Models of management

- Why study models of management?
- The competing values framework
  - Rational goal
  - Internal process
  - Human relations
  - Open systems
- Models for uncertain conditions

Management's Connection To Other Fields

- Academic Disciplines that Affected Management
  - ***Anthropology*** - work on cultures and social environments
  - ***Economics*** - concern about the allocation and distribution of scarce resources
  - ***Philosophy*** - examines the nature of things
  - ***Political science*** - effect of political environment on individuals and groups
  - ***Psychology*** - seeks to measure, explain, and change human behavior
  - ***Sociology*** - studies people in relation to their fellow human beings

Historical Background Of Management

- Organizations Have Existed for Thousands of Years
  - testifies to the existence of early management practice
    - ability to create the Pyramids, Great Wall of China
- Significant Pre-Twentieth-Century Events
  - ***Wealth of Nations*** - Adam Smith
    - ***division of labor*** - breakdown of jobs into narrow and repetitive tasks increased productivity
  - ***Industrial Revolution***
    - substitution of machine power for human power
    - large organizations required formal management

Why study models of management?

- Models simplify complex reality, so need to recognise and use several
- Models:
  - Identify variables
  - Suggest relationships
  - Reflect their context
  - Offer a range of perspectives
    - Unitary, pluralist, critical
- Thinking critically improves ability to use them

Rational goal models

F.W. Taylor (1856–1915) "scientific management"

• Employees feared that increasing their productivity would cause them or other workers to lose their jobs.

• Faulty wage systems set up by management encouraged workers to operate at a slow pace.

• General methods of working and rules from generation to generation were often very inefficient.

Rational goal models

A response to the problem of organising factory production efficiently

F.W. Taylor (1856–1915) "scientific management"

- Use scientific methods to find–best way
- Select best person for the job
- Train the worker to follow defined procedures
- Provide financial incentives
- Move responsibility for planning from worker

Rational goal models

- Methods greatly increased productivity and were widely adopted
- Aspects of the approach are still common
  - work measurement, bonus systems etc.

Rational goal models

The time-and-motion study involves breaking down the work task into its various elements, or motions, eliminating unnecessary motions, determining the best way to do the job, and then timing each motion to determine the amount of production that could be expected per day (with allowances for delays and rest periods).

Evaluating scientific management

- Can incur high human costs:
  - repetitive tasks alienate many people
  - reinforces power of managers over workers
  - focus on the individual ignores their social needs
- Are the assumptions valid in context? What alternatives? What are their limitations?

Internal process models: Weber (1864-1920)

This approach emphasizes the need for organizations to operate in a rational manner rather than relying on the arbitrary wishes of owners and managers.

Internal process models: Weber

Principles for organising large bureaucracy fairly

- Rules and regulations: to guide behaviour
- Impersonality: to protect against favouritism
- Division of labour: jobs are easy to learn
- Hierarchy: reflecting power to make decisions
- Authority: structure which ties system together
- Rationality: managers should use most efficient methods to achieve objectives

Administrative Management - Henri Fayol (1841-1925)

The administrative management approach focuses on principles that can be used by managers to coordinate the internal activities of organizations.

Administrative Management - Henri Fayol (1841-1925)

- Planning
- Organizing
- Commanding
- Coordinating
- Controlling.

Fayol's general principles of management

1. Division of work. Work specialization can result in efficiencies and is applicable to both managerial and technical functions. Yet there are limitations to how much that work should be divided.
2. Authority. Authority is the right to give orders and the power to exact obedience. It derives from the formal authority of the office and from personal authority based on factors like intelligence and experience.

3. Unity of command. An employee should receive orders from one superior only.
4. Unity of direction. Activities aimed at the same objective should be organized so that there is one plan and one person in charge.
5. Remuneration. Compensation should be fair to both the employee and the employer.

6. Centralization. The proper amount of centralization or decentralization depends on the situation. The objective is the optimum use of the capabilities of personnel.
7. Scalar chain. A scalar (hierarchical) chain of authority extends from the top to the bottom of an organization and defines the communication path. However, horizontal communication is also encouraged as long as the managers in the chain are kept informed.

8. Order. Materials should be kept in well-chosen places that facilitate activities. The same way, due to good organization and selection, the right person should be in the right place.
9 . Equity. Employees should be treated with kindness and justice.
10. Stability of personnel tenure. Because time is required to become effective in new jobs, high turnover should be prevented.

