

THE IMPACT OF CAPITALISM IN CLASSICAL (TRADITIONAL) MANAGEMENT THEORIES

Klasik (Geleneksel) Yönetim Kuramlarında Kapitalizm Etkisi

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ABSTRACT

In management and organization activities, it is important to direct people towards specified goals, to exhibit cooperation, to target harmony and to achieve success together. Since the first person, activities in this direction have created an accumulation of knowledge. Theories, approaches or theoretical studies developed for the development of management and organizational thoughts are generally addressed under four different titles. These are the classification as "Classical (Traditional), Neo-Classical (Human Relations), Modern (Systems and Contingency) and Post-Modern (New and Current) theories. This study has been prepared with the idea that capitalism directly or indirectly affects the theoretical structure in the field of management and organization. In particular, Classical Management Theories were evaluated. In other words, Neo-Classical, Modern and Post-Modern periods are not included in this study. Classical theories became the subject of the first chapter. The theories of "Scientific Management" led by Frederick Winslow Taylor, "Management Process" developed under the leadership of Henri Fayol and "Bureaucracy" proposed by Max Weber were focused on. In the second part of the study, capitalist thought is explained succinctly. In the third chapter, the effect of capitalism on these theories is emphasized. The study was completed with a general evaluation and result.

Keywords: Classical (Traditional) Management Theories, Capitalism, Scientific Management Theory, Management Process Theory, Bureaucracy Theory

ÖZET

Yönetim ve organizasyon etkinliklerinde insanların belirlenmiş amaçlara doğru yöneltilmesi, iş birliği sergilenmesi, uyum hedeflenmesi, birlikte başarıya ulaşılması önemlidir. İlk insandan bu yana bu yöndeki etkinlikler bir bilgi birikimi oluşturmuştur. Gerek yönetim gerekse organizasyon düşüncesinin gelişimine yönelik geliştirilen teori, yaklaşım veya kuramsal çalışmalar genelde dört ayrı başlıkta ele alınmaktadır. Bunlar; "Klasik (Geleneksel), Neo-Klasik (Beşeri İlişkiler), Modern (Sistemler ve Durumsallık) ve Post-Modern (Yeni ve Güncel)" kuramlar şeklindeki sınıflamadır. Bu çalışma kapitalizmin, yönetim ve örgüt alanındaki kuramsal yapılanmayı direkt veya dolaylı yoldan etkilediği düşüncesinden hareketle hazırlanmıştır. Özelde Klasik Yönetim Kuramları değerlendirilmiştir. Yani Neo-Klasik, Modern ve Post-Modern dönemler çalışma kapsamına alınmamıştır. Klasik kuramlar ilk bölümün konusu olmuştur. Burada, öncülüğünü Frederick Winslow Taylor'un yaptığı "Bilimsel Yönetim", Henri Fayol'un öncülüğünde geliştirilen "Yönetim Süreci" ve nihayet Max Weber tarafından öne sürülen "Bürokrasi" kuramları üzerinde durulmuştur. Çalışmanın ikinci bölümünde kapitalist düşünce özlü biçimde açıklanmıştır. Üçüncü bölümde ise kapitalizmin bu kuramlar üzerindeki etkisi üzerinde durulmuştur. Çalışma, genel değerlendirme ve sonuç ile bitirilmiştir.

Anahtar Kelimeler: Klasik (Geleneksel) Yönetim Kuramları, Kapitalizm, Bilimsel Yönetim Kuramı, Yönetim Süreci Kuramı, Bürokrasi Kuramı

1. INTRODUCTION

There is a phenomenon of management wherever and whenever people turn to the goal of managing and managing by collaborating and then dividing the business to achieve their common goals. All of the efforts to direct people towards the goals and to ensure coordination with their cooperation are related to management. The functions of "planning, organizing, directing, coordination and supervision" are important in employing and achieving the goal through others. Management and organization are like intertwined concepts. The organization is "a division of labor and coordination system, order or structure that enables individuals to achieve their goals that they cannot achieve by themselves, by meeting with others by combining their efforts, knowledge and talents in a group". An effective organizational structure is considered an important tool for achieving the goal (Eren, 2003, p.203-204; Koçel, 2014: 93-94; Şimşek and Çelik, 2019: 4).

