

Management: Refers to the attainment of organisational goals in an effective and efficient manner

Make use of 4 functions:

1 Planning

Defining goals for future organisational performance and deciding on the tasks and use of resources needed to attain them

2 Organising

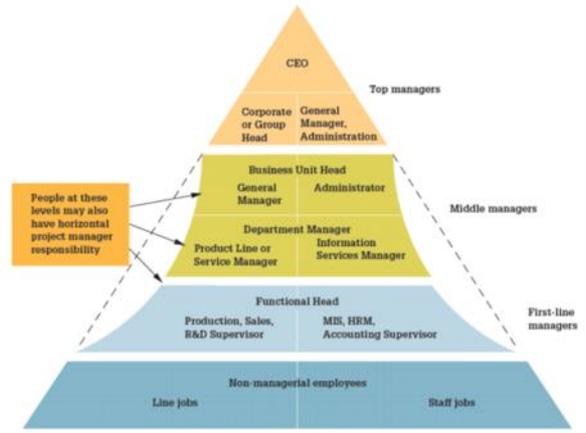
Assigning tasks, grouping of tasks into departments and allocating resources to departments

3 Leading

Involves the use of influence to motivate employees to achieve the organisational goal

4 Controlling

Monitoring employees' activities, keeping the organisation on track towards its goals and making corrections as needed



Categories of management skills

1 Conceptual skills:

Cognitive ability to see the organisation as a whole and the relationship among its parts

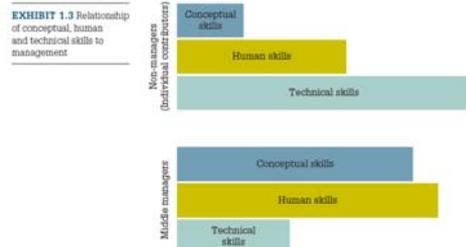
2 Human skills:

Ability to work with and through other people and to work effectively as a group member

3 Technical skills:

The understanding of and proficiency in the performance of specific tasks

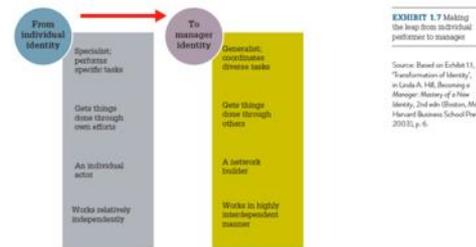
The relationship between the three skills



Becoming a new manager:

- involves a new mindset
- involves acquiring more generalist skills required to lead, organise and control resources

Making the leap: becoming a new manager



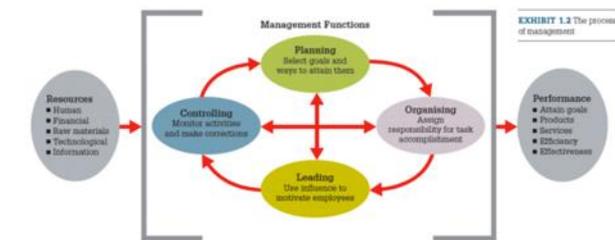
Challenges of being a manager today:

- Managers perform a variety of tasks that are fragmented and often brief (Life on speed dial)
- Managers require: Multitasking skills, time management to deal with unrelenting pace of work

State-of-the-art management competencies:

Rapid changes in the environment requires new management competencies:

- Less emphasis on control and more focus on empowering leadership
- Increased emphasis on organisation designs that enable creativity, adaptation and innovation
- Relationship management skills crucial:
 - o Working in teams
 - o Working with partner organisations around the world



Organisational performance:

The org's ability to attain its goals by using resources in an effective and efficient manner

- Org: A social entity that is goal-directed and deliberately structured
- Effectiveness: the degree to which The org achieves a stated goal
- Efficiency: The use of minimal resources, raw materials, money and people, to produce a desired volume of output

Profit-making orgs:

Direct efforts towards earning money (start-ups, middle-sized firms, major corporations)

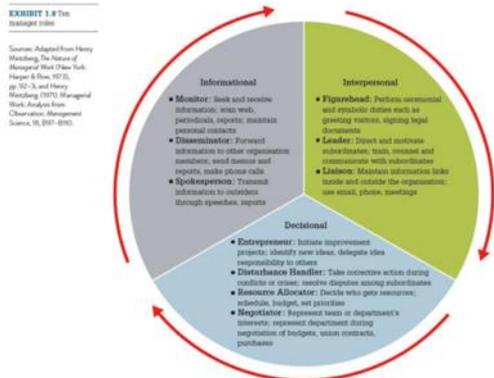
Not-for-profit orgs:

Focus on less tangible aspects that improve society in some way (govts, charities, uni, etc)

Manager roles (Mintzberg):

- 1 Informational:** monitor, disseminator, spokesperson
- 2 Interpersonal:** figurehead, leader, liaison
- 3 Decisional:** entrepreneur, disturbance handler, resource allocator, negotiator

Ten manager roles





New challenges: Sustainable development

- Is now a core issue for managers
 - o Effective and efficient management goes further than merely achieving the bottom line
- Sustainable development practices benefit organisation, environment and society:
- Emphasis on the 'triple bottom line' in terms of:
 - o Financial
 - o Environmental
 - o Social outcomes

New challenges: Globalisation and turbulence

- Globalisation has increased interconnection and interdependencies
- Managers need skills to manage crises and unexpected events

The #1 reason why people quit their job:

“A bad boss or supervisor is the number one reason people leave, due to the environment their boss creates and how they feel they've been treated.”

- Indeed, people tend to quit their boss, not their job!



How can we avoid this?

By improving our understanding of management techniques and skills...

- Acquiring the right tools
 - o By education
 - o By practice
 - o By self-reflection

By understanding how to compensate for our weaknesses and those of others

- o By changing the way we do things
- o By drawing on others' strengths

Does staff turnover really matter?

