1 Introduction to Management

What is Management? International scholar Professor Henry Mintzberg on Managing
- Art/craft/Practice, Long/short – vision/timeframe, flawed, tech challenges, Management practice is fundamentally the same, hasn't changed, fundamental human activity, Tacit knowledge. Senate says 10 000 hours to get mastery. Fundamental human activity learnt in performance.

What is a paradigm? What are some changing paradigms for organisations?
- A coherent set of assumptions, concepts, values and practices that constitute a way of viewing reality…Must be accepted as ideal example and exemplar, shows people how to practice something. Paradigms frame what's thought as legitimate ways to conduct business at any given time. Technology, Social values/demographics, Time/space, Conceptions of theory and practice, Locations/managing, Globalisation, Social structures, Economies. Sensemaking – managers have to be highly skilled and competent in managing to make sense of what they do. (Clegg) "the ongoing, retrospective, development of plausible images that rationalise what people are doing" (Weick 2008: 1403-1404)

Understanding the term "management" – some etymology
- *Manus* = hand (Latin) *Maneggiare =* to handle or train horses (Italian)
  - In English, handling and thus managing resources.
- *Organum = wind instrument* (Latin), mechanical device. Organisations may be considered as tools designed for a specific purpose
  - In English, a systematically arranged framework relating people, thing, knowledge & technologies in a design intended to achieve specific goals.
    - ⇒ Organisation is reality, while brand is a collection of mere words.

Management Metaphors: coach, architect, conductor, referee, politician, jailor.
Organisation metaphors - Machine metaphor: classical approach, emphasises hierarchy, **Organism metaphor:** cultural approach: emphasises sharing common meanings and interpretations, **Family metaphor:** Human relations approach: emphasises a climate of openness, trust, commitment and collaboration, **Parliament metaphor**: Political approach: emphasises power politics of human interactions

Framing Managing
Managing entails framing: separating what deserves focus from that which does not.
Management - process of communicating, coordinating, and accomplishing actions in the pursuit of organisational objectives while managing relationships with stakeholders, technologies, and other artefacts both within and between organisations.

Managing refers to the things we do and say as managers – planning, leading, organising, controlling, handling
Is rational in that he/she systematically applies techniques that seek to achieve goals. Rational – systematic application of various techniques to achieve some given end or goal. Rationality – action that is produced according to some rule: action that is not random.
Organisations - "A systematically arranged framework relating people, things, knowledge and technologies, in a design intended to achieve specific goals" Clegg et al (2011). Characteristics of **rational** organisations - Purpose, objectives, and goals, Sites of action, practice, and experience, Structural design, formal roles, and responsibilities, Change is normal, Rules are both explicit and implicit.
Organisations built on rules which provide for rationality. Rule tells how things done in past and how they should be in future. If org's follow rules it is thought they will minimise opportunities for error. Protect org's, ensure rationality.

Organizational hierarchy
Refers to layers of communication, coordination, and control, Is top-down and centralized power, In many contemporary organizations is weakening due to need for adaptable, flexible organizational forms in an age of increasing uncertainty
Rules - Formal, professional, legal, standards, informal social rules.

Classifying Organisations
1. Sector (Government, Not-for-profit, corporate etc), 2. Industry type (manufacturing, retail, finance etc)
3. Structure (Shareholders, Board, types of managers)

2 Managing one best way?

- Founder of modern management, F. W. Taylor, engineering was the way to discover basic principles
- Henri Fayol stressed the centrality of authority relations.
- Max Weber theory of bureaucracy.
- Elton Mayo - central principle for organizing management was that of 'human relations'.
- Mary Parker Follett - democracy that ought to be central rather than bureaucracy

The 'One-Best-Way'
– Many management ideas reduced management to simple principles or *'one-best- way'* models
– Wherever economic activity has spread across the globe, general management theories have spread with them, often suggesting that there is one best way to manage – what today is often called *best practice*

- Principle of early modern management was efficient extraction of value from the labour that was employed
- Adam Smith and the Wealth of Nations – Capitalism is an economic system founded on the sanctity and dominance of private property rights organized through markets - The majority of people sell their labour power in a market for labour to owners of capital (*Capitalists*) which is consolidated in an enterprise.

What are some of the challenges associated with mass expansion size?