Management science has gained an important social science feature after the centuries of evolution. Despite the fact that the art of management is considered the oldest, the emergence of management as a science is relatively new. Naturally, various approaches or theories developed in this process have made significant contributions to the management discipline. Management theories began to develop systematically after the Industrial Revolution and especially since the 1900s and have established themselves as a working area with certain principles and rules in the historical process (Baransel, 1979: 8; Koçel, 2014: 80). Theoretical studies that entered the literature were generally gathered in “Classical, Neo-Classical, Modern and Post-Modern” periods. It is seen that emotions and thoughts in the first and middle ages were mostly evaluated as pre-scientific studies.

It is a known fact that management and organization thought has been interacting with various economic, social, cultural, technological and political developments for centuries. The capitalist economic system is one of them. This study is based on the idea that capitalism somehow affects the theoretical structuring in the field of management and organization. Capitalism is an economic system in which private individuals or businesses have capital goods. Production of goods and services is generally based on supply and demand in the market (Chappelow, 2019. 1).

This work titled “The Effect of Capitalism in Classical (Traditional) Theories of Management” basically consists of three chapters. First, under the title of classical theories, Scientific Management Theory, Management Process Theory and Bureaucracy Theory were explained in a chronological classification. In the second part, capitalist thought is dealt with concisely. The third chapter deals with the effect of capitalism in Classical Management Theories. In the conclusion part, the study was finalized by making a general evaluation.

2. CLASSICAL (TRADITIONAL) MANAGEMENT THEORIES

2.1. Scientific Management Theory

2.1.1. Development and Scope of Scientific Management Theory

Taylor, who believes that efficiency will increase and that businesses and employees can get more shares from this new order by engineering and scientific review and reorganization of the works, has had the opportunity to transfer this belief to the field of application through factory experiments. Based on his experimental results, he explained the basic principles of the organization and management approach in his thought in his book "The Principles of Scientific Management" published in 1911. The main principles of the Scientific Management Theory, which is also known as Taylorism, can be summarized as follows (Taylor, 1947: 39; Yozgat, 1978: 2 -21; Eren, 2010: 13-14; Şimşek ve Çelik, 2019: 121-122):

1. In carrying out organizational activities, employees and administrative staff should work in accordance with scientific principles, rather than working randomly.
2. Activities should be carried out in a coherent and harmonious manner, not randomly and unevenly.
3. While reaching the goals, individuals should operate in mutual aid and cooperation rather than independent and personal work.
4. Management should try to reject this and achieve the highest efficiency achievable, rather than accepting low efficiency.
5. All personnel should be trained continuously at work to achieve the highest level of efficiency possible.

These principles, which constitute the essence of scientific management, have shed great light on the conduct of daily activities as well as general management. It has been accepted that the transfer of these principles to the business, and therefore to the organization, can be realized through various stages that follow and complement each other (Taylor, 1947: 40-43; Can, 2002: 43; Şimşek and Çelik, 2019: 122):

- ✓ In the activities, not only intuition and experience, but also scientific methods should be used. Every business should be divided into its constituent elements. Every individual behavior and movement should be made as effective and sufficient as possible.
- ✓ Later, people with sufficient physical and mental abilities to do standardized works should be selected, that is, the ones most suitable for each job should be selected and recruited.
- ✓ Qualified and scientifically selected individuals should be made to do the work in the prescribed style by being trained.
- ✓ It should be mastered in every single piece of a particular job.
- ✓ 1 jobs in the business should be planned and programmed. Every activity should be carried out at the appropriate place, at the right time and under suitable conditions.
- ✓ Incentive wage systems should be developed.
- ✓ Management should constantly monitor the operation of the system consisting of these stages, and determined deficiencies should be handled and analyzed with a scientific approach and should be tried.

