22, 78].

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An admonition can be made concerning negative effects of realization of given line of research in practice. In particular, the manipulation with the language became the tradition of practice both at the macro- (state management) and micro-levels (organizations and enterprises). On our opinion, the decline of the party system of management and the further breakup of the Soviet Union (managed by the communist party), began at the end of 70-s of XX century, when exchanging the party membership cards, at the second page, such a phrase was written: «Party is a mind, honor and consciousness of our period (V.I.Lenin)», although in the primary source of information these thesis was somewhat different: «...We (Bolsheviks) believe it (*party*), we see a mind, honor and consciousness of our period in it» [20, 93]. If we speak in the language of mathematics, the first statement is an axiom; the second is only lemma.

In an easy state of mind of institutionalists, concerning the studying and analysis of social and economic systems, in particular, management, the ideological processes, such as culture, religion, spirituality are involved [23, 17–19]. For example, in the end of XX century, the interest of analysts to the cross-cultural management, theosophy, emergence of such streams and trends as «new thinking» and «New Age», is raised.

Here, it should be admitted that in due time theosophy stimulated the development of the theory of management. For example, at the beginning of 20-s of the last century, a famous theosophist Annie Besant (1847–1933) in the work «Esoteric Christianity» envisaged the modern problems of interaction of a man (organization) with the environment and the role of manager's guidance in organization [24, 58].

It is quite interesting to draw analogy of the theosophy and management views with the interaction of a man and organization. Thus, in both directions the development of a man in the environment is composed with the help of four main stages, but if «sacrifice» underlies the provisions of esoteric Christianity of Annie Besant (refusal from the achievement of own objectives in favor of others), the «demand» defines the basis of the content theories of motivation (for example, A. Maslow's hierarchy of demands), likewise achievement of own objectives (Table 4).

Table 4

**Principles of stages of human development in the environment**

Stages)	«Sacrifice» (refusal)	«Demand» (receiving)
1-st	Individual material values	Existence
2-nd	Belief in future social happiness	Belonging
3-d	Interior life fidelity	Evaluation by surroundings
4-th	Subordination to organic whole	Improvement (self-realization)

Composed by: [6, 143, 482; 24, 58–59].

Nowadays it is hard to say when the views on the esotericism as «selectness» (dedication to high ideals) were changed on «exclusiveness» (belonging to the decision-making authority) – this process should be a separate line of scientific research. But it is arguable that, in spite of the theoretical statements of management and ideology of opposite social and economic systems (compare the principles «Don't ask what America has done for you, think what have you

done for America» and «First think about the Motherland and after that about yourself»), the modern practice of management makes use of the second meaning of the notion of esotericism as a stage of development of metaphysics of management<sup>9</sup>.

In such a way, approving the basic theoretical postulates of the world science, both at the micro- and macro-levels of the national system of management, a new phenomenon emerges – creation a layer of «selected», which, by virtue of the change of «physical» methods and means (communications and decision-making) begin to use metaphysics for their own benefits (this phenomenon is not new, as it was mentioned above, it is also practically assured that the management as a science and field of research originated from the state management (Ancient Egypt, China, Middle Age Europe, etc, Soviet notion «nomenclature» is identical to the French «cadres»).

In particular, the highest administration creates a language (terminology) of management, favorable to itself, in order to manage effectually the subordinated structures at the all levels of management (country or certain organization). And emergence of the new terms in the language confirms the given statement.

From the beginning of Ukraine's independence establishment, a new language of management begins to develop. For example, in the Constitution of Ukraine, the President is a «guarantor». There was no similar term in any textbook in the theory of state and law, in all dictionaries these notion was defined as «warranter» (in accordance with the Constitution «guarantor» is the protector of the state, rights and liberties of population – «the father of the nation», whereas «warranter» – is a hired manager, to whom the authorities and responsibility for the non-observance of certain liabilities are delegated). In such a way, at the highest level of management the authorities, duties and responsibility of directors are divided, entering into debate with the axiom of the theory of management.

One more new term of the modern language of the national system of management is the notion «chief» (by he way, this word can nor be seen in any defining dictionary). The given word is used as a synonym to the President, Prime Minister, Ministers of the cabinet of Ministers, chiefs of departments, chief of the public relations department, etc.

However, to «personify» the notion of director as a «chief», in consideration of the theory and practice of management is physically impossible. In such a way, speaking in the language of the modern government, the director of any level undertakes all authorities and absolutely disclaims responsibility, shifting it in his subordinates, forgetting about the basic principle of management – one-

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<sup>9</sup> It should be mentioned that unlike needs, the notion «sacrifice» is not enter the categorical apparatus of the social and economic science (except jurisprudence), in spite of the fact that in all researches in management the achievement of the organizational objectives over personal is underlined. The difference between two approaches can be illustrated at the example of the proverb «running with the hare and hunting with the hounds».

man management (paraphrasing de Saint-Exupéry: «We are responsible for those, who were domesticated by us»).

Practice of the modern management absolutely confirms our suppositions concerning the changes of the management paradigm, which are used by the modern managers of all hierarchic levels for achievement of first of all organizational objectives. The separation of authorities from duties and responsibility leads to the chaos in management, and finally in the functioning of any socio-economic system (both at the macro- and micro-levels).

