

The history of organizations

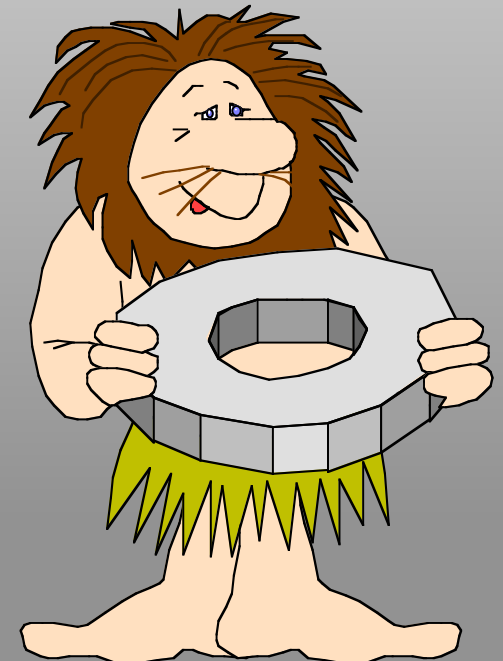
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- **Ancient times**
- **Egypt, Greece and Rome**
- **The middle-age**
- **Capitalist ethic & economic individualism**
- **The classic theory**

Ancient times

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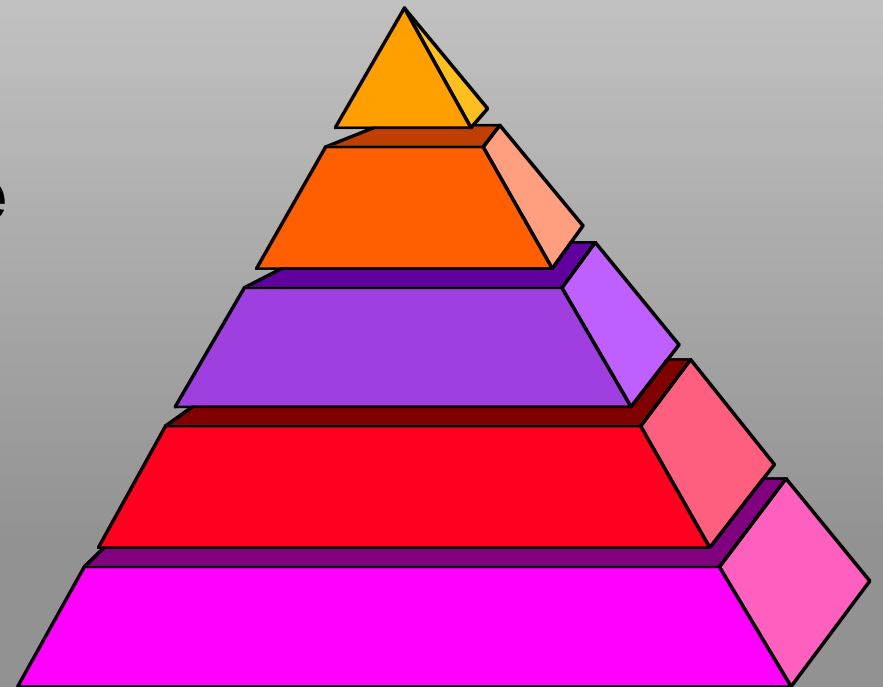
- **The rise of civilization**
- **Seasons of the year**
- **Mostly day-by-day planning**
- **Clans as organizational forms**
 - High entrance barriers
 - Closed structure



Egypt

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- **The first large scale organizations**
- **Hierarchical structure**
 - Pharaoh
 - Vizier
 - Elaborate bureaucracy
 - Slaves
- **Utilize rise and fall of the Nile**