Direct costs

- costs of advertising the vacancy
- fees paid to recruitment agencies
- fees paid to consultants for conducting tests, checking references, pre-employment medicals, etc
- termination payout amounts, such as pro rata long service leave and pay in lieu of notice

Indirect costs

- Loss of productivity from other employees filling in for vacant position
- In-house hiring
- Training/induction costs
- Termination administration costs
- Loss of productivity in early stages of employment
- Loss of productivity in final stages of employment
- Estimated cost of replacing an employee: **1.5 times annual salary!!** *We want to avoid this!!*

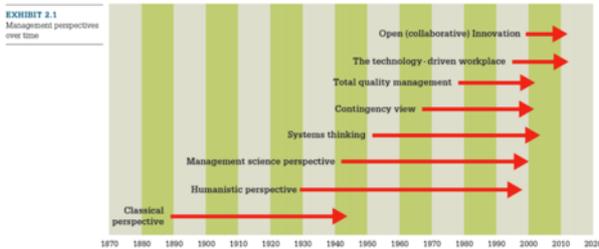
Why study the history of management:

Understanding the historical foundation of management is useful for management education

- Managers learn from recognising and understanding past mistakes
- Management practices and perspectives change over time in response to environmental factors such as social, political and economic forces

Management perspectives over time:

Significant management thoughts can be drawn on a timeline:



Pre-19th century management:

- Work tended to be organised in one of three ways
 1. Entrepreneurial or simple control (i.e. based on personal relationships)
 2. Contracting (i.e. based on contracts)
 3. Craft (i.e. master-apprentice)

Historical Context:

- Starting in the 19th century, machines and mechanisation transformed organisations
- Machines and mechanisation gave rise to larger scale organisations
 - o implications for how organisational life was organised, in particular the idea of control
- In terms of production, mechanisation moulded and shaped people around the capacity of the machinery
- This development starts to build the idea of organisations as machines
- Organisations seem to have taken-for-granted goals of efficiency, little regard to human element
- Focus on the technical aspects of production--mechanical principles dominate, standardisation of process, outcome
- Rationally planned and controlled approach to production, ordered relations between different units, between supervisors and subordinates
- Scale introduces hierarchy

The Classical Perspective:

- Emerged during the 19th and early 20th centuries as a response to new problems arising from industrialisation (environmental forces)
- Has 3 sub-fields:
 - o Scientific management
 - o Bureaucratic organisations
 - o Administrative principles

1 Scientific Management

Focus: improving efficiency and labour productivity

- Scientifically study each job/task to determine the 'one best way' to do the work

Key principles according to Taylor:

- Develop standard method for performing each job
- Select and train workers
- Support workers (careful planning)
- Provide incentives (wages)
 - o The engineering mindset is important, the machine is the obvious metaphor
- Scientific management ideas in use today:
 - o Standardised work methods
 - o Retail industry: re-engineering
 - o Use of technology to create efficiency and standardised products/processes
- Taylor had a reputation as 'the enemy of the working man'
 - o Testifying before a congressional investigation, he said: "it's a horrid life for any man to live, not to be

able to look any workman in the face without seeing hostility"

- o Although Taylor and scientific management are virtually synonymous, he has come to symbolise what was actually a broad movement

Context:

- Scientific management reflects a particular set of problems, assumptions and attitudes (it did not emerge by chance)
- Capitalist owners saw opportunities in new productive capabilities: machinery was an opportunity to increase production, open and enter new markets, lower labour costs, etc.
- In terms of scale, there is a **finite limit to simple control**
- Contracting and craft control present rent-seeking opportunities (especially around evaluation and measurement of work), and give contracts and craft workers a big say in any attempts to reorganise production (big obstacle)
- It addressed the **'indeterminacy of labour problem'** (since labour power is not fixed, and labourers can create uncertainty)

Implementing scientific management:

- Time and Motion studies
- Stopwatches, time workers on every aspect of production, break job down into parts, look for ways to gain efficiency
- With an established rate for each part of a process, possible to set benchmarks. 1 item an hour, 8 hours in a shift, your 8 hour shift should produce 8 items
- Can set pay at piece rates

Fordist production

- **Ford extended the idea** of scientific management with the introduction of a moving production line
- Skilled jobs broken down into discrete parts performed by different (unskilled) workers
- Management set the pace of the **assembly line**, workers fit to the machine
- Work hard, obey orders, go home and rest, do it all again tomorrow
- Results:
 - o **Turnover rose** approximately 380% a year
 - o "Plant protection service", trade union organisers fired, spy on workers
 - o Only by doubling wages to his famous "\$5 a day" was he able to persuade workers to accept his new technology
 - o For most people, assembly-line work is simply **boring or alienating**
 - o Job cycles often very short, with workers sometimes asked to complete 7 or 8 separate operations every forty or fifty seconds

Meaning of scientific management:

- What scientific management entails is a separation of conception and execution, and so a transfer of power from worker to manager
- Now, the manager decides how long it takes to make the item, he who holds the stopwatch has the power

The importance of context:

- At the time, Taylor and scientific management bitterly contested
- **Standardisation** was contested, and trade unions were also opposed (seen as un-American, against the ethos of individualism!)
- It **took away autonomy from workers, eroded working conditions, and threatened unemployment** (more could be done and for less)
- Everywhere scientific management was introduced there were problems, including sabotage, absenteeism, turnover... production literally ground to a halt with "a spanner in the works"

2 Bureaucratic organisations

Focused on: Rational authority and formal structure

- Originated by Max Weber
- Employee selection and advancement based on merit rather than **'who you know'**
- Rules and written records
- Authority based on position/legal power
- The ideal bureaucracy: