

**MGF1010: Introduction to Management**

Role of <b>Management</b> on People, Organisations and the Environment	
<b>Topic 1</b>	Management in Context
<b>Topic 2</b>	Theories of Management
<b>Topic 3</b>	Managing in and beyond corporations
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<b>Managing</b>	
<b>Topic 5</b>	Planning, Organising, Leading, Controlling (POLC)
	Stop making plans; Start making decisions
<b>Topic 6</b>	Managing Information and Decision Making
	Make Better Decisions
<b>Topic 7</b>	Managing for Inclusion: Equality and Workplace Diversity
	Three Social Dilemmas of Workplace Diversity in Organisations: A Social Identity Perspective
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**Essay Outline**

**Introduction**

Purpose: To explore

Scope:

Structure:

Stance:

**Conclusion**

Summary of key arguments:

Stance:

Future of subject matter covered in essay:

**Management in Context (Topic 1)**

**Making Sense of Management: A Critical Introduction**

When management fails, there is demand for a revitalisation of management – either by strengthening leadership or by flattening hierarchies.

Knowledge workers, such as managers, are considered the ‘key to our salvation’.

‘Management is a set of techniques and disciplines that promises to address problems that are defined as soluble by the technical solutions that it provides.’

**Capitalism and Management**

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<b>Capitalism</b>	politico-economic system in which wage labour can be hired to create goods and services to be sold for profit
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The modern world is shaped by varieties of capitalism in which scientific and technical knowledge is applied to extract profits from the production and marketing of every conceivable product and service. Modern capitalism is characterised by the belief that science and related forms of knowledge guarantees progress, free markets ensure individual freedom and efficiency, affluent consumption is the path to happiness, and that experts in the form of managers know what is best for society. To fulfil these characteristics, managers hire waged labour and 'manage' them through coercive and manipulative practices to utilise their human capital for profit maximisation.

Contemporary Management should reflect Democracy.

The ‘management’ of activities within organisations is undertaken by ‘managers’ who are experts.

Modern management has been unable to prevent financial crises, terrorism, nuclear threats, ecological damage and global warming.

**Capitalism** underpinned by greed, superficiality, and hedonism influence contemporary management.

**Management and Managers**

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<b>Management</b>	A universal process comprising of a number of functions such as planning, coordinating etc. (technical definition)
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Management is a social practice embedded in values, politics, interest and relations of class, gender, ethnicity etc. It is bound up with the social situation of the managing group. **Managing is a social practice most intimately bound up with the social situation of the managing group.** The nature and significance of management depend upon the historical and societal contexts in which it emerges and takes shape.

Intermediary – between those who hire them and those whom they manage. Managers more often than not represent the interests and needs of those who hired them (owners/shareholders), rather than those whom they manage.

Historically, management was coercive and involved the use of threats to ensure that employees were completing their tasks. Today, management is seductive.

Managerial discretion is restricted and enabled by wider relations of patriarchy, ethnicity, capital and the state.

## Critical Theory (CT) and Management Practice

Purpose of Critical Theory is to challenge oppressive institutions and practices where there is little to no democratic accountability and/or there are significant negative consequences (e.g. gender stereotypes).

Individualism (which capitalism is based on) implies that we are self-determining beings whose achievements are linked to our innate and developed talents.

Critical Theory challenges this by arguing that while people differ, their achievements are a product of history and culture, not based purely on one's own talents.

Managers attempt to distance themselves from those that they manage and refrain from developing personal connections/relationships so it is easier for them to treat their subordinates as 'replaceable cogs in a large wheel of production' and a resource rather than a human being.

Subordinate motivation and behaviour, and therefore their performance however is conditioned by the moral evaluations they undertake of their manager.

Management practices assume, promote and reward certain values and behaviour while simultaneously frustrating and punishing other competing agendas.

