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1. Foundations of Management + Organisations

A *theory* is an account of how thing work, which is, at its best, coherent in its terms applicable to phenomena that it seeks to interpret, understand and explain.

Practice is what connects disparate actors, material things, and ideas. In practice, managers situate themselves and are situated within knowledge that enables them to be coordinating, controlling and communicating with others. These 'others' may be thought of as stakeholders – people who have an interest in the organisation such as employees, shareholders, customers, suppliers and governments. In addition, they are interacting with various things.

Early M + O History: preindustrial management

Pre-Industrial Society: no managers
- Generally begin by pre-industrial Europe/USA = turning point towards understanding the current approaches to management and organisation. It allows us to see a contrast
- Originally there were no managers, but there were craftspeople (eg. Locksmith, farmer). They had professions.
- Small workshops
  - Direct control by owner – Master Craftsmen (Jacques 1996; Morgan 2006)
  - Owner fully liable if enterprise fails (Clegg, Kornberger & Pitsis 2011)
- Discipline of Apprentices through:
  - Ownership
  - Control of resources
  - Knowledge of means of production (metal, fabrication, barrel making, carpentry, sewing, tailoring)

Pre-Industrial Society: Early Management Ideas
- Master craftsman were manufacturing. Once they are convinced that they have character and knowledge, they are invited to join guild as a qualified individual to continue developing the knowledge.
- The owner of the workshop was not a manager and the workers were simply apprentices.
- Organisation of the army and government
- Religious organisations (eg. The Jesuits)
- East India Company 17th and 19th Century (Banerjee 2008)
- Slavery: Southern US plantations (Cooke 2003; Morgan 2006)
  - Simple systems and rules
  - Strict surveillance
  - Harsh punishment

Industrial Revolution (1760-1840): Large Scale Enterprise
- Industrial Revolution: transformed society, previously based on small manufacturing → created and developed steam power, machinery, understanding of chemicals. It gave rise to great technology including fast

transport = manufacturing of products on a mass scale: steam power, machine tools, chemicals
- When there is mass production of materials, more people were organised together as a company = need for a manager.
- Key industries: metallurgy, railways, gas lighting, glass making, paper machines

Industrial Revolution: Limited liability legislation
- Allowed the owner of a factory or business to not be personally responsible if that business encountered bankruptcy or being sued. The business and individual (manager) are separate entities. The impact on business enterprise = encourage the formation of more businesses and encourage more risk taking. Much more likely to take greater risks knowing that personally the manager cannot be held liable for the failure of that business.
- A lot to gain (all profits) but little to lose (would not be held responsible.)
- Britain in 1856
  o Separated private finance of entrepreneurs from investments
  o If business failed, personal liability (finance, prison) avoided

Definitions of management + organisation

Maneggiare: (Italian) Initially was pejorative – needed a manager to do their job properly.
- Was initially seen as a servile occupation (Fournier & Grey 2000)
- People are deeply involved with organisations at deep levels: working with them, buying from them, etc. Includes hospitals, stores. It is not limited to business.
- Defined as the process of pursuing organizational objectives through (Clegg et al 2011, p.9)
  o Communicating
  o Accomplishing actions
  o Coordinating
Different characteristics that define organisations.

Organisation: defined as a systematically arranged frameworks relating to people, things, knowledge and technologies, in a design intended to achieve specific goals (Clegg et al 2011, p.8)
- They are aggregation of resources, to achieve a specific goal, to ensure predictability of behaviours
- Its organizational design
  o Principles of vertical (hierarchy) and horizontal division of labour (bureaucracy)
  o Definition of responsibilities and roles
  o Integration: routines and practices

Taylorism: Scientific management
Frederick W. Taylor
- Founder of modern management, engineer, studies productivity, becomes consultant
- Occupational challenges and health challenges
- Tension between workers and owners of the enterprise

- He got people to specialise = work faster and more efficiently. He did this by analysing = scientific management.
- The people didn't have to be skilled or educated – they just learnt the way they made products at their production process.
- Principles of scientific management:
  - Time and motion studies
  - Specialization and routinisation of work
  - Assumes one best way to manage
- Collaboration:
  - Manager: planning, designing, supervising
  - Worker: executing manual labour
- Paid based on outputs

Taylor, Ford and the assembly line
Henry Ford followed so in the manufacturing of cars. He wanted to make cars cheaper and so developed an efficient process.

Mayo: human relations movement
- Another approach. Management movement gave way to human relations movement.
- If more people were empathetic to one another, they gave more of themselves
- Manager as a social clinician
  - Pay attention to group needs and human relationships
  - Workplace viewed as a social system
  - Informal groups have influence
  - Therapeutic interview: active listening

Mayo (1880-1949): Hawthorne effect
- Therapeutic interview: gave people an outlet to express their pain, fear, anxiety and distress → soldiers from the war that suffered post traumatic stress disorder. He explained his findings → its about people feeling valued.
- Productivity continued to increase regardless of the lighting situation because they felt valued with the amount of people in lab coats and etc.
- When a group realizes that it is valued and forms social relations among its members, productivity rises as a result of the group formation (Clegg et al 2011, p. 464)

Follett (1868-1933): Democratic management
- Tension between employees and managers is a lose-lose situation. Needs to be mutual respect to prosper. They both feed on the success of one another. She advocated power WITH each other.
- Participatory management:
  - Authority derived from function not hierarchy
  - Collaboration between managers and workers
  - Not just about productivity but also social justice