

UNDERSTANDING ORGANISATIONS THEORY AND PRACTICE

- 1) **First Perspective: organisations as rational tools**
 - Scientific organisation/bureaucracy theory
 - Contingency theory
 - Design thinking/open organisations
- 2) **Second Perspective: Organisations as social systems**
 - Organisational culture and identity
 - Power and politics
 - Institutional theory
- 3) **Third perspective: Post-modern theories**
 - Critical perspectives
 - Sensemaking and organising
 - Paradox theory
 - ANT/Practice

1. Organisations as Rational Tools

Fayol	<ul style="list-style-type: none">• principles of management• specialization, formal reporting system, tenure
Taylor	<ul style="list-style-type: none">• Taylorism/Fordism• one best way/scientific organization
Weber	<ul style="list-style-type: none">• bureaucracy• technical rationality/legitimacy based on written norms

1.1. Classic theories of organisation and management

What is theory?

- **Theory:** built from selected concepts to explain, understand or appreciate the phenomenon of interest.
- **Concepts:** categories for sorting, organising and storing information relevant to the phenomenon of interest.
- **Phenomenon of interest:** what you want to explain, understand or appreciate.

Different perspectives:

- a) Modern:
 - Reality is objective – theory purpose is to describe it faithfully, avoiding biases (positivism).

- Focus on quantitative studies (reliable/valid).
- Objectivist epistemology (representation/generalisable knowledge).
- b) Symbolic:
 - Interpretation plays an essential role in our understanding of the world.
 - Focus on qualitative studies/ethnography (credible/trustworthy).
 - Interpretivist epistemology (contextual, but transferable, knowledge).
- c) Postmodern:
 - Critically appreciate phenomena, becoming aware of power relations.
 - Central role of language and discourse.
 - Constructivist/reflexive epistemology (power shapes knowledge).

Key words: effectiveness, efficiency, productivity, management.

Founding Management Leaders:

- a) **Henry Fayol:** principles of management, division of work, authority, discipline, unity of command and direction, subordination, centralisation, hierarchy.
- b) **Fredrick W. Taylor (Taylorism):** scientific management, “one-best way”, goal is to maximise prosperity by achieving maximum efficiency.

Scientific Management Principles:

1. Analyse of works perform their task:
 - Observe what employees do
 - Collect their informal knowledge
 - Experiment ways of improving performance
2. Codify new methods in written standards and procedures
3. Select any employees who have the right skills and attitudes for the task and train them to perform it according to procedures
4. Establish desired performance level and develop a pay system that rewards for exceptional performances

Criticism of “Taylorism”:

- Loss of sense of belonging
- Sense of exclusion and separation of creative directors
- Non-codifiable expertise

Max Webber (bureaucracy): legitimation, authority, ideal-types, technical rationality, actions controlled by ideas (Weber 1919 [1946], p. 139).

- Objective: understand the subjective meaning that actors attach to actions within a specific social context.
- **Weber’s Description of modernity:**
 - a) Rationalisation: social actions, social relationships and social institutions becoming increasingly more “rational” in an instrumental sense.
 - b) Instrumental (technical) rationality: rationality based on the considered of the most effective means of achieving the ends.
 - c) Bureaucracy: the dominant organizing mode of modern society, based on this rationalisation process.

