

MANAGING PEOPLE AND ORGANISATIONS 21129

LECTURE 2 – FOUNDATIONS OF MANAGEMENT AND ORGANISATIONS

PRE-INDUSTRIAL SOCIETY: NO MANAGER 1

Small workshops

- Direct control by owner – Master Craftsman
- Owner fully liable if enterprise falls

Discipline of apprentices through:

- Ownership
- Control of resources
- Knowledge of means of production
 - o (metal fabrication, barrel making, carpentry, sewing, tailoring)

PRE-INDUSTRIAL SOCIETY AND EARLY MANAGEMENT IDEAS

Before 19th century

Slavery: Southern US plantations

- Simple systems and rules
- Strict surveillance
- Harsh punishment

Royal manufacturers in Europe

- Industrial strategy (for instance Colbert in France, 17th century)
- Branding
- Professional managers (experts) send by the kind
- A united organisation or sometimes a federation of independent workshops

The organisation of the army and the government. Religious organisations (for instance the Jesuits)

INDUSTRIAL REVOLUTION: LARGE SCALE ENTERPRISE

New technology:

- Steam power
- Machines

Key industries:

- Metallurgy → study of physical and chemical behaviour of metal and its elements
- Railways
- Gas lighting
- Glass making
- Paper machines

INDUSTRIAL REVOLUTION: LIMITED LIABILITY

Limited liability legislation: Britain in 1856

- Separated private finance of entrepreneurs from investments
- If business failed, personal liability (finance prison) avoided

MANAGEMENT: DEFINITION

Management is the process of pursuing organisational objectives through:

- Interpreting
- Planning
- Coordinating
- Communicating
- Accomplishing actions

ORGANISATION: DEFINITION

Systematically arranged framework relating to:

- Aggregation of resources (people, things, knowledge, technology)
- To achieve a specific goal
- To ensure predictability of behaviours

Organisational design

- Principles of vertical (hierarchy) and horizontal division of labour
- Definition of responsibilities and roles
- Integration: routines and practices

SCIENTIFIC OR HUMAN, THE GREAT DIVIDE

- Bureaucracy and scientific organisation
 - o Max Weber
 - o F.W. Taylor and H. Ford
- Human relations
 - o Elton Mayo
 - o Mary Parker Follet
- Contemporary ideas

MAX WEBER: BUREAUCRACY

- Observing Prussian army and industrialization
- Describes ideal organisations as rational-legal bureaucracy
 - o Legal: submission to rules and procedures

- Rational: predictable, non-arbitrary
- Fair: right of appeal
- Negatives: depersonalization and demystification

TAYLORISM: SCIENTIFIC MANAGEMENT

- F.W. Taylor
 - Worker and then engineer
 - Studies productivity
 - Becomes a consultant
- Principles of scientific management
 - Time and motion studies
 - Specialisation of work
- Collaboration
 - Manager: planning, designing, supervising
 - Worker: executing manual labour
- Pay based upon outputs
 - First analysis of incentives and behaviours

HENRY FORD

- The assembly line
- Mass production and consumption

MAYO: HUMAN RELATIONS MOVEMENT

- Manager as a social clinician
 - Pay attention to group needs and human relationships
 - Workplace viewed as a social system – work as a group activity
 - Social cohesion generates organisation benefit (motivation)
 - Therapeutic interview – active listening

MAYO: HAWTHORNE EFFECT

“When a group realizes that it is valued and forms social relations among its members, productivity rises as a result of the group formation” – Mayo

FOLLET: DEMOCRATIC MANAGEMENT

- Participatory management
 - Authority derived from function not hierarchy
 - Collaboration between managers and workers
 - Not just about productivity but also social justice

MODERN APPROACHES

- Continuation of historical ideas
- McGregor's: Theory X, Theory Y
 - McDonalds, Google

ENGINEERING APPROACH: POSITIVE ORGANISATIONAL SCHOLARSHIP