Evaluating internal process models

- Rules, regulations, impersonal procedures widely used, ensure consistency and seem fair
- Can be slow and inflexible
  - Conditions change more quickly than rules
  - Units of an organisation face different conditions
  - Rules may become more important than adding value: become an end in themselves

Human relations models

A reaction to scientific management and bureaucratic approaches

- The previous approaches can sometimes make jobs overspecialized, often resulting in worker resentment, monotony, poor quality, absenteeism, and turnover.

Human relations models

- Mary Parker Follett (1868-1933) graduated with distinction from Harvard University. She studied economics, law and philosophy.
- She proposed to replace bureaucratic institutions by networks in which people themselves analyzed their problems and implement their solutions.

Human relations models

- True democracy depended on tapping the potential of all members of society by enabling individuals to take part in groups organized to solve particular problems and accepting personal responsibility for the result.
- The human side should not be separated from the mechanical side, as the two are bound together. So managers should give workers a chance to grow capacity or power for themselves.

Elton Mayo and Hawthorne experiments

- Lighting experiment to test effects of light on output
- Unexpected result stimulated a fuller study of the effects of changing physical surroundings of the worker
- The relay assembly test room
  - Selected women staff, repetitive, measurable task
  - Regular changes to working time, rest breaks, refreshments – and asked for views
  - Results (next chart) led to conclusion that they had changed the *social* as well as the *physical* setting

Output in successive periods

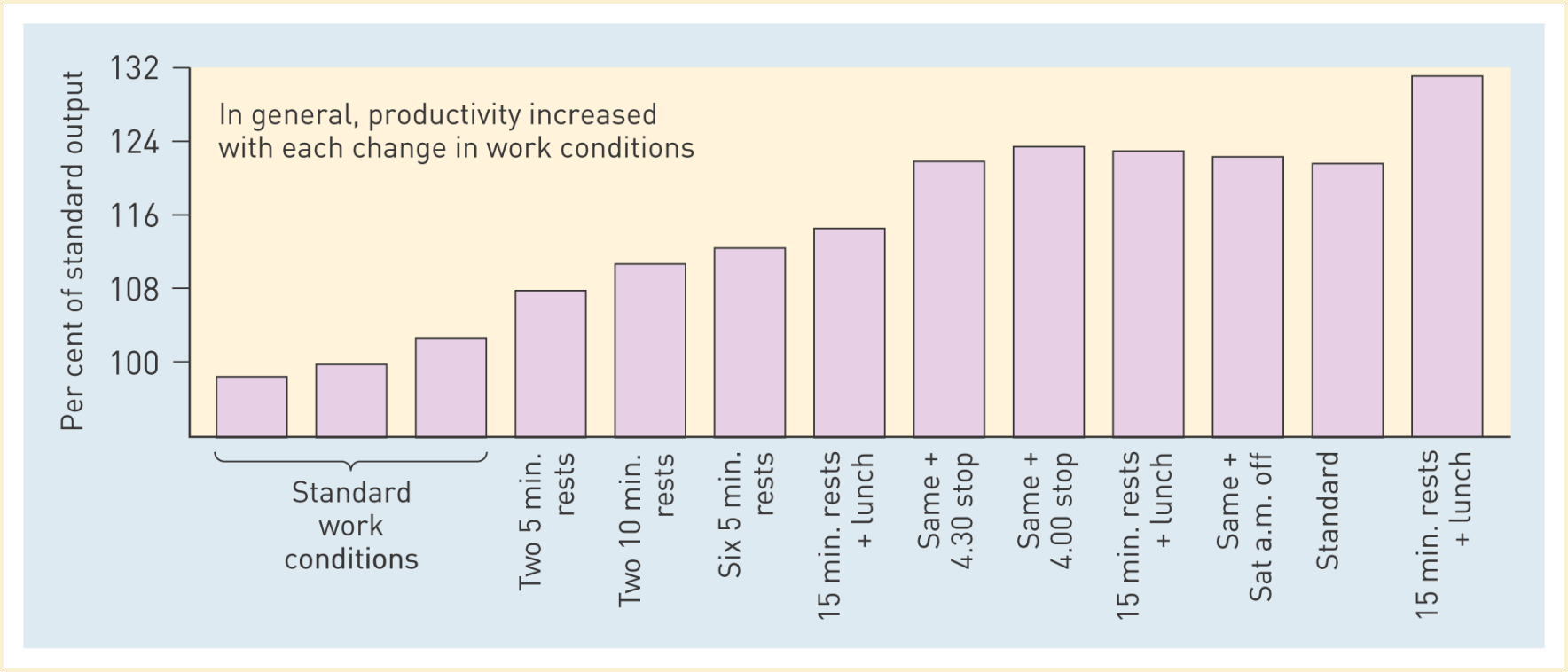


Figure 2.3 The relay assembly test room – average hourly output per week (as percentage of standard) in successive experimental periods