- The 'master' in charge rather than company that held control (had to have sub managers, suddenly getting organisation of labour that hadn't existed before)
- How could a single master exercise control over so many?
- How was the master to achieve effective governance over a vastly increased scale of operations?
  - Internal contracting
  - Standards highly variable (tyranny or benevolence)
  - Origins of trade unionism
  - Downward pressure form finance and upward pressure from trade unions led to standardisation of workplace routines (often based on military models)

FOUNDING FATHERS & MOTHER

- Max Weber– *Protestant work ethic* and the spirit of capitalism
- Jeremy Bentham – *Ulitarianism* - act for greatest good of greatest number, – *Panopticism* - capacity to be all seeing
- Fredrick W. Taylor – *Scientific management* - One best way
- Henri Fayol and his 14 principles

2.1 Karl Marx

Employee receive less value in wages than they created in profits.

2.2 Jeremy Bentham

Associated with utilitarianism (do what's best for most people) & how to control people.

⇒ "Surveillance is a way of controlling people's behaviour" – viewing from everywhere.
⇒ Panopticon principle: establishing the possibility of inclusive surveillance, aware that they may be being observed but are never sure whether they are actually being watched at that moment.

- The principle of inspection or surveillance instilled itself in the moral conscience of those who were being overseen. The aim was to produce a self-disciplining subject. The asymmetrical nature of seeing but not being seen, of knowing you were possibly being watched but not when or if you were, was designed to produce employees labouring under the threat of constant supervision.
  ⇒ **Michel Foucault: people are disciplined by surveillance; "Discipline & Punish"** - Idea that you can control behaviour by watching people.

2.3 Weber and Bureaucracy

- Members of a bureaucratic organisation adhere to the rules of that organisation. Bureaucracy is a form of organisational design, where action is as result of rule based procedures. (organisation characterised by rules)
- People obey orders as *rational-legal precepts* because they believe that the person giving the order is acting in accordance with a code of legal rules and regulations – this is the form of authority within bureaucracy.
  3 sources of authority based on rules 1) **Charismatic authority** means that deference and obedience will be given because of the extraordinary attractiveness and power of the person, 2) **Traditional authority** occurs where deference and obedience are owed because of the bloodline, 3) **Rational–legal authority** signifies that deference and obedience are owed not to the person or the title they hold but to the role they fill.
- Rationality principle – efficiency & practical results.

2.4.1 FOR BUREAUCRACY

- **Fairly predictable, offered opportunities** for careers and for individual members to specialize in what they most enjoyed and to develop these skills

- **Limit arbitrary power and privilege**. Must follow the rules but so must everyone else.
- Extent b treats you as case, expect to be treated according to precedents est by rules, rather than officer's whim.
- Bureaucracies **free people from arbitrary rule by powerful patrimonial leaders as** based on **rational legality**
- Bureaucratic organizations **provide satisfaction for those working within them as you know** exactly what to do and what you will have to do to get to where you want to be in the organization.
- H**ave a right of appeal in a b**. If application rules to cases illegitimate, rational recourse to appeal mechanism.
- No one are above the law, can escape rules, every office is accountable. B is a bulwark of civil liberty.

2.4.2 AGAINST BUREAUCRACY
- If everyone subject to abstract, impersonal rules, could be something menacing rather than comforting
- Cumbersome and frustrating for users
- Weber says if society organised strictly as a bureaucracy, it creates **an "iron cage of bondage", (restrictive and depersonalised)** a hierarchy of offices that interlock and intermesh, through whose intricacies people employed in the organization might seek to move, with the best hope for your future being that you would shift from being a small cog in the machine to one that was slightly more important. .

2.5 Frederick Taylor's principles of scientific management 1911
- Systematic study of relationships between people & tasks for purpose of redesigning the work process for higher efficiency (making people's work more visible)– (1) Mechanistic organization (a) one best way, developing a science of work – through observing/measuring norms of output, improvements made to design of workstations & tools, improving effectiveness & argued pay could be improved, (b) scientific selection & training employee – when mgnt did effectively HR developed to utmost potential; (2) Specialisation (a) combining the sciences of work and selecting and training of employees – benefit from higher wages and b), management and workers must specialize and collaborate closely – mgnt focus on mental labour, setting up/designing/supervising systems, workers concentrate on manual labour and leave higher order mental labour to managers. If everyone keeps to assigned tasks, roles, conflict between mgnt, workers eliminated.
- Scientific management - Principle there is one best way to organize work and organization. Science of management is based on principles of standardization of time & routinisation of motion decided by time & motion experts.
- He observed and timed work, and then redesigned it, so that tasks could be done more efficiently. Soldiering – ability to slow things down in organisation, view that people were lazy and management need to encourage workers to work, best way to organise labour was to time it, achieved specialisation, efficiency.