2.1.2. Contributions of Scientific Management Theory

The contributions of the Scientific Management Theory to the organization and management theory can be listed as follows in a few main points (Baransel, 1979: 119-120; Şimşek, 1991: 37-38; Şimşek and Çelik, 2019: 123-124):

1. The first contribution is about “work design and standardization”.
2. The second contribution and / or innovation brought by scientific management to organization and management theory is the concept of "functional forging (foreman)" proposed by Taylor. According to Taylor, determining and implementing effective working methods is an event that exceeds the capacity of a normal employee. Similarly, it may not be possible for an average workshop manager to perform multiple tasks effectively and perfectly, which his work requires and often outweigh the technical aspects. This is a natural result of a person's inability to have sufficient knowledge and experience in more than one area at the same time, which concerns his job but needs different expert knowledge and skills. Therefore, Taylor is trained to replace the traditional workshop manager who is asked to have partial knowledge on everything, such as training, planning, production, maintenance, repair, etc. He proposed to develop and develop functional managers who require technical knowledge and expertise in many fields.
3. Scientific management is of the opinion that the highest level of production can be achieved "in one job, or when it specializes in a part of that job" for each employee. The role played by the specialization initiated with Adam Smith and practiced with Taylor in the industry plays a role in the productivity of businesses producing goods and services, and has become an indispensable element and condition of the modern business process. In the period when the scientific management trend emerged, efficiency at the factories where specialization was applied as prescribed by Taylor and where the flow of the business line was realized exceeded Taylor's expectation.
4. Scientific Management Approach has shown that many techniques (such as time and motion study) developed by representatives of this trend can be successfully applied not only at the factory and workshop level, but also in other types of organizations. It can be said that scientific management emphasizes emphasis on the scientific selection of employees and warns us to be awake in advance that it would not be possible for an uneducated-untrained person to do his job in a desired manner.
5. Scientific management has not only contributed to the development of a rational approach to solving organizational problems, but has also greatly helped speed up the process of “professionalization of management”.

2.2. Management Process Theory

2.2.1. Development and Scope of Management Process Theory

Despite the fact that scientific management representatives are more interested in business design and the way things are done at the factory level, aiming to increase the efficiency of the individual and the organization, Henri Fayol tried to develop a good organization design and management principles by making the whole organization a subject of examination. In other words, the Management Process Theory came from the need to find some guiding principles on the structuring and management of complex organizations such as factories. Fayol is not only a person who firstly sets out the principles to be used in creating a good organizational structure, but also as a classical organization and management scientist in terms of developing permanent principles related to all areas of management. It stands out. Indeed, for the first time, Fayol has revealed the fact that management is a process that shows the same qualities all over the world, even if it is not as precise as in the natural sciences, and has made it accepted by everyone (Budak and Budak, 2004: 48; Şimşek and Çelik, 2019: 125).

The Management Process Approach was based on the idea of economic efficiency and efficiency just like scientific management. From this point of view, it can be argued that this is a continuation of scientific management and has been complemented in some ways. However, the management process approach is a separate and more comprehensive approach than scientific management, not only in terms of various aspects of the organizational structure that constitutes the static aspect of the business, but also in developing certain principles related to all areas of management that form the dynamic aspect of the business emerged as. In his work titled “Administration Industrielle et Générale” published in 1918, Fayol gathered major business activities in six groups as follows (Fayol, 1918: 20-41; Fayol, 1949: 20-41; Kazmier, 1979: 7):

1. Technical activities (production activities),
2. Commercial activities (buying, selling and similar activities),
3. Financial activities (activities related to finding and using money),
4. Accounting activities (keeping records and statistics, drawing the results of activities and evaluating the end-of-period activities),
5. Security activities (protecting the workplace and employees against all kinds of risks),
6. Management activities.

2.2.2. Fayol's Series of Principles Regarding Organization and Management

Fayol's series of principles regarding organization and management can be summarized as follows (Fayol, 1918, p.20-41; Kast and Rosenzweig, 1985: 63-64; Şimşek and Çelik, 2019: 127-128):