Source: Based on data from Roethlisberger and Dickson (1939). From *Behavior in Organizations*, 6th edition, Greenberg and Baron, © 1997. Reprinted by permission of Pearson Education, Inc. Upper Saddle River, NJ

Other Hawthorne studies

- Interview program – sought employee's attitudes to work and life in general
  - Showed close links between work and life outside
    - implied supervisors should pay attention to emotional needs of employees

Evaluating human relations models

- Influenced many management practices – modern HRM practices stress teams, work – life balance etc.
- Aim to integrate needs of individual with needs of organisation
- Critics claim these practices merely reinforce unequal power relations – power is still with the organisation
- Effects on performance unclear – other variables

Systems models

The systems theory approach visualizes organizations as systems.

A system is a set of interrelated parts that operate as a whole in pursuit of common goals.

Systems models

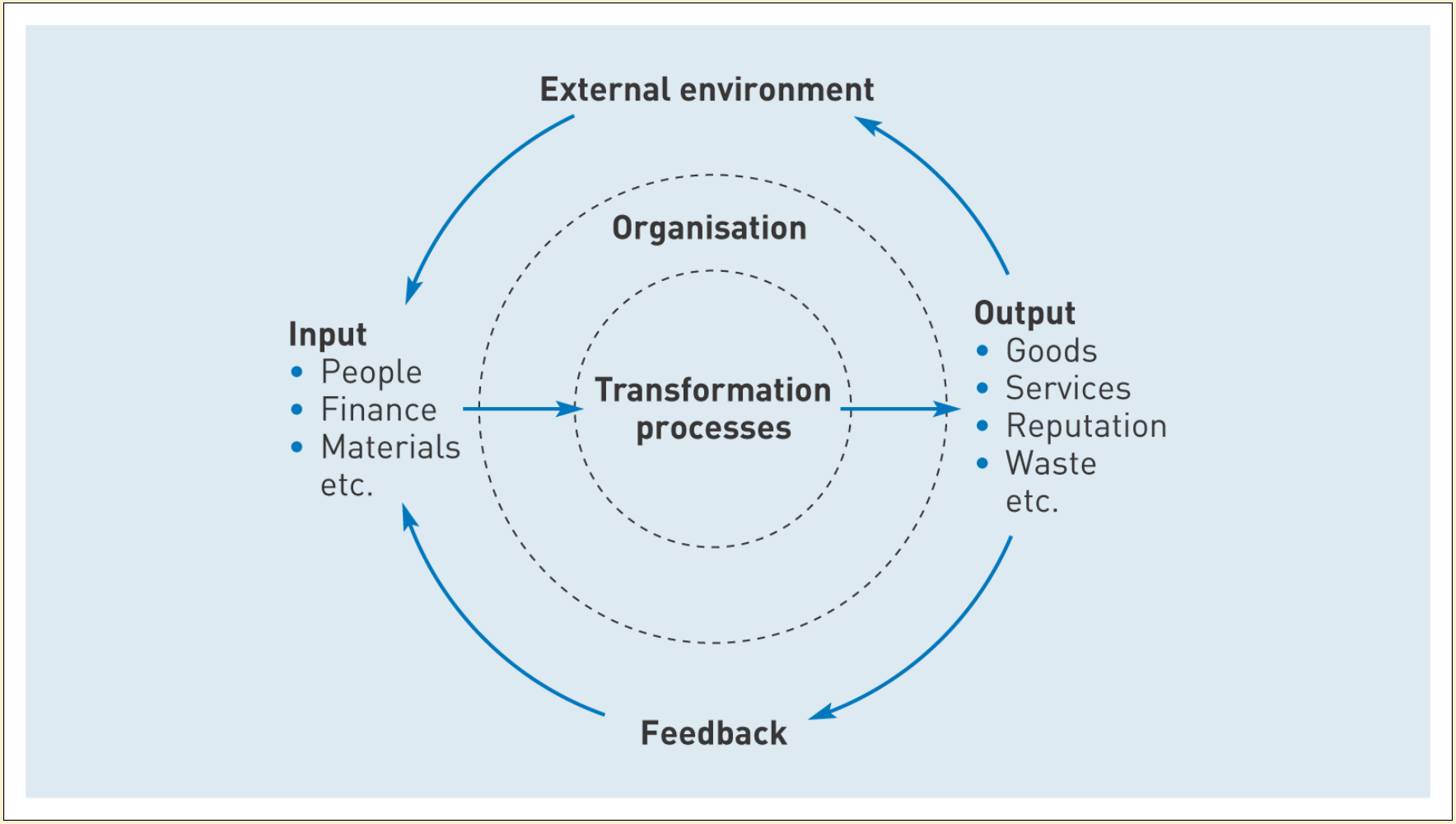


Figure 2.4 The systems model

Major Components

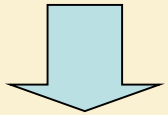
- Inputs are the various human, material, financial, equipment, and informational resources required to produce goods and services.
- Transformation processes are the organization's managerial and technological abilities that are applied to convert inputs into outputs.

- Outputs are the products, services, and other outcomes produced by the organization.
- Feedback is information about results and organizational status relative to the environment.

Subsystems are the separate but related parts that make up the total systems.

A subsystem within a department or faculty is a subsystem of a university.

The university is a subsystem of the higher education system



These subsystems interact with each other, and how people manage the links affects the functioning of the whole system.

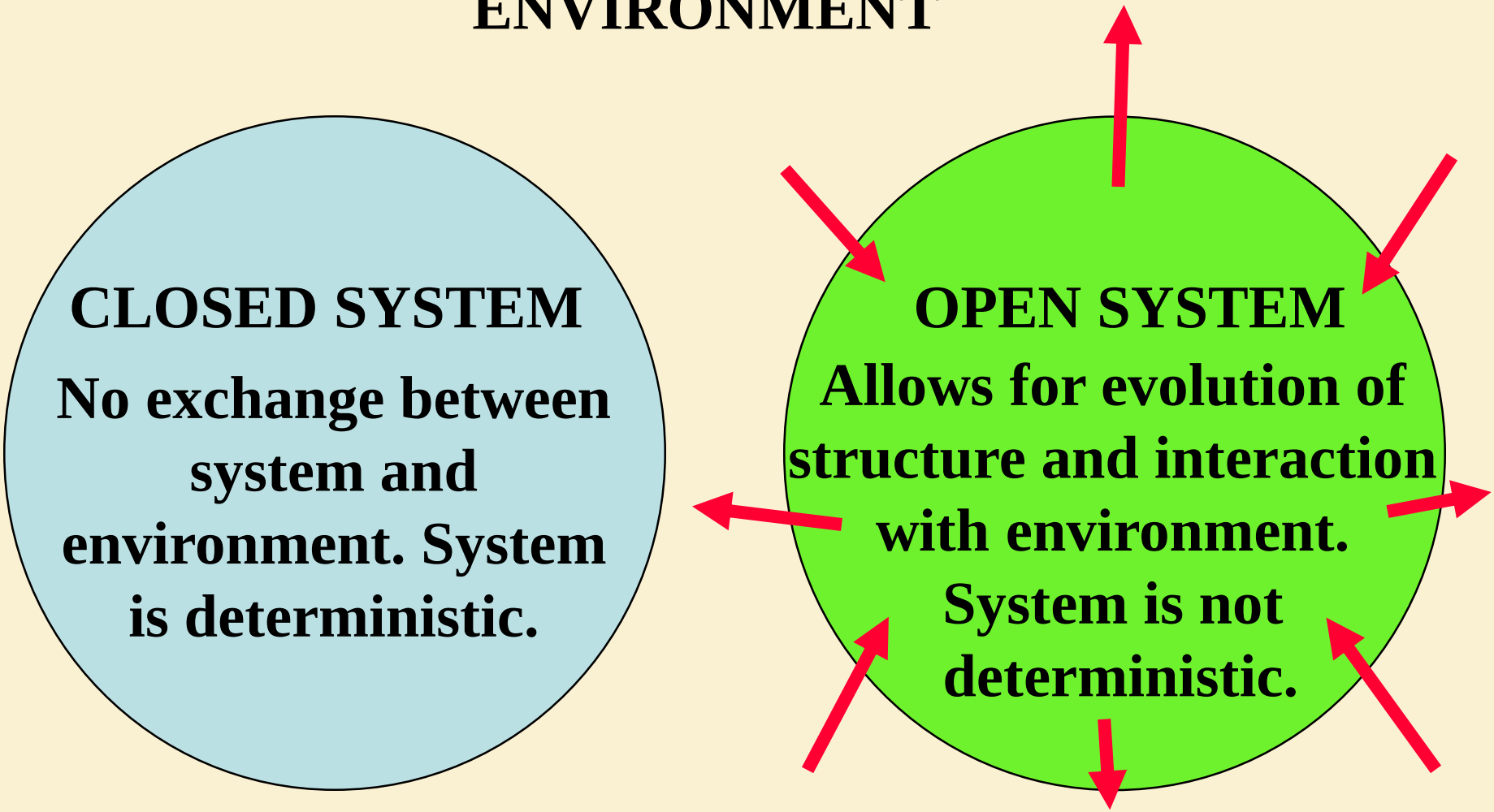
Systems can be open or closed.

An open system is one that operates in continual interaction with its environment.

A closed system does little or no interacting with its environment and receives little feedback.

All organizations are open systems

CLOSED VERSUS OPEN SYSTEMS

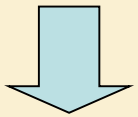


Two major characteristics of open systems are negative entropy and synergy.

Entropy refers to the tendency of systems to decay over time.

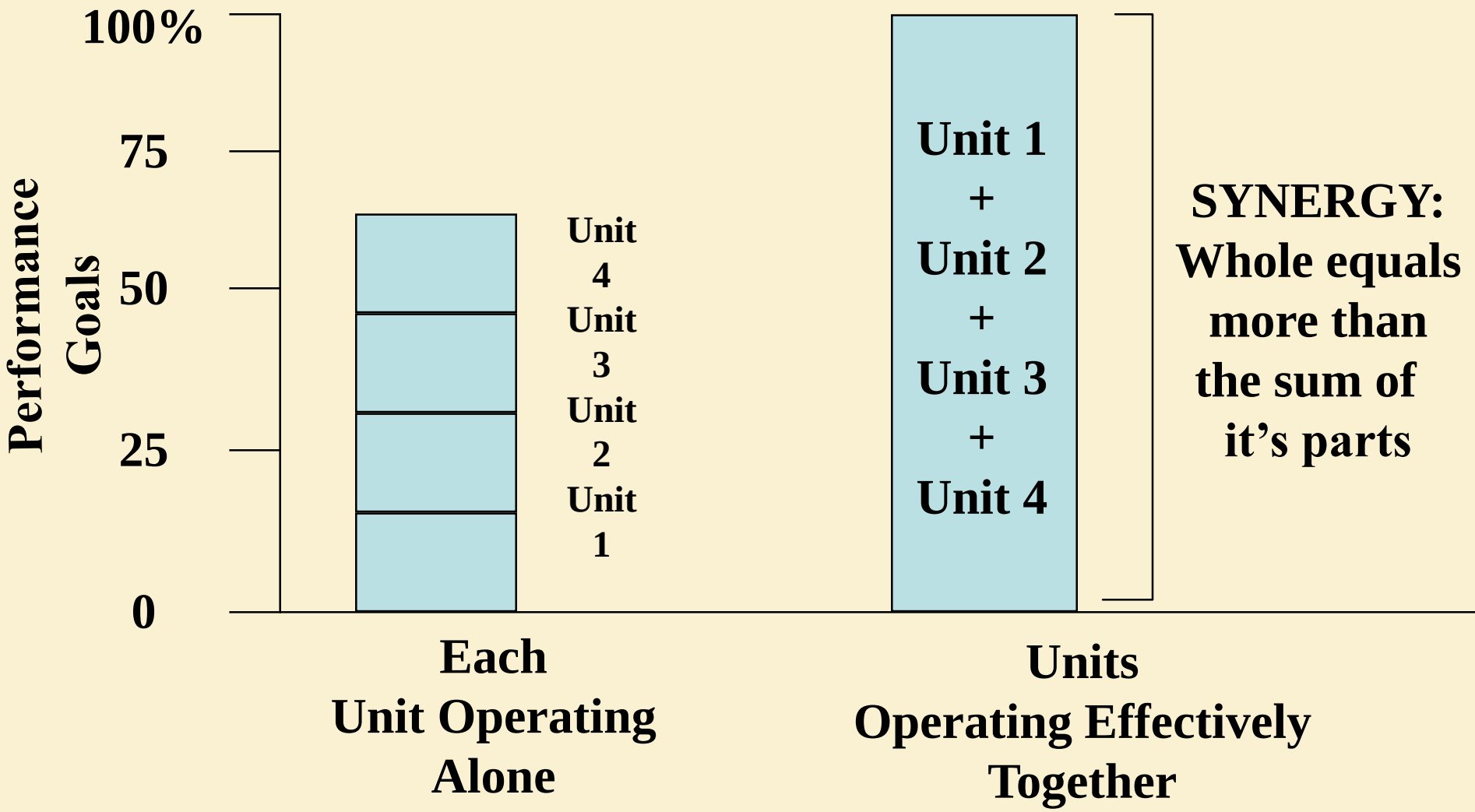
In contrast negative entropy is the ability of open systems to bring in new energy, in the form of inputs and feedback from the environment, in order to delay entropy.

