

CGSA フォーラム (中央大学) 第 11 号抜刷
2013 年 3 月発行

Search for missing links between records
management and business administration

磯村 和人

【論 文】

Search for missing links between records management and business administration

Kazuhito Isomura

Professor

Graduate School of International Accounting,

Chuo University, Tokyo, Japan

Abstract

This paper reviews how representative theorists and practitioners in the field of business administration argue the role of records and apply their ideas to their practices. Concretely, I consider the opinions of Taylor, Fayol, Follett, Weber, and Barnard. On one hand, Taylor, Fayol, and Follett focus on production management and general management; on the other hand, Weber and Barnard mainly discuss the nature of organization and organizational design. In conclusion, I propose a hypothesis that the development of business administration and the design of an organization are deeply related to the way of keeping, analyzing, and utilizing records.

Key Words: Records management, Business administration, Organizational design, Science, Experience

1. Introduction

This paper reviews how representative theorists and practitioners of organization and management grasp the role of records and develop their ideas to apply to their practices. Furthermore, through observation, the study will clarify how the development of business administration and organizational design are deeply connected to keeping, analyzing, and utilizing records.

The background of this study is based on Pemberton's (1995) viewpoint of records management, which suggests that scientific management is an origin of records management. Pemberton argued that there are three possible answers to the following question: what is the origin of records management? First, Pemberton referred to the fact that most records management texts suggest that records management is historically a product of the U.S. federal government. Therefore, the standard answer is that records management began to emerge from federal-sector practices. Second, on the basis of Duranti (1989), Pemberton argues that records management is an outgrowth of archives

management or archival science. Pemberton admitted that records management and archives management have many common interests. In fact, they share the specialized body of theory. However, Pemberton pointed out that records management and archives management do not necessarily share their practices. Therefore, Pemberton did not positively affirm the second answer. Third, Pemberton (1995, p.69) insisted that “the management in records management as a business practice is primarily a product of the rise of modern management from the Industrial Revolution in the U.S. and the explosion of interest (ca. 1870-1920) in what came to be called ‘scientific management’ and ‘system’, or ‘method.’” Pemberton basically supported the third answer. Brichford (1972) also argued that the intellectual basis of records management owes much to the application of Taylor’s principles of scientific management (Taylor, 1911). Thus, the connection between records management and scientific management is discussed from the viewpoint of records management.

In contrast, the history of management thought has not clearly argued how records management is associated with business administration. Therefore, it is significant to review how representative theorists and practitioners such as Fredrick Taylor, Henri Fayol, Mary Follett, Max Weber, and Chester Barnard considered the role of records in their thoughts and practices. In fact, most of them argued that designing organizations and introducing management methods on the basis of records leads to making organizations rational and efficient and to establishing business administration as a science. It is possible to say that paying attention to records causes the shift of business management from experience to science. Thus, this paper explores the missing links between records management and business administration, and confirms whether the hypotheses proposed by Pemberton are reasonable from the viewpoint of the history of management thought.

2. Literature review on the theory of organization and management

In this section, I review the literature on how organization and management theorists and practitioners argued the role of records and developed their ideas to apply to their practices. I consider the research from Taylor, Fayol, Follett, Weber, and Barnard because they are all regarded as pioneers and founders of organization and management theory (Wren, 2005; Wren and Bedeian, 2009). O’Connor (2011) especially emphasized the importance of Follett’s and Barnard’s contributions because they balanced theory and practice and established foundations of an applied science of management in the early twentieth century.

Frederick Taylor

Frederick Taylor is regarded as the father of scientific management (Copley, 1923). Taylor insisted that both employers and employees can enjoy and share their prosperity by utilizing scientific management, and that scientific management should be based on observing, recording, and analyzing their work (Taylor, 1903, 1911).

Taylor engaged in deciding a fair standard of daily job requirements on the basis of systematic observation and measurement. Keeping records is not only for accumulating past data but also for analyzing and utilizing them for the future (Wren and Bedeian, 2009). Taylor divided each daily job into as many elementary movements as possible and kept records of the time taken by these elementary movements. By observing and comparing the most skillful workers and average workers, Taylor discovered the most efficient way to carry out each elementary movement. Then, he combined each movement into daily job requirements by considering other working conditions such as tools, machines, materials and methods, as well as possible delay, interruption, and breaking time.

Thus, Taylor decided a fair standard of daily job requirements and built a payment system on the basis of the standard. Taylor improved employees' methods of performing their daily jobs by keeping and analyzing records. These records were utilized to build the standardization of work in the field of production management.

Henri Fayol

Henri Fayol started his career as a mining engineer and was promoted to managing director of Commentry-Fourchamboult-Decazeville, the French mining and metallurgical conglomerate (Sasaki, 1984). Fayol tried to enhance the position of professional manager by establishing methods of general management (Peaucelle, 2003). He also engaged in building a general theory of business administration as a science (Fayol, 1917, 1918).

The methodology of Fayol is based on Rene Descartes, Auguste Comte, and Claude Bernard (Fayol, 1918). By referring to Comte and Bernard, Fayol insisted that a scientific method is an experimental method. He also considered that the experimental method is strengthened by being based on Descartes' method of principles. He applied observation, experimentation, and inference to his research of business administration. Fayol collected facts through observation, inferred principles from interpreting the accumulated facts, tested them through experimentation, and continuously improved the principles (Reid, 1995; Wren, 1995).

Through this research, Fayol argued that industrial businesses include technical activities, commercial activities, financial activities, security activities, accounting activities, and managerial activities; he defined business administration as the process of

planning, organizing, commanding, coordinating, and controlling. Fayol also proposed the following 14 general principles to apply to business administration: (1) division of labor, (2) authority and responsibility, (3) discipline, (4) unity of command, (5) unity of direction, (6) subordination of individual interest to general interest, (7) remuneration of personnel, (8) centralization, (9) scalar chain, (10) order, (11) equity, (12) stability of tenure of personnel, (13) initiative, and (14) *esprit de corps*. Finally, he developed and provided concrete management methods such as action plans, organization charts, weekly conferences of departmental heads, liaison officers, as well as annual, monthly, and daily reporting (Peaucelle, 2003).

Thus, Fayol insisted on the necessity of business administration on the basis of facts. He aimed to improve management by utilizing records of management practices. Fayol enthusiastically collected cases for management education and research; he also built the Centre for Administrative Studies in 1917 (Breeze, 1995; Peaucelle, 2003).

Mary Follett

Mary Follett is a social worker and a theorist of business organization and management. She published a number of books and many articles on democracy, philosophy, and management. Follett produced many creative ideas and tried to integrate them into her practices (O'Connor, 2011; Tonn, 2003); therefore, she is regarded as a prophet of management (Graham, 1996). She paid attention to dynamic process of business administration and grasped organization as an organism (Metcalf and Urwick, 1941; Follett, 1949). Follett emphasized the spontaneity of an individual; her basic ideas came from political philosophy and her experiences as a social philanthropist.

Follett explicitly argued the importance of building a carefully worked out system of recording. Follett (1925) defined science as knowledge gained by systematic observation, experiment, and reasoning by referring to Sheldon (1923). She insisted that to build a science of coordination, it must be based on an analysis of managers' jobs. In other words, Follett emphasized the importance of finding the factual basis for managerial jobs. She suggested that each executive should classify and interpret managerial experience with the aid of the carefully kept records. Through these activities, executives could eliminate mistaken notions, prejudice, and suspicion. She said, "poorly kept records, or absence of any systematic recording, are partly responsible for what seems in some plants like a stagnant management, and in all plants for certain leak in management" (Follett, 1925, p. 126).

Moreover, Follett argued that the recording of executive experience is different from a technique used for the rest of business recording. She suggested that each executive should enhance their technique of keeping records and making reports that

have to be practically useful, understandable, and systematized for other people. Therefore, she pointed out that business people need more than records. To educate and develop human resources in an organization, it is required to establish carefully worked out methods for comparing experience that has been scientifically recorded, analyzed, and organized. She also pointed out that the case method developed by Harvard Business School is a possible way to educate business people.

Max Weber

Max Weber is one of the greatest sociologists; he contributed to building the sociology of religion and the sociology of economic life. Most studies of the structural aspects of organizations have started from the work of Max Weber. He produced systematic categories for organizational analysis.

Weber (1947) argued that bureaucracy as an organizational form becomes dominant with increasing industrialization because bureaucratic organization is rationalized by providing economic efficiency. Weber (1947, p. 337) pointed out that “the purely bureaucratic type of administration is, from a purely technical point of view, capable of attaining the highest degree of efficiency and is in this sense formally the most rational known means of carrying out imperative control over human beings.”

Weber (1947) made a distinction between power and authority. Power means the ability to force people to obey, whereas authority is what makes those who receive orders obey them voluntarily. He showed three different types of authority: charismatic, traditional, and legal, and then argued that legal authority develops bureaucratic organization. In bureaucracy, authority is exercised by a system of rules and procedures implemented throughout the office occupied by an individual at a particular time. Through this system, legal authority no longer needs to depend on a charismatic leader or precedents that control traditional organizations (Gerth and Mills, 1946; Weber, 1947).

Weber emphasized that a bureaucratic form of organization is superior to any other from in its precision, stability, stringency of its discipline, and in its reliability. Weber (1947, pp. 329-332) summarized that legal authority is based on the following eight ideas:

- (1) Any given legal norm may be established by agreement or imposition, on grounds of expediency or rational values or both, with a claim to obedience at least on the part of the members of the corporate group.
- (2) Each body of law consists essentially in a consistent system of abstract rules, which has normally been intentionally established.
- (3) A typical person in authority occupies an “office.”