

Foundations of management and organisation

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"The organization and coordination of the activities of a business in order to achieve defined objectives"

The process of pursuing organisational objectives through (Clegg et al 2016)

Was seen as a servile occupation (Fournier and Grey 2000)

- Interpreting
- Planning
 - Must plan for different levels of complexities such as 5, 10, 20 years ahead
- Coordinating
 - Communicating different roles, plans, etc. Whilst also executing what is planned. Demonstrating achievements.
- Communicating
- Accomplishing actions

Pre industrial

- **Direct control** by owner - master craftsman (Jacques 1996; Morgan 2006)
- **Discipline apprentices** through control of resources control and knowledge
- Owner **fully liable if enterprise falls** (clegg, konbegerger and pitis 2016)
- Organisations of army and government

Early management ideas

- **Religious organisations** - roman church multi national organisation
- East India 17th an 19th century (Banerjee 2008)
- **Army and Government** organisations
- **Slavery** : Southern US plantations (cooke 2003; Morgan 2006)
 - Simple system
 - Strict surveillance
 - Harsh Punishment

Dramatic change occurs through industrial evolution

Industrialisation

New technology

- Steam engine
- Machines

Key industries

- Metallurgy
- Railways
- Gas lighting
- Glass making
- Paper machines

A transition from an **egitarian** economy to a **monetised** economy, trade becomes the economies the developed word. **Mass production of products**, changing mass standard of living. Wealth and luxury increasing with mass employment.

Limited liability legislation

- **Limited liability legislation** : Britain **1856**
 - **Separated private finance** of entrepreneurs from **investment**
 - If business failed, **personal liability avoided**

When a corporation is registered it is legally recognised as an individual entity, or separate person. When it fails it is responsible for any debt that occurs, shareholder are not responsible for debts that occur, and will continue to gain dividends - encouraging to invest.

Organisations

Systematically **arranged** frameworks relating to:

- **People, things, knowledge, and technologies**
- **In a design intended to achieve specific goals**
- **Organisational design**
 - Principles of **vertical** (hierarchy) and **horizontal division of Labor**

- **Defined responsibilities** and roles
- Integrated **routines** and **practises**

Bureaucracy : Max Weber (1864 - 1920)

- Selected to **observe Prussian army and industrialization** - reflects the **organisational approaches of time period**, based on bureaucratic principles
- Describes ideal organisations as rational legal bureaucracy
 - **Legal : Submission to rules and procedures**
 - **Rational : Predictable, non-arbitrary**
 - **Fair : Right to appeal, equality**
 - **Negatives : Depersonalisation and demystification**

Scientific management : Fredrick W. Taylor

- Principle of scientific management
 - **Time and motion studies**
 - **Specialisation and routinisation of work**
 - **Assumes one best way to manage**
- **Collaboration**
 - Manager : Planning, designing, supervising
 - Worker : Executing manual Labour
 - Pay based upon outputs

Uses stop watch, manufactures production line with several employees rather than signal employees completing all tasks. Created manual, using visual imagery to provide unskilled workers directions for their specialised and routine task respectively. Leading towards employee dissatisfaction through lack of pride and feelings of expendability. Observed workers, extracted knowledge, and provided to managers whom conduct employees telling them how to complete tasks.

Fordism : Henry Ford (1863-1947)

Henry ford and Taylor

Henry ford incorporated Taylors scientific approach throughout his company, notably through the development of the assemble line

- The **assembly line** -1913
 - Standardisation
 - **Constant production rate**
- Introduced "living wages: - **\$5, 8 hours day** for all workers irrespective of pieces produced - 1914
 - Reduced turnover
 - Reduced absenteeism
 - Ensured **workers could be consumers**

Employees must have demonstrated high moral character as they now represented the company, leading towards the development of department of sociology which checked employee habits to see if they are deemed fit to represent ford.

- Clean
- Sober
- Industrious
- Thrifty
- **Not union members**

Human relations movement : Mayo (1880 - 1949)

- Manager as therapist or social clinician
 - Pay attention to groups needs and human relationships
 - Workplace viewed as social system - Work as a group activity
 - Informal groups have influence
 - Social cohesion generates positive organisational benefits
 - Therapeutic interview - active listening

Counter approach to taylorism, implemented phycology concepts throughout his management approach. **Hawthorne effect**

Curator of the Hawthorne study - low and high lighting = greater productivity

"When a group realises that it is valued and forms social relations amongst its members, productivity rises as a result of the group formation" (Clegg et al 2016, p. 461-462)

Productivity will rise due to greater sense of importance and value.

Democratic management : Follet (1868 - 1933)

- **Participatory** management
 - Collaboration between managers and workers
 - Authority derived from function not hierarchy (authority of expertise)
 - Organisations not just about productivity but also social justice

Managers and employees must work collaboratively to benefit everyone.

Contemporary approaches

- Continuation of historical ideas
- Theory X, Theory Y (McGregor 1960)
 - McDonalds
 - Google

Theory X relates to	Theory y relates to
<ul style="list-style-type: none">• Task• Systems• Processes• Bureaucracy	<ul style="list-style-type: none">• People• Post bureaucracy

Emerging approach : Positive organisational scholarship

- Seeks to understand and foster civic virtues, social responsibility altruism, tolerance, happiness, and psychological wellbeing within organizations (Caza and Caza 2008)
- Tools
 - Post deviance
 - Strengths : values in action (**VIA**) and virtue (cameron and winn 2012)
 - Reflected best self (Roberts et al 2005)