

Foundations of Management and Organisations

Chpt 14/15

Pre Industrial Society

- *No manager*
 - Direct control by owner
 - Discipline apprentices through control of resources & knowledge
 - Owner fully liable if enterprise fails
- *Early Management idea's*
 - most similar form of organisations of army & government
 - Religious groups – catholic church
 - East India Company – monopoly on trade
 - o Took on a government type organisation
 - Slavery – simple systems & rules/ strict surveillance/ harsh punishment

Industrial Revolution

- *New Technology* - steam engines & use of machines
- *Key Industries* - metallurgy/ railways/ Gas Lighting/ Glass Making/ Paper Machines
- Beginnings of a consuming society

Limited Liability Legislation

- Britain in 1856 – Separated private finance of entrepreneurs from investments – If business failed, personal liability (finance, prison) avoided.
- Meant we could purchase shares in new enterprises w/o being held personally accountable.
- Business enterprise can collect from investors & bankruptcy is linked with owners rather than investors

Management

- A term management derived from:
 - Italian *maneggiare* (horse handler)
 - Latin *manas* (hand)
- Was initially seen as a servile occupation (Fournier & Grey 2000)
- Defined as the process of pursuing organizational objectives through (Clegg et al 2016):
 - Interpreting
 - Communicating
 - Accomplishing actions – Coordinating

Organisation – *instrument for achieving specific objectives which facilitates the arrangement towards the achievement of defined objectives*

- Systematically arranged frameworks relating to:
 - people, things, knowledge, and technologies,
 - in a design intended to achieve specific goals

- Organisational design
- Principles of vertical (hierarchy) & horizontal division of labor
- Definition of responsibilities & roles – Integration: routines & practices

Bureaucracy & Scientific Organisations

Note: This is questioned in exam

- *Rational and predictable*
- *Rules apply to everyone (employee & employer) creating a more fair and equal environment*

Max Webber

- Observing Prussian army & industrialization
- Describes ideal organisations as rational-legal bureaucracy
- Legal: submission to rules & procedures
- Rational: predictable, non-arbitrary
- Fair: right of appeal
- Negatives: Depersonalisation & demystification → *depersonalized people as they are to follow duties whilst individual circumstances aren't accounted for.*

Taylorism - F.W Taylor 1856-1916

- Engineer/ Studies productivity
- He applied similar principles to then define 'scientific management' (meaning the engineering of management)
- Forms the principles of scientific management – work in most efficient ways
 - Time & motion studies **
 - Specialisation and routinisation of work – break down into tasks in most efficient manner possible
 - Assume one best way to manager
- Collaboration
 - Manager → Planning, designing, supervising
 - Worker: executing manual labour
- Pay based upon outputs

Henry Ford → Model T assembly line – example how Taylors principles were applied

- However it didn't utilize employees to the best of their ability

Mayo - as an Australian born psychologist, industrial researcher, and organizational theorist

Human Relations Movement

- Manager as social clinician
- Pay attention to group needs & human relationships
- Workplace viewed as a social – Workplace viewed as a social system
- Informal groups have influence – Informal groups have influence
- Therapeutic interview – active listening by managers to cater for the needs of their employees
- Emphasis on workplace culture

Hawthorne Effect – Mayo most famous for

- California Light bulb factory – tested how changes in work environment may change productivity mostly linked due to feeling valued