- ✓ Department of Work and Specialization: The idea that specialization in the sense that the work is divided into very small units and that each of them is done by one employee has been brought up by Adam Smith for the first time, and Fayol adopted it. According to him, when a worker is responsible for only a small part of a job, he gains mastery and speed in his job thanks to repetitions. Thus, as the person who knows the job best, he penetrates deeply into his business and can control it.
- ✓ Authorization and Responsibility: Fayol considered the authority as “the right to order and the power to do business”. According to him, besides the official authority of the official manager arising from occupying a certain status; The individual in that status has unofficial authority arising from his personality, experience, expertise and morale. The main authority affecting the behavior of the subordinates is the second kind of authority. Fayol also emphasized that the authority and responsibility in the organization should go away and the responsibility will increase together as the authority increases.
- ✓ Discipline: Discipline is the obedience and respect relations that arise from the agreement between the employee and the management and that require the employees to comply with certain rules and methods. Effectiveness in discipline according to Fayol; The presence of

good managers at all levels can be achieved through consensus on maintaining order, explicitly imposing sanctions to be imposed by supervisory bodies and applying them objectively.

- ✓ Control (Order) Union: Each employee receives orders from a single supervisor regarding his / her job. This will prevent conflict of authority and deterioration of discipline.
- ✓ Execution Union: It is the principle of carrying out the activities to be carried out by groups of people with the same purpose and these groups within a certain plan and only by a manager.
- ✓ Keeping Organizational Interests on Individual Interests: According to this principle, the whole is greater than the sum of the parts. Hence, the general goals that the enterprise tries to achieve precede individual goals.
- ✓ Rewarding of Personnel: Rewarding is adjusted by considering the cost of life, labor supply, general working conditions and similar factors other than the employer's desire and the value of the employee. In the payments to be made to the personnel; Attention should be paid to ensure that payment is fair, rewarding is a hard-working and qualified Employee-supporting type, and finally there is a certain ratio between the lowest and the highest level of payments, and the difference is not too large.
- ✓ Centralization: Centralization or decentralization are concepts related to the use of authority entirely by the superior or its transfer to lower levels within a certain measure. The type of organization and management in which all kinds of decisions are taken at the top and freedom of decision making is not centralized; On the other hand, organizations and governments where decisions about themselves can be made by lower levels are considered decentralized. The degree of centralization or non-centralization of an organization is determined by the circumstances and the capabilities of the managers. Fayol suggested that the last authority and responsibility be held in the hands of senior executives and that powers were given to the subordinates as much as they could only do their job successfully.
- ✓ Hierarchical Order and Fayol Bridge: Each organization is established according to an authority layout, ranging from the highest to the lowest. The hierarchical order requires that lower-level tasks be placed under the supervision of superiors. As a natural consequence of this principle, both orders placed and formal informing within the organization follow this line of authority. As the hierarchy or control chain here will be too long for large-scale businesses, various communication or interaction problems may be raised. According to Fayol, in those cases, those who are at the same level can be given direct freedom to evaluate the matter and make decisions directly. Only results can be delivered to top-level managers. This process, which has a kind of gateway feature, is called "Short Circuit Principle" or "Fayol Bridge". Here, top managers must also allow passage or bridge. In this way, bureaucracy will be partially reduced and subordinates can be encouraged to use initiative.
- ✓ Order: Fayol argues that the principle of order should be applied to the raw material and human resources of the enterprise. According to the principle of order, raw materials, tools and people should be at the right time and in the appropriate places.
- ✓ Equality: Fayol expresses equality as the application of the rules prepared with a certain understanding of rights and justice with the same understanding. Employers should be treated equally (objectively) and sincere in performing their jobs.

Ensuring Stability and Balance in Employees and Business Life: Instability and imbalance can be both the cause and the result of mismanagement. Therefore, things need to be bound by certain rules and free from arbitrariness. Fayol emphasized that successful and stable businesses are generally managed by the same managers for a long time.

- ✓ Enterprise Spirit: In order to encourage members of the organization to take entrepreneurship, productivity and initiative, the manager must have certain skills and be able to use them properly.
- ✓ Emotion of Unity: According to Fayol, this emotion is a unity of action towards harmonization of interests. In order to reach the sense of unity, it was suggested that the unity of the commander was ensured and that written and verbal communication was used effectively.

By the means of Fayol, the subject of management has become a field that can be taught in schools and has certain principles. Fayol also made important contributions to organizational theory in terms of leading the establishment of an organizational structure based on certain principles.

2.3. Bureaucracy Theory

2.3.1. Bureaucracy Theory and Scope

The third approach to the classical organization and management theory was the "Bureaucracy Approach" developed by the German sociologist Max Weber in the early 1900s. Bureaucracy as an organizational structure, model or approach; Contrary to expressing a concept that disrupts the appearance of the works as used in daily conversations, leads to unnecessary correspondence and time losses, and gives rise to today's tomorrow, it expresses an ideal form of organization and management. In other words, according to Max Weber, it should be understood as an ideal organizational structure in terms of bureaucratic structure, activity and rationalization (Weber, 1946: 220-228; Baransel, 1979: 165-167; Şimşek and Çelik, 2019: 45).

2.3.2. Features of Weber's Ideal Bureaucracy

Weber listed the distinctive features of an effective organizational structure and management, which he described as micro-ideal bureaucracy (Weber, 1946: 222-228; Hicks, 1979: 95-96; Mouzelis, 2001: 54; Şimşek and Çelik, 2019: 129- 130):

1. Business Division Based on Functional Specialization: This principle has been accepted as mentioned in previous theories.
2. A clearly and distinctly determined hierarchical structure: In order to function effectively in an ideal bureaucracy and the work required by them; the authorities that will execute them and the levels formed by these authorities must be under the orders and control of those who are higher than themselves.
3. Existence of the Set of Dimensional Rules (Principles and Methods): Weber emphasized that there is a need for some abstract rules for the continuity of regular functioning in bureaucratic structures. The rules in question will determine in detail how and by whom jobs will be carried out at each level. According to Weber, these rules will not only ensure coordination, order and cooperation, they will also play a major role in establishing stability and continuity, which are extremely important for every institution.
4. Figure and Formal Commitment (Impersonal Relations): Managers should not have emotional relationships with their subordinates in order to make rational decisions. In other words, the manager (official person-bureaucrat) has to do their job and make decisions about the organization while avoiding hate those in command or engaging in excessive intimate relationships with them. Because having sympathetic or antipathic feelings towards the staff will move the manager away from formal and rational relations and act more subjectively, and can greatly reduce the accuracy of the decisions he will make.
5. Selection and promoting of Personnel Based on Technical Ability Basis: The personnel that the organization will need will be selected and promoted according to the exam results that measure the technical knowledge and ability required by the job, and will remain in that

position as long as it maintains this ability and no external pressure role in such decisions will not have an active part.

6. **Enforcement of Legal Jurisdiction:** Weber argued that units must be linked with legal jurisdiction. The authority to be exercised by the staff will be neither charismatic nor the traditional authority believed to have kings or tribal chiefs. The main source of authority should be the authority or rank. Every person involved in the organization should start by accepting legal authority in this sense.
7. **Distinguishing the Duty and Duty from Each Other:** According to Weber, the positions held for the task cannot be treated like anybody's personal property. In other words, no one can use his duty in the organization for self-interest.
8. **Lawfulness:** Lawfulness can be expressed as the principle that everything is carried out in accordance with the rules in the organization.
9. **Preventing External Interventions in Organizations:** Weber strongly advocated that organizational resources should be kept away from all kinds of external interventions and controls in order to increase organizational freedoms.
10. **Regular Wages:** It is the issue of regular payments to employees or officers under the name of monthly salary.
11. **Ensuring Occupational Safety of the Personnel:** In order to increase the commitment of the employees to the organization, the establishment of occupational safety, increasing the promotion opportunities to the satisfactory level and putting the duties into the profession are positive actions.

3. CAPITALIST THOUGHT

Capitalism is simply a free market economy or a free enterprise economy. In capitalism, which is a dominant economic system in the western world, most of the means of production belong to private property (Capitalism, 2020). The purest form of capitalism is free market or laissez-faire capitalism. Individuals can freely determine where to invest, what to produce or sell, and what prices to exchange for goods and services. Laissez-faire market operates without controls. Today, most countries are implementing a mixed capitalist system, to some extent involving state business regulation and ownership of elite industries (Chappelow, 2019. 1).

