

# MPO FINALS

## LECTURE 1: FOUNDATIONS OF MANAGEMENT AND ORGANISATIONS

### **Pre-industrial society**

#### No manager

- Discipline through control of resources and knowledge
- Owner fully liable if enterprise falls

#### Early management ideas

- Organisation of army and government
- Religious organisations
- Simple systems and rules
- Strict surveillance

### **Limited liability legislation (Britain 1856)**

- Separated private finance of entrepreneurs from investments
- Business failed = avoided personal liability
- Owners are only personally liable when too much debt has been incurred

### **Definition of management (maneggiare, manas)**

- The process of pursuing organizational objectives through
  - o Interpreting
  - o Communicating
  - o Accomplishing actions
  - o Coordinating

### **Definition of organisation**

- Systemically arranged frameworks relating to:
  - o People, things, knowledge, technologies
  - o Designed with intention to achieve specific goals
- Organizational design
  - o Principles of vertical (hierarchical) and horizontal division of labour
  - o Responsibilities and roles
  - o Bureaucracy: command and control, layers of management, structure
  - o Post-bureaucracy: flatter structure, network structure, lots of communication, empowered to make decisions, etc.

### **Max Weber: Bureaucracy**

- Observed Prussian army and industrialization
- Ideal: rational-legal bureaucracy
  - o Legal: submission to rules
  - o Rational: predictable
- Built on organizational principles that reflected how organisations would be run at the time, based on rules, reliant on individuals
- Bureaucratic principles
- By basing everything on rules, it makes the organisation rational

### **Taylorism (1856 – 1915)**

- F.W. Taylor – engineer, studied productivity, became a consultant
- Principles of scientific management (Taylor 1911)
  - o Time and motion rules
  - o Specialization and routinization of work
  - o Assumes best way to manage
- Collaboration
  - o Manager: planning, design, supervise
  - o Worker: executes manual labour
- Focal point was the time motion studies – how to do a task in the most efficient way

- Preferred unskilled workers with no education who could look at illustrated manuals and complete repeated tasks

### **Henry Ford / Fordism (1863 – 1947)**

- The assembly line (1913)
  - o Standardization
  - o Constant production rate
- Introduced “living wages”
  - o Reduced turnover
  - o Reduced absenteeism
  - o Unsafe, dehumanising working conditions

### **Mayo: human relations movement**

- Manager as social clinician
- Pay attention to group needs and human relationships
- Workplace as a social system
- Hawthorne effect: when a group realizes its value and forms social relations among its members – productivity rises

### **Follett: democratic management**

- Participatory management
- Authority derived from function rather than hierarchy
- Proposed that if managers and workers saw each other as adversaries, it would be beneficial as they could work together collaboratively to develop power with one another, mutual respect

### **Emerging approach: positive organizational scholarship**

- Seeks to understand and foster civic virtues, social responsibility, altruism, tolerance, happiness and psychological wellbeing within organisations

### **HAMEL, G. (2009) – MOON SHOTS FOR MANAGEMENT**

- New requirements:
  - o Adaptability
  - o Innovation and creativity
  - o Imaginative and innovative employees
- Management 1.0 replaced by management 2.0
- Moonshots:
  - o Ensures that the work of management serves a higher purpose
  - o De-structures the organisation
  - o Expands the scope of employee autonomy
  - o Holistic performance measures