In such a way, a unique model of national management emerges, at the time when the theoretical styles of management of «physics» (authoritarian-democratic-liberal) do not work in reality, providing threats for effective management. In practice, we can see that modern directors first of all of the higher level of management, try to use eclectically the elements of all models of manager's behavior, in spite of the changes of turbulent environment (in other words along the line of hierarchy from the highest level the instructions but not the commands are given) – when as opposed to the necessity of decision-making, the director can say to the subordinate as to the professional: «I don't know how but do it good». Such system of management is displayed in the procedure of business meetings holding, and collective decision-making at all levels of the hierarchy of management, then the director of the higher level allots a certain task for the subordinates and does not listen to the opinion of the audience and leaves the meeting<sup>10</sup>.

One of the confirmations of the unsuccessful accessory synergetic effect of metaphysics of management<sup>11</sup> is situation, in which the system of higher education management turned out to be (the subject of education management is a separate object of research, which is outside the framework of our work, therefore we draw only general features of its analysis). As it was mentioned above, education is one of the components of management as a whole and particularly a function of management at all levels of hierarchy. Again and again, the problems concerning education were always the subject of discussions in the sphere of management and contradictions of approaches towards professional training of personnel, ready to fulfill their productive functions exists in the different schools of managerial culture. In particular, during the end of XIX – beginning of XXI century the question concerning requirements towards the quality of educational potential of employees is not solved [9, 74].

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<sup>10</sup> A bright example of such approach can be the interview of the Prime Minister of Ukraine of M. Azarov in October 23, 2012, in which he noticed that from the one hand civil servants at the local level (the question is concerning higher education) do not want to fulfill the «right decisions» of government and from the other hand, if somebody from the Ministers does not agree with his point of view – he should submit resignation.

<sup>11</sup> The notion «synergy», means the effect of combined efforts, when the separate components in the combination give better result than their arithmetical sum. But synergy can have also negative result.

At the beginning of XXI century in the sphere of higher education a new word «higher educational institution» appears in order to define the university education. On the face of it no difference appears, but the language aspects of such term associates it with the word «bursa» (in other words the leveling of difference between the educational establishments of I–II and III–IV accreditation levels). The defined tendency also proved the above mentioned thesis about the introduction of the provisions of taylorism into the modern realities of national management, where the personnel requires only perfect fulfillment of highly specialized functions.

In correspondence with the above mentioned, the university education administration experimentalises with the high school in any directions towards Bologna process, beginning with the thesis concerning professional direction of the high school, and finishing with the «free trajectory of a student» [25]. In such conditions the Rectors of higher educational establishments can not always effectively react on the permanent changes of the game rules, which are determined by the Ministry of education, Science, Sport and Youth of Ukraine. The permanent experiments with the educational standards lead to the further «professional ignorance» of the graduates. Again and again, we can not but mention the thesis of F. Taylor concerning the role of administration: «The worst mistake is to speak that some part of the system is introduced «on a pilot basis». If we decide to choose this event, we should let everybody see that it will be conducted irrespective of whether somebody likes it or no. In the process of reorganization, all the reforms which are only the «experiments» are broken down, and those which «have to be fulfilled», are implemented successfully» [9, 35].

In such a way, in the modern realities of metaphysics of national management unfortunately, we can find the confirmation of opinion of one more classicist of the scientific school of the theory of management (physics of management) Harrison Emmerson: «Aggression and destruction as a main objective of activity cultivates and highlights such organization features as despotism, irresponsive abuse of force, rudeness, cruelty and general anarchy... Wrong destructive type of organization can be summarized by saying that the director gives to his subordinates completely voluntary tasks and after that requires to fulfill them as they manage to do. The right, creative and productive organization means that competent specialists formulate the basic principles of the work, train everybody how to apply them and be in step with all violations... According to modern organization, even the weakest director often does a little harm. But the weak director, supported by the defective organization and inspired by none of ideals, inevitably breaks down with everything subordinated to him» [9, 72–74].

Taking into consideration the above mentioned provisions, we can make some suppositions concerning the further development of the theory and practice of the modern system of national management.

First of all, it should be noticed that physics and metaphysics of management are absolutely opposite directions of its development. If physics and meta-

physics is directed on the creativeness, its metaphysics is directed on the destruction of the system of management (in the given case, materialistic or idealistic nature of its principles makes no matter).

Taking on board the American system of «scientific organization of work» (F. Taylor, F. Gilbert and others), Ukrainian system of management to some extent was captivated by the metaphysics of old-fashioned postulates of management concerning the restricted professional competence of directors and specialists, forgetting the fact that the modern employee is not the «appendix of machine» as it was during the factory system of organization of work, but becomes a professional, able to take part in the managerial decision-making. It was observed even in the Soviet times, when the inventions and rational propositions in spite of the oppositions of heads of enterprises sooner or later come into fruition.

In the modern realities of turbulent medium, on the basis of actual analysis of researches of the leading theorists in the sphere of management and management practice of successful economic entities of national economy, it is appropriate to develop an own system of management, adapted to the requirements of the modern times and future perspective.

The developed scientific and methodological provisions of national management should be included to the curriculum of all directions of professional training of specialists in accordance with the Bologna process provisions «life-long education».

In the list of passports of specialties of scientific researches, management should be the separate line of research, which will combine all branches of humanitarian and natural sciences.

Studying of the actual problems of the modern management should be compulsory for the managers of all levels of management, beginning with the highest level of hierarchy; this is because if studying does not begin from above, it does not begin at all.

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