Capitalist thought is mostly based on "price mechanism and competition institution, freedom of enterprise and private property and succession institution". The following distinctions can be made in the evolution of capitalist thought (Hançerlioğlu, 1974: 37-122; Sombart, 2001: 7-37; Hans, 2013, p.3-540; Eğılmez, 2016: 1; Çelik and Dağ, 2017: 52-63; Cevizci, 2017, p.3-21; Şimşek et al., 2019: 28-29; Mazzucato, 2020: 1):

Early Era of Capitalism: It refers to the economic life of man after he started producing. Agriculture, trade and crafts came to the fore. Physiocracy and Mercantilism are in main question. Renaissance, reforms, discoveries and colonies not only increased Europe's wealth and prosperity, but also provided capital accumulation. Along with urbanization, architectural textures and army supplies, resources were found for the workshop system and inventions. From the beginning to the 16th century, the phase where agriculture was dominant, trade and crafts were included, and monetarization was limited, the rise of agricultural capitalism. 16th century 18th century sovereignty shifted from agricultural capitalism to commercial capitalism. In this period called Mercantilism, trade came to the fore and precious metals became popular. In this period when paper money was not on the agenda, gold and silver coins were cut, and money was made by stamping on it.

2nd High Capitalism Phase: After the 18th century, the weight of capitalism began to balance between trade and industry. It is an important development that Scottish inventor James Watt

managed to operate the steam engine. Thus, industrialization has started in Western European countries, especially in England. Valve and steam pressure gauge were added to the device, which was originally used to pump water from mines. This engine; adapted to looms, train locomotives and ships; production and transportation activities were much easier. The beginning of the Industrial Revolution at that time, which was mostly associated with coal and steam machines, was considered. It is a known fact that this revolution brought various advantages and disadvantages to the economic, social and cultural structures of western countries. First of all, entrepreneurship and industrialization developed as a result of public and private investments. As the population of the cities started to increase rapidly, urbanization and environmental problems also came to the fore. In this period, with the use of paper money, economic boundaries have developed considerably. However, in this period, the ambition of profit came to the fore rather than productivity and the moral structure was partially ignored. Agriculture fell into the background. In the period of high capitalism; Industrial Revolution, World War I, October 24 1929 Great Depression (Bankruptcy of Wall Street), Keynesian Theory and There are World War II effects. During this period, it was witnessed that the paper money remained unrequited. Especially after World War I, it is a remarkable development that many countries remove the gold support behind their money and define their money against the dollar. In the Industrial Revolution II, vehicles such as cars and aircraft working with steel, oil, electricity and natural gas energy gained importance.

3rd Phase of Capitalism: The effect of the post-World War II, Bretton Woods and subsequent financial systems is at the forefront. In 1957, with the Treaty of Rome, the free movement of labor and goods and services were decided and the European Economic Community (EEC) was established among the member countries. In 1971, the US dollar; It is noteworthy that in 1974, IMF SDR abandoned its gold equivalent. Thus, money in the world has been disconnected from gold or any mine. This development has opened the doors of a virtual world that can grow faster than the real world. Increasing loans by creating money by growing and registering money has caused new problems. With the collapse of the Soviet system in the 1990s, when the world started to become unipolar, free movement of capital came to the agenda. However, the 2008 global crisis has been a problem for capitalist thought. This crisis has come down like a slap against greed, who has found courage from immorality, which encourages the purchase of nonexistent assets. In this period, which also includes the III. Industrial Revolution, the introduction of digital and electronic devices into human life with computer technology are among the important developments.

4. Industry 4.0 and After Stage: Artificial intelligence, contemporary automation, robot technology, virtual structures and cyber systems that became widespread in 2010 were named as Industry 4.0. This can be added to the developments in the Industry 5.0 area, which has been discussed in recent years. Even the Covid-19 outbreak can be included in the post-modern era developments affecting capitalism. Because the crisis, which has had a scale and violence that has not been happened since the devastating Spanish flu in 1918, has been questioning capitalist thinking as well as many other structures.