In Critical Theory and Critical Management Studies (CMS), effective management is evaluated on its contribution to social justice, greater autonomy, responsibility, democracy, and ecologically sustainable development (progressive objectives). From this point of view, the purpose of management is not to preserve or improve structures for the realisation of a narrow set of organisational goals (e.g. profit/revenue maximisation) but to collectively identify and guide an alternative set of values and practices that are more humane, fulfilling, and less degrading (e.g. social justice).

Autonomy according to CT relates to the capability of human beings to make informed judgements about values, ideals, and paths that are comparatively unimpeded by dependencies and/or compromised by a subordination to inequalities of wealth, power, and status. Through responsibility CT refers to developed awareness of our (i.e. human beings) social interconnectedness and therefore, a realisation of how our collective responsibilities extend to how we look after the planet we live in.

## Democracy and Management

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### Democracy

a system of governance where decision-makers are elected into power by those that they govern and are held accountable for the decision they make

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The main aim of democracy is to ensure that all individuals subject to governance (be it in general society or a specific organisation) have the opportunity to evaluate their contemporaries (i.e. candidate) to ascertain which one(s) would best represent their interests. Given competing interests, this form of governance should result in the most representative form of political organisation, at least in theory. It should be noted that the effectiveness of a democratic system is dependent on the level of critical reasoning, reflection, and analysis undertaken by voting individuals prior to voting.

For democracy to be effective, the people that elect decision-makers into power must possess the capacity for critical thinking, reasoning and reflection.

In organisations, managers (those who make decisions) are not always elected into such positions by those who are governed by them and impacted by their decisions (i.e. employees).

Mainstream management thinking suggest management to be a technical occupation rather than a social relation involving political (i.e. need for democracy) and moral considerations (i.e. treating employees as human beings rather than replaceable resources).

## **Making Sense of Management**

Making Sense of management is critical because it is deeply complicit in the organisation and development of modern societies. In contemporary society experts in 'managing' have assumed the role of 'improvers' of established ways of doing things and ways of life in general. That is, those involved in management (i.e. managers) are hired to not only shape and regulate many aspects of our working life but also those of non-work domains such as leisure and personal services. Therefore, understanding what management is not only critical for self-preservation as an employee who 'will' be managed, but also for understanding how one could positively influence prevailing management practices to enhance the sustainability of society in future.

Leaders have the ability to influence, however there are a large number of managers who do not have the skillset to be a leader. Often non-managerial employees can be more important in assisting the business to achieve its objectives and outcomes.

Management is represented as a science and a technical practice – acquired through formal education and rational decision making.

Management decision-making is constrained by imperfect information, human capabilities, (level of technical expertise), deadlines and biases of the decision-maker, and therefore is not rational.

Management is a social practice, not a technical one.

## **Conclusion**

The functioning of modern society is based on the values of capitalism where economic growth and wealth creation is seen as the panacea for human well-being.

Mainstream thinking represents management as a technical activity void of social relation which is in contrast to the vivid reality of management and managers as those that 'break-in' employees on behalf of those who control capital.

Critical Theory challenges mainstream thinking of management by arguing that the effectiveness of management practice is predicated on its influence on a number of socially desirable outcomes rather than simple wealth creation.

According to critical studies, management is a social practice. The mainstream view of management argue that it is a technical practice. It ignores how power relationships shape the formation and organisation of management.

For management to be truly transformative and beneficial to all stakeholders, it is necessary to engage in a democratic form of management.

Given the impact management and managers have on the creation of wealth and poverty, pollution, and consumerism, it is necessary to work towards a more critical perspective of the same rather than embrace the popularly held mainstream view.

### 3 Skills Every 21<sup>st</sup> Century Manager Needs - Alvesson & Wilmot

#### Code Switching Between Cultures

Cultural Code Switching is the ability to modify behaviour in specific situations to accommodate varying cultural norms. This involves being able to manage psychological challenges that arise when someone tries to act on their cultural knowledge.