Synergy is the ability of the whole to equal more than the sum of its parts.



An organization ought to be able to achieve its goals more effectively that would be possible if the parts operated separately.

SYNERGY AND PERFORMANCE



Sociotechnical systems

- An important variant of system theory is the idea of sociotechnical systems.
- This approach was developed from the work of Tavistock Institute in London

Sociotechnical systems

- Sociotechnical systems is one in which outcomes depend on the interaction of both the technical and social subsystems
- Sociotechnical systems aims to integrate the social and technical components: optimising one while ignoring the other is not productive.

Sociotechnical systems

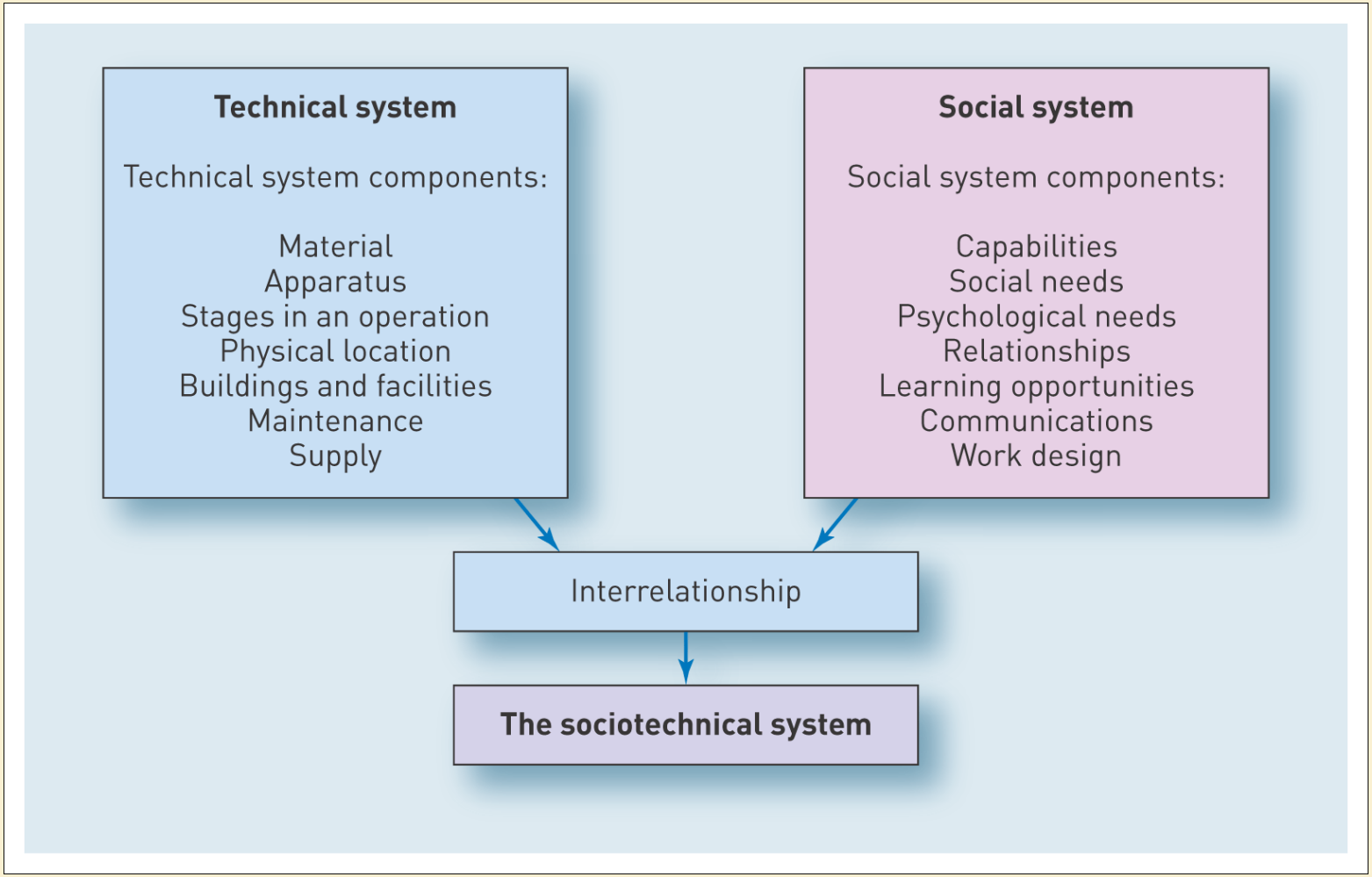


Figure 2.6 The organisation as a sociotechnical system

Interacting subsystems

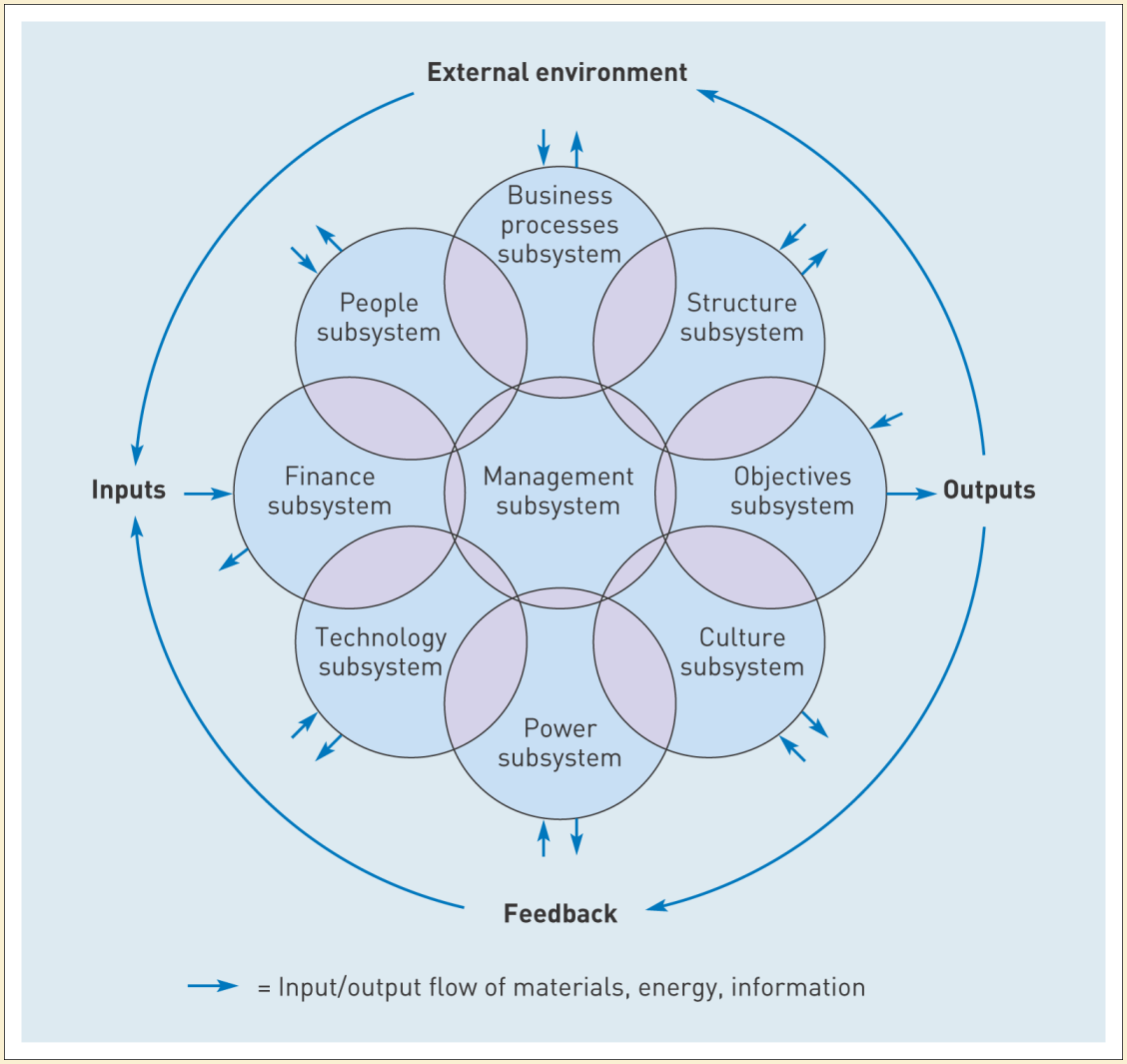


Figure 2.5 Interacting subsystems in organisations

Contingency Theory

Contingency theory argues that appropriate managerial action depends on the particular parameters of the situation.