4. THE IMPACT OF CAPITALISM IN CLASSICAL (TRADITIONAL) MANAGEMENT THEORIES

The development of Classical (Traditional) Theories of Management was mostly in the second phase of capitalism. In other words, the stages of early and late capitalism explained in the previous topic and Industry 4.0 stages are excluded from the comparison. It is useful to give brief information about the periods in which these theories were developed and then to be evaluated (Fayol, 1918, p.20-41; Weber, 1946: 220-228; Taylor, 1947: 39; Fayol, 1949: 20-41 ; Baransel, 1979: 119-167; Lightning and Steel, 2019: 121-130):

1. Frederick Winslow Taylor and Scientific Management Theory: Taylor was born in 1856 and died in 1915. Among his works were Shop Management (1903), The Principles of Scientific Management (1911), Concrete Costs (1912).

2. Henri Fayol and Management Process Theory: Fayol was born in 1841 and died in 1925. His work *General and Industrial Management* (1918) is famous.
3. Max Weber and Bureaucracy Theory: Weber was born in 1864 and died in 1920. His main works published in his health were *Protestant Ethic and the Spirit of Capitalism* (1905), *Politics as a Vocation* (1919), *Sociology of Religion* (1920) and *Economy and Society* (1922). Later, *Theory of Social and Economic Organization* (1947) and *From Max Weber: Essays in Sociology* (1948) were published.

Capital was an important factor that attracted attention during the Classical Management Theories period, which started in the 1900s and continued until the 1930s. Considered as a production factor in terms of economy, capital has been applied to nature together with labor and made production of goods and services easier. Some economists have argued that capital stems from savings, while others have argued that capital is the concentration of labor in the means of production. This concentration is characterized as a surplus value. The concept of surplus has been the subject of intense debate with Ricardo and continuing with Marx. The concept is used to express the difference between the wages received by a worker in a work and the value he creates. According to Marxist terminology, this difference refers to the capitalist's profit. According to Marx, labor is the only element that provides production. The share left after the worker wage is subtracted from the production value, that is, the capitalist's profit is the result of the exploitation of the worker. The more this difference grows, the more the exploitation increases (Şimşek and Çelik, 2018: 16). From this point of view, in this period, along with productivity, the ambition of profit came to the fore and the moral structure was partially ignored.

Taylor argued that if managers accept the scientific approach and consider the design of the works that make up the organizational structure, they can achieve high efficiency goals in their organizations. As a result of this view, studies such as time and motion study, business economy, incentive wage system and business standards have become widespread. Acting on economic and technical rationality, Taylor assumed that employees will always seek higher wages, behave towards this, and may be deprived of this only if their physical strength is insufficient. (Şimşek and Çelik, 2019: 123).

Fayol considered "Technical, Commercial, Financial, Accounting and Security" activities to be more technical. He evaluated the "management" activities as the most abstract function. The author, who considered the management as a process that consists of several successive functions, has subjected a series of functions or activities within the scope of this process to five differentiation (planning, organization, order-command or execution, coordination and control). Sometimes staff training are also included in this process as a separate function (Şimşek & Çelik, 2019: 126).

Weber proposed his principles to ensure rationality in the organization. He thought that rationality could deteriorate quickly with some interventions and pressures that might come from outside the organization, and he also stated that organizations should constantly be protected against harmful factors (Şimşek and Çelik, 2019: 130).

The theories pioneered by Taylor, Fayol and Weber were titled Classical Management Theories in general. These are related to Human; "a) People mostly act rationally and not with their emotions, but with their minds, and prioritize their economic interests; b) Strict supervision is required for increased productivity, as they are congenitally lazy and dislike working; c) Money is the most important tool that can be used to motivate them to work, as they will strive to satisfy their material needs in the first place; d) An average employee needs to be managed by others and does not harmonize his strength with others without a detailed direction and control process; e) Job security is much more important for the employee than making decisions and acting freely at work" assumptions interact with capitalism (Baransel, 1979: 195-199; Şimşek, 1991: 33-34; Certo, 1997: 29-33).