The first step requires individuals to diagnose the challenges they face. *An example includes realising that a harsh leadership style may be needed to ensure employees complete their work on time.*

The second step is for the individual to adapt their behaviour to reduce their distress. This involves making small steps that bridge the gap between the current management behaviour and required behaviour. These steps are true to the individual's values.

The third step is to fully appreciate the value of code-switching. This can be done by visualising how the ideal outcome aligns with the individual's (initial) goals and values. This makes adapting the new and required behaviour easier to do.

Once a manager can see the positive benefits and results of using the new management style, it will become easier for them to continue embracing it and feel comfortable doing so.

#### Wielding Digital Influence

As companies become less hierarchical, the effective use of online networks will be crucial to success. To build an effective online network, you need to focus on three things: **reputation**, **specialization**, and **network position**.

**Reputation** is “currency” – it is how you get people that you've never met to seek you out, collaborate with you and give you information. You enhance your reputation in the virtual world by offering interesting content which will draw attention and which may further motivate others to act on your ideas.

**Specialisation** involves understanding deep knowledge in a specific field both inside and outside your organisation. It also refers to committing to constantly wanting to learn and being willing to offer relevant information and referrals to others.

**Network Position:** Good networkers use their contacts as a source of feedback on work challenges of all sorts. Therefore, if your network is strong, you are connected to well-placed colleagues and can gain a greater understanding of how to tackle difficult tasks. The best online networkers also position themselves as bridges between unconnected groups. This can increase your influence, because it gives you a chance to identify potential collaborations or conflicts and to accumulate superior information.

#### Dividing Attention Deliberately

Modern workers have been found to switch task every 3 minutes. These switches are due to 'internal' rather than 'external' sources of distraction – meaning that our minds simply wander. As our brains are built to multitask, managers should be more accommodating in order to facilitate the most efficient workplace. Workers who use the internet for leisure purposes, (WILB – Workplace Internet Leisure Browsing) have in fact shown an increase in productivity by 9%.

## Theories of Management (Topic 2)

### Organisations and the Business Environment (Chapter 1)

'Organisations are **social arrangements** for the controlled **performance** of collective goals.' – Buchanan and Huczynski (2003)

Organisations consist of people who perform a role without which they will not have membership in the organisation. They have a clearly defined hierarchy and limits, and have collective goals to which all members should 'subscribe' to.

Organisations facilitate **synergy**, which refers to the benefits that can be gained when people work together. ( $2 + 2 = 5$ ). Two specialists working together can enable a task to be accomplished that neither member could accomplish alone. Additionally, adopting the format of an organisation enables increased performance owing to the establishment of formal systems of responsibility and authority. When such systems are implemented, they enable all members to fully understand how roles are divided, and to accept and respect both responsibility and authority. They facilitate synergy and an effective division of labour by co-ordinating activities so that individuals act in concert to the overall benefit of the organisation.

Why do organisations exist?

- To facilitate 'synergy' – benefits that can be acquired from people working together than apart
- To facilitate 'division of labour'
- Establishment of formal systems of responsibility and authority

**Classical Theories** – organisations were viewed as formal structures through which a hierarchy of management could achieve organisational goals and objectives. These theories suggested effective management could be distilled down into rules, guidelines or principles, which, within limits, would be transferable to all managerial contexts. Classical theorists focused on an organisation's output and productivity rather than the individuals in the organisation. Classical Theories state that if a certain managerial style or set of conditions is applied to the working environment, then individuals will respond in a predictable way.

