

Introduction to Management

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Total value = tangible assets + intangible assets

Tangible assets – physical, visible things companies own. E.g. cash, land, trucks, warehouses

Intangible assets – organisational culture, motivation, quality of leadership, created by managers

Working the in New Economy

- Today's economy is a networked economy, where the new economy is a global economy
- National economics are becoming increasingly interdependent
- Organisations are expected to continuously excel on performance criteria
- No guarantee of long-term employment for individuals

Globalisation

- Worldwide interdependence of resource flows, product markets and business competition
- Challenges – Nationalism, Brexit, Nationalist leaders

Technology

- Computers – allow organisations of all types and sizes, to increase speed of transactions and improve decision-making
- Virtual space – people in remote locations can hold meetings, access databases and share information without having to meet face to face
- Computer literacy – must be masters and continuously developed as a foundation for success

Diversity

- Workforce Diversity – gender, race, age, culture, sexual orientation and religion
- Legal context of HRM is very strict in prohibiting demographic characteristics to be used in hiring and promotion decision-making processes
- Through valuing diversity, organisations can tap a rich talent pool and help people work to their full potential

Ethics

- Ethic and social responsibility issues involve all aspects of organisations, behaviour of members and impact on society
- Expectations:
 - o Sustainable development, environmental protection
 - o Product safety and fair practices
 - o Protection of human rights
 - o Equal employment opportunities
 - o Equity of compensation
 - o Privacy, health and safety
 - o Job security
 - o Freedom from sexual harassment

Organisation in Today's Workplace

- Organisation – collection of people working together with a division of labour to achieve common purpose, should return value to society and satisfy customers' needs
- Open systems – transform resource inputs from the environment into product or service outputs, closed loop production

Organisation Performance

- Value is created when resources are used in the right way, at the right time and at minimum cost to create high quality goods/services, including measuring productivity, performance effectiveness and efficiency

Historical Foundations of Management

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Classical Approaches to Management

- Assumption: people are rational
- Scientific Management – Improve economic efficiency and labour productivity. Frederick Taylor, Frank and Lillian Gilbreth
- Administrative principles – Managing information through people, through performing the storage and distribution of information to those within an organisation. Henry Fayol, Mary Parker Follett
- Bureaucratic Organisation – Division of hierarchy where there are clearly defined rules to help govern an organisation and its members. Max Weber

Behavioural Approaches to Management

Maintain that people are social and self-actualising. People at work are assumed to seek satisfying social relationships, respond to group pressure and search for personal fulfilment.

- Hawthorne Studies – Initially had a scientific management perspective, determining how economic incentives and physical conditions of the workplace affected output of the workers, focusing on the level of illumination in the manufacturing facilities. Failed to find relationship, unforeseen psychological factors interfered with illumination experiments. Elton Mayo
- Theory of Human Needs – Needs create tensions that can influence a person's work attitudes and behaviours. Abraham Maslow
- Human Resource Approaches – Assumption: people are social and self-actualising
- Theory X and Theory Y – Managers should give more attention to the social and self-actualising needs of people at work, shifting view of human nature away from set of assumptions where managers approach their jobs believing those who work for them generally dislike work, lack ambition, are irresponsible and are resistant to change (Theory X) and towards Theory Y. Douglas McGregor

Modern Approaches to Management

- Recognises that no single model or theory applies universally in all situations or to the exclusion of the others
- People are complex and variable, they have many different needs that can change over time. They possess a range of talents and capabilities that can be developed
- Organisations and managers should respond to individual differences with a wide variety of managerial strategies and job opportunities
- Key foundations include the systems view of organisations and contingency thinking

Systems Thinking

- A system is a collection of interrelated parts that function together to achieve a common purpose. A subsystem is a smaller component of a larger system
- Open systems transform resource inputs from the environment into product outputs

Contingency Thinking

- Recognises that what is a good structure for one organisation may not work well for another and what works well at one time may not work as well in the future as circumstances change
- Tries to match managerial responses with problems and opportunities specific to different settings, particularly those posed by individual and environmental differences

Global Awareness

Much of the pressure for quality and performance excellence is created by a highly competitive global economy