    Key elements of Taylorism
    1. Break tasks down into their simplest components so easy to teach and monitor, Job fragmentation enables owner to reduce skill requirements and training (job learning), time and motion study for job design and pay, replaces rule of thumb productivity estimates with precise measurements, payment by results (piece rate system), Sep design (planning of work) from execution (direct labour on shop floor) m's controlled design, workers produced, deskillin

    5 step model to efficiency
    1. Identify 10-15 good workers, study motions and use of implements
    3. Time elementary movements and select quickest methods
    4. Eliminate unnecessary movements
    5. Combine quickest movements with best implements

    Assumptions of approach
- *Money Motivates:* promoted differential piece rate (based on time-and-motion studies) i.e. low rate paid up to set standard, a bonus payable on reaching the standard, high rate payable above the set standard
- *Tendency to Idleness:* Need to monitor performance and punish deviations with authoritarian discipline, natural soldiering (take it easy to prevent fatigue), systematic soldiering (operate at informally agreed pace)

    Criticisms
1. Internal contractors stood to lose livelihoods if SM triumphed & replaced them with systematic managers.
2. Owners of capital, particularly small workshops – fearful new knowledge would undermine power of ownership.
3. Few managers were prepared to accept the productivity pay elements of T's system (preferred efficiency outcomes without costs of wages designed to achieve them)
4. Workers were increasingly organising in unions that were opposed to loss of craft skills entailed in engineering approach to management of standardisation and systematisation of work.
5. Idea that sm often associated with layoffs due to available work being completed sooner threatening to workers.

    ### 2.5.1 Strengths and Weaknesses of Taylorism/Scientific management
    Strengths - Improved quality because of standardisation**,** Efficiency
    Weaknesses - Boredom/loss of morale, Lower quality of goods, Lower turnover, Staff turnover, Could lead to overall loss of efficiency

2.6 Henri Fayol

- General and Industrial Management 1916 - Stressed management training. Without training, it was too much to expect that either legitimacy or rationality would follow. The training should focus on preparing management to plan, organize, command, coordinate, and control for optimal performance. To outperform Taylor's idea of sm, training program offered 14 principles to provide a manual for proper management, efficient organizations, and happy employees.

2.7 Elton Mayo: The Human Relations School - Hawthorn Studies key contributions
- Social relations an important aspect of work
- Productivity increases when workers form social relations

Strengths – productivity, people produce more because they feel valued

Weakness – when pushed to an extreme they can back off and take it easy, requires more involvement from the manager and understand a bit about people and treat them with dignity.

3.6.1 Eight Principles of Human Relations School

1. Work should be seen as a group rather than individual activity	5. When workers complain, may be manifestation of some more fundamental/psychologically located issue
2. Work is central life interest for most people	6. Informal social groups at work have a profound influence on the worker's disposition and well-being
3. The lack of attention to human relationships major flaw in most other management theories	7. Management can foster collaboration within informal groups to create greater cohesion and unity at work, with positive organizational benefits
4. In work, people find sense of belonging to a social group & seek need for recognition, satisfaction which is vital for their productivity	8. The workplace should be viewed as a social system made up of interdependent parts

2.8 Mary Parker-Follett: Social Justice

Published book called **Dynamic Administration (1941)** - Follett wanted to achieve not just productivity but also social justice. She suggested that Taylor's ideas were incomplete.

Follett's three principles of management
1. Functions are specific task areas within organizations, which should be allocated the appropriate degree of authority and responsibility necessary for task accomplishment
2. Responsibility is expressed in terms of an empirical duty: people should manage their responsibility on the basis of evidence and should integrate this effectively with the functions of others
3. Authority flows from an entitlement to exercise power, which is based upon legitimate authority

2.9 George Ritzer & McDonaldisation?

Extension of taylorism/scientific management.

McDonaldisation - Application of goal-oriented rationality to all areas of human life.

Ritzer argues that even those places and activities that used to offer some release from a routinized world (such as dating) have now been rationalized through four major mechanisms:

4 Basic Principles

1. Efficiency: Least input to gain highest returns - find the quickest simplest way to undertake your process and reduce waste. The McDonald's model dispenses with waitresses and offers only preformatted menus: it may not make for great choice or food but it creates a very efficient organization.

2. Calculability: Cheapening the cost of assembly – in McDonalds terms hire teenagers, in big business terms go off shore and set up in low wage countries, including sweatshops

3. Predictability: The product is always the same no matter where it is produced

4. Control: Minimise variation, this best achieved through the use of non-human technologies as these are more controllable. 4 management theories/approaches - Scientific management f.w taylor, Elton mayo, Max weber – bureaucracy, mcdonaldisation – ritzer. importance of understanding management practice than something scientific.