- Earliest ideas of management
- Emphasised the purpose of organisations and highlighted formal structures through which managerial hierarchies are created
- Effective management is a product of rules, guidelines and/or principles – Therefore the need for thinking was taken out
- **Focused on organisational productivity** than individuals within organisations
- Assumed human beings to be social and **work in predictable patterns**

‘To manage is to forecast and plan, to organise, to command, to co-ordinate and to control.’ Henri Fayol

**Fayol’s Fourteen Principles of Management**

Principle	Meaning	Principle	Meaning
Division of work	One man, one job; specialise work	Centralisation	Management authority and responsibility ultimately rests with the centre
Authority	Manager must be able to give orders and be sure they will be carried out	Scalar chain	The observance of an orderly hierarchy line of authority from bottom to the top
Discipline	Respect and order throughout the workplace	Order	Housekeeping, tidiness, order in the work environment
Unity of command	Remove confusion by having one employee report to one boss	Equity	Fairness and a sense of justice
Unity of direction	One boss is responsible for the planning and direction	Stability of tenure	As far as possible, provide job security
Subordination of individual interests to the general good of the company	Employees should be prepared to put the company first	Initiative	Staff should be encouraged to show initiative
Fair pay	Pay should be fair to the employee and acceptable to the organisation	Esprit de corps	Encourage and develop teams and a friendly working environment

**Fayol’s Six Activities** – Activities considered to be the principal areas of concern to an organisation

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|-----------------------|--|
| Technical Activities  | Security Activities                      |
| Commercial Activities | Accounting Activities                    |
| Financial Activities  | Managerial and Administrative Activities |

**Fayol’s ‘General Tenets of Management’** can be summarised as follows:

- Specialisation promotes efficiency
- Low employee turnover promotes efficiency
- Good morale increases productivity
- Employees should be treated equitably
- Unified goals + Coordinated efforts
- Authority carries responsibility

**Scientific Management** assumes a scientific model of man working in organisations. For a given work input, more output can be gained when work is organised using measurement, feedback and refinement.

Frederick Winslow Taylor (early organisational management theorist/father of scientific management) was the first to propound the idea of applying quantitative methods to management problems. This was because he was continually appalled by workers’ inefficiencies, as employees used vastly different techniques to do the same job. He introduced the idea of comparing employee performance against a standard, as well as emphasising the need for workplace ergonomics.

**The Principles of Scientific Management:**

- Development of optimum organisation structure via time and motion study and ergonomic design
- Development of scientific methods to replace the old ‘rule of thumb’ practices
- Scientific selection and training of employees
- Motivation by money

**Criticisms of the Scientific Management Principles:**

- It ignores the psychological needs of workers
- The subjective side of work is neglected
- Assumes that money is the only motivator
- Adopting a simplistic view of productivity
- Ignores the importance of formal and informal work groups
- Collective bargaining and trade unions do not have a role
- Viewed as 'organisations without people' (Systems Theorists)
- Anti-Union

Scientific Management has positively resulted in modern practices of the assembly line, work study, personnel, maintenance and quality control.

Henry Gantt argued that time could be used more effectively if tasks in an operation were carefully planned in sequence and resources were apportioned accordingly. The Gantt chart is a project planning tool where a project manager can see at any one time what should be going on and which activities will follow on from completed activities.

Max Weber found that people obeyed those in authority over them because of the influence of three types of authority:

- **Traditional Authority** is that which subordinates respond to because of their traditions or customs
- **Charismatic authority** occurs when subordinates respond to the personal qualities of a charismatic ('gifted') leader
- **Rational-legal Authority** occurs when subordinates obey a superior because the superior is in seniority over them in the organisational hierarchy. This form of obedience is the prominent form in modern organisations which Weber termed bureaucracy. It was believed adherence to bureaucracy resulted in increased efficiency. Administrative structure based on expertise and discipline. Bureaucracy is characterised by:
  - **Specialisation** applies primarily to the job rather than the job holder. The specialisation of roles 'belongs to' the organisation so that the specialisation can continue if any given specialists leave the employment of the organisation.
  - **Hierarchy** of authority stresses a strict demarcation between management and workers. Within each strata of the organisation, there should be clearly defined levels of authority and seniority.
  - **System of rules** is intended to engender an efficient and impersonal operation in the organisation. The system of rules should normally be stable and continuous, and changes in the rules should be in exceptional circumstances only.
  - **Impersonality** means that the exercise of authority and the extension of privileges should be carried out strictly in accordance with the laid down system of rules. No partiality should be given to any individual on personal grounds.