Organizational assumptions of the classical management theory have also been developed in this direction; “a) Increasing the efficiency of an organization is a purely technical problem and depends on the most economical use of scarce resources; b) If the processes are determined to the finest point, the employees work more productively and accordingly, organizational efficiency increases; c) It is possible and necessary to obtain precise information about the future and to prepare detailed plans on organizational actions based on this information; d) The management should deal with the problems related to the work, not the human problems of the organization members; e) Specialization is necessary and useful in increasing individual and organizational efficiency as it will enable everyone to master a particular job; f) The authority and decision-making authority in the organization should be concentrated in the highest level manager. The superiors can transfer some of this authority to the lower ranks as they wish and deem it necessary; g) Management functions should be performed in accordance with the scientific principles that are valid everywhere and at all times, regardless of human and environmental factors ”(Taylor, 1947: 39; Baransel, 1979: 203-205; Şimşek, 1991: 47).

As it is written beforehand, economic efficiency underlies The Classical Management Theories. According to Taylor, the way to achieve organizational effectiveness is based on scientific basis of management. The main points that Fayol emphasizes in order to ensure efficiency are the division of labor and specialization, division into departments and the establishment of a rational organizational structure, where authority and responsibilities are clearly determined. According to Weberian theory, the effectiveness is related to the formal execution of inter-individual relations, a division of labor based on functional specialization, a clearly defined hierarchical structure, the establishment of authorities with defined powers and responsibilities within this structure, the appointment of experts to certain authorities, the work done. It is anticipated that the methods will be determined and finally the selection of the staff will be made according to the technical knowledge and skills. The periods in which these theories are concerned need to be analyzed well. The capitalist system has begun to shift its focus from trade to industrialization. In this period, private sector entrepreneurship started to increase and industrial organizations were considered among the most popular enterprises. Wide raw material resources are started to be reached. As mass productions were made, the needs for new and large markets increased. Undoubtedly, these developments brought along various problems regarding both the organization and the organizational structure (Taylor, 1947, p.39; Baransel, 1979, p.203-205; Şimşek, 1991, p.47; Çelik ve Dağ, 2017: 57-60).

5. GENERAL EVALUATION AND CONCLUSION

This study carries the idea that capitalism affects the Classical (Traditional) Theories of Management directly or indirectly. This idea is accepted when the Scientific Management led by Frederick Winslow Taylor, which forms the classical theories, and the Management Process developed by Henri Fayol are examined in general terms by Max Weber's Bureaucracy Theory. Because the various arguments and suggestions for business environments that capitalism has put forward in the historical process have shown various interactions with management theories in general and Classical Management theories in particular.

After James Watt started the steam engine, industrialization has accelerated in the western European countries and the USA, especially in England. With weaving looms, train locomotives and the engine system adapted to ships, mass production and transportation has been facilitated. In the coming periods, steel, oil, electricity and automobile productions also intensified. These activities were mostly brought up in the high capitalist phase. Classical Management Theories, which are closely related to this phase; They emphasized organizational efficiency and effectiveness in order to ensure order and stability in the organization, to provide authority based on technical knowledge and skills and to be achieved with the help of these two elements. These have emerged as “bureaucratic” or “mechanical” organizations in accordance with their economic and social structure. In those years, the human element was seen as any production factor. It is assumed that

subordinates in the organization will work like a machine in line with the directives of the upper level. It is assumed that the personal problems of the employees will not be reflected in the workplace, and the time spent in the enterprise and the life outside are separate from each other. Emphasis was placed on rational use of authority to ensure the optimal efficiency of the organization, and rationality, not emotionality, dominated the behavior. Classical theorists have suggested that there will be no conflict in a place with optimum efficiency. According to them, money and other financial factors are the only factors that encourage the employees. The idea that productivity will increase when hard work is done, more share will gain from production to subordinates, and therefore they will be fully happy, are examples of capitalist motivation practices.

Classical theories have created the first systematic approaches to organization and management and equipped the manager with specific tools to solve problems may encounter. However, over time, the tools predicted by the model were insufficient in solving some problems, and the researches on the other hand showed opposite results, which made it necessary to develop the model. In the coming periods, rather than pure capitalism practices, they evolved towards organic or social organizations. This study has been prepared based on the theoretical knowledge in the literature to be evaluated on a scientific platform. Since it is not possible to evaluate all the information in the literature, the situation of not being able to reach some sources can be criticized. As a result of the article's evaluation by colleagues and related circles, it is thought that more comprehensive studies can be done.

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