Greece

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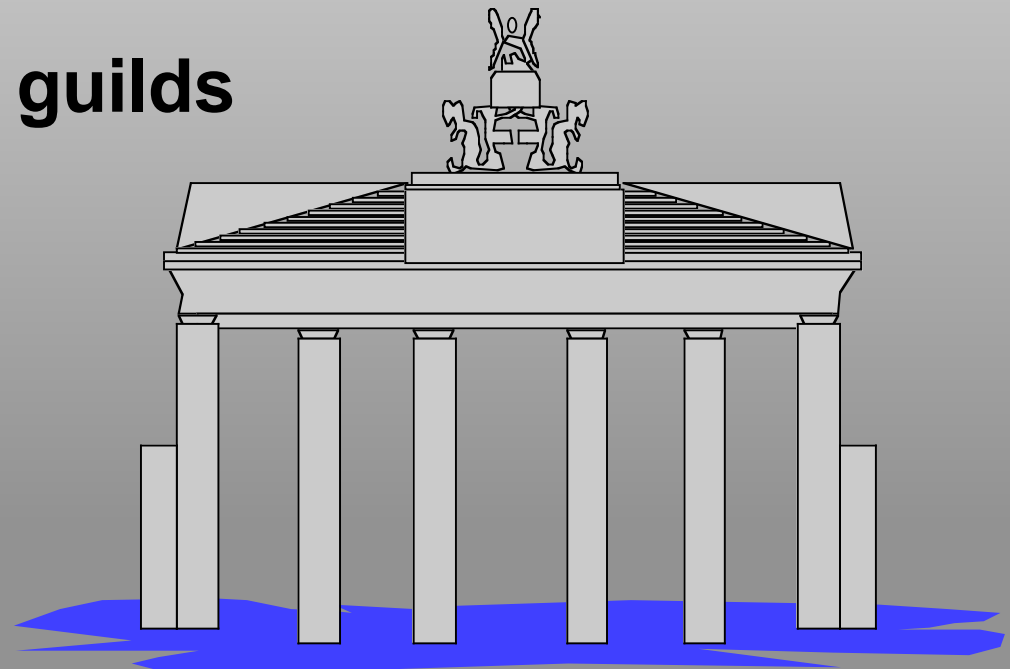
- Trade began to flourish
- Commerce was necessary, but distasteful
- “Any activity which brings the spirit into close contact with the material world... was a painful and humiliating necessity ... truth alone being the only concern.”



Rome

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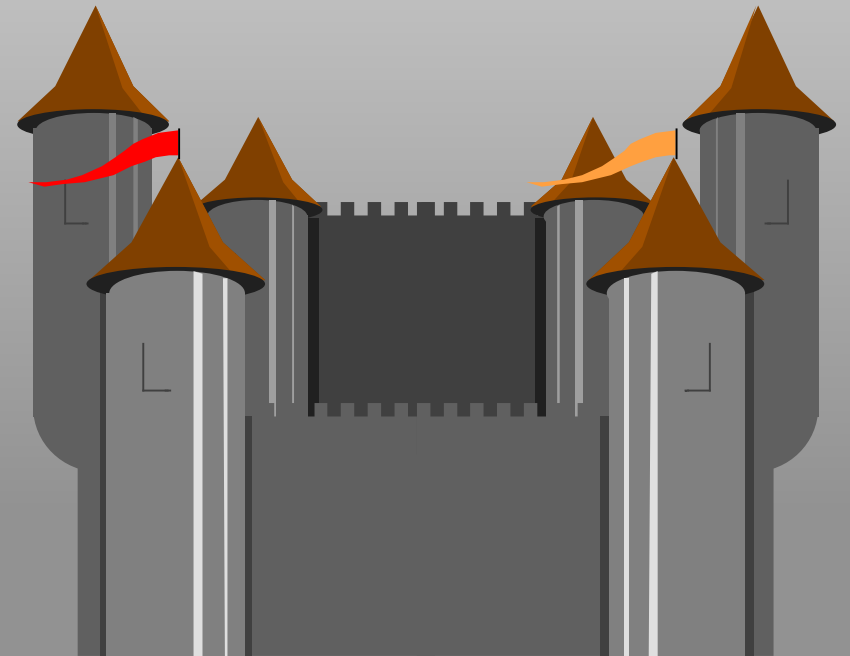
- **Trade in the hands of Greeks and Orientals**
- **Commercial standards**
 - Weights
 - Measures
 - Coins
- **Regulations of tariffs and guilds**
- **Military autocracy**
 - Discipline
 - Functionalism



The middle age

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- **Lack of social and economic development**
- **Feudal system, divine rights**
- **Church as dominant factor**
 - Seeking for salvation
 - Monastic life on earth
- **Trade and commerce were tolerated as necessary evils**



Capitalist ethic & ...

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- **Origin in the crusades**
- **Appointment, jurisdiction and taxation become secular**
- **Luther and Calvin**
- **Hard work reflects predestination**
- **Wasting time is sin**

Economic individualism

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- **Mercantilism**
 - State regulation and financing
- **Quesnay, laissez-faire capitalism**
- **Smith, The Wealth of Nations**
- **Separation of government and economy**
- **The “invisible hand” of the market**



Organizational legacy

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- **Social class concept of authority**
- **Greek view of work**
- **Command philosophy of leadership**
 - Machiavelli, Hobbes
- **Divine right replaced by legal rational authority**
- **Protestant ethics**
- **Workers as a given, not a variable**