Criticisms:

- Stifles initiative and possibly innovation, can reduce effectiveness in the pursuit of efficiency

**Human Relations Theories**

The objectives of human relations' theorists are essentially the same as classical theorists – to achieve maximum organisational efficiency. While the classical theorists proposed a rational model that assumes a high degree of human predictability, the human relations' theories proposed that because organisations are composed of humans, focusing on human needs and motivation is the way to bring about optimal organisational output. The theorists believed that human resources are the most crucial resource for organisations.

Critics of the human relations' theory claim that it tends to promote employee satisfaction over organisation goals and encourages a soft/paternalistic style of management.



Led by Elton Mayo, the Hawthorne studies focused on studying individuals and their social relationships at work. The experiments controlled for social arrangements in the work place. Found worker output to increase when management considered employee social relationships and that workers continually formed groups to validate their identity. The findings also suggested that humans need to affiliate with groups and socialise could be greater than their need for monetary rewards. Both formal and informal groups influence worker behaviour – reconfigured production lines into a 'U' Shape. Modern human resource practices of 'self-managed work teams' can be traced back to the Hawthorne Studies.

One outcome of the Hawthorne studies is that social norms are the key determinants of individual work behaviour.

### **Systems Theory**

Systems Theory attempts to integrate the ideas of both classical and human relation theorists into one coherent whole. Systems theorists contend that the most realistic view is to see an organisation as a total system that is 'open' – one that interacts frequently with its environment.

*Input → Conversion → Output*

This involves an inter-related set of elements functioning as a whole: people and social groups, technology, organisational structure, and external environment. These elements work toward synergy in an attempt to accomplish an organisational goal that could not otherwise be accomplished by a single sub-system.

Effective and productive work are dependent on the interdependence between social conditions and technology (i.e. socio-technical systems).

### **Contingency Theories**

The roots of contingency theories can be traced back to systems theory. Effective management 'depends' upon a number of contingency variables. Contingency theories reject absolutist approaches proposed by classical and human relations theorists and instead argues for a relativistic approach to management. However, they do not reject the ideas of earlier theorists, but emphasised that they will not be applicable to all organisations in all contexts.

The essence of the contingency approach is that the manner in which an organisation should be managed depends upon the wide range of variables which may apply to that organisation at any point in time. This approach suggests that it is impossible to prescribe any one time of management in all internal and external conditions.

Two extreme forms of management: mechanistic and organic

**Mechanistic organisations** are similar to organisational systems advocated by classical theorists – suitable to stable environments.

- Tasks are specialised
- Clearly defined duties and procedures
- Clear hierarchical structure
- Knowledge and expertise centred at the top of the organisation
- Clear instructions and decisions from superiors as methods of control over organisational activity
- Insistence on loyalty of employees to the organisation and to their superiors

**Organic organisations** are designed based on the philosophies of the human relations movement – suitable to volatile/unstable environments.

- The importance of special knowledge, skills and experience to the success of the organisation.
- A continual redefinition of tasks as the environment changes.
- A network, rather than a hierarchical structure of control and authority (characterised by an increased importance of cross functional rather than hierarchical relationships).
- Superior knowledge is not necessarily related to a person's authority in the organisation.
- Communication is more lateral than up-and-down, reflecting an emphasis on information rather than instructions and commands.
- A widespread commitment of employees to the overall tasks and goals of the organisation.
- An emphasis on the contribution of individuals within the organisation.

In reality – organisations are neither 100% mechanistic or organic.

**Differentiation** – when managerial practices within a single organisation are diverse

**Integration** – when managerial practices within a single organisation are similar

Integration works best for organisations operating in stable environments while both differentiation and integration is necessary for organisations faced with volatile environments.