Hence, rather than seeking universal principles that apply to every situation, contingency theory attempts to identify contingency principles that prescribe actions to take depending on the characteristics of the situation.

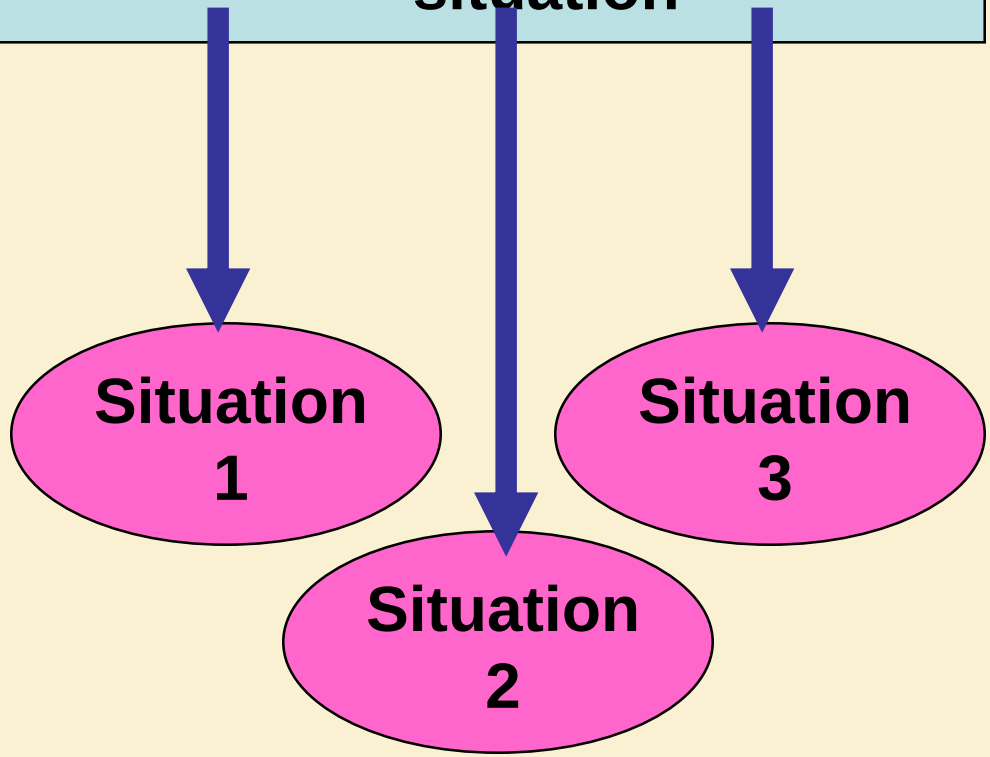
UNIVERSAL/CONTINGENCY VIEW

UNIVERSAL VIEW:

Same managerial principles apply to every situation

CONTINGENCY VIEW:

Appropriate managerial action depends on the situation



Types of culture (Quinn *et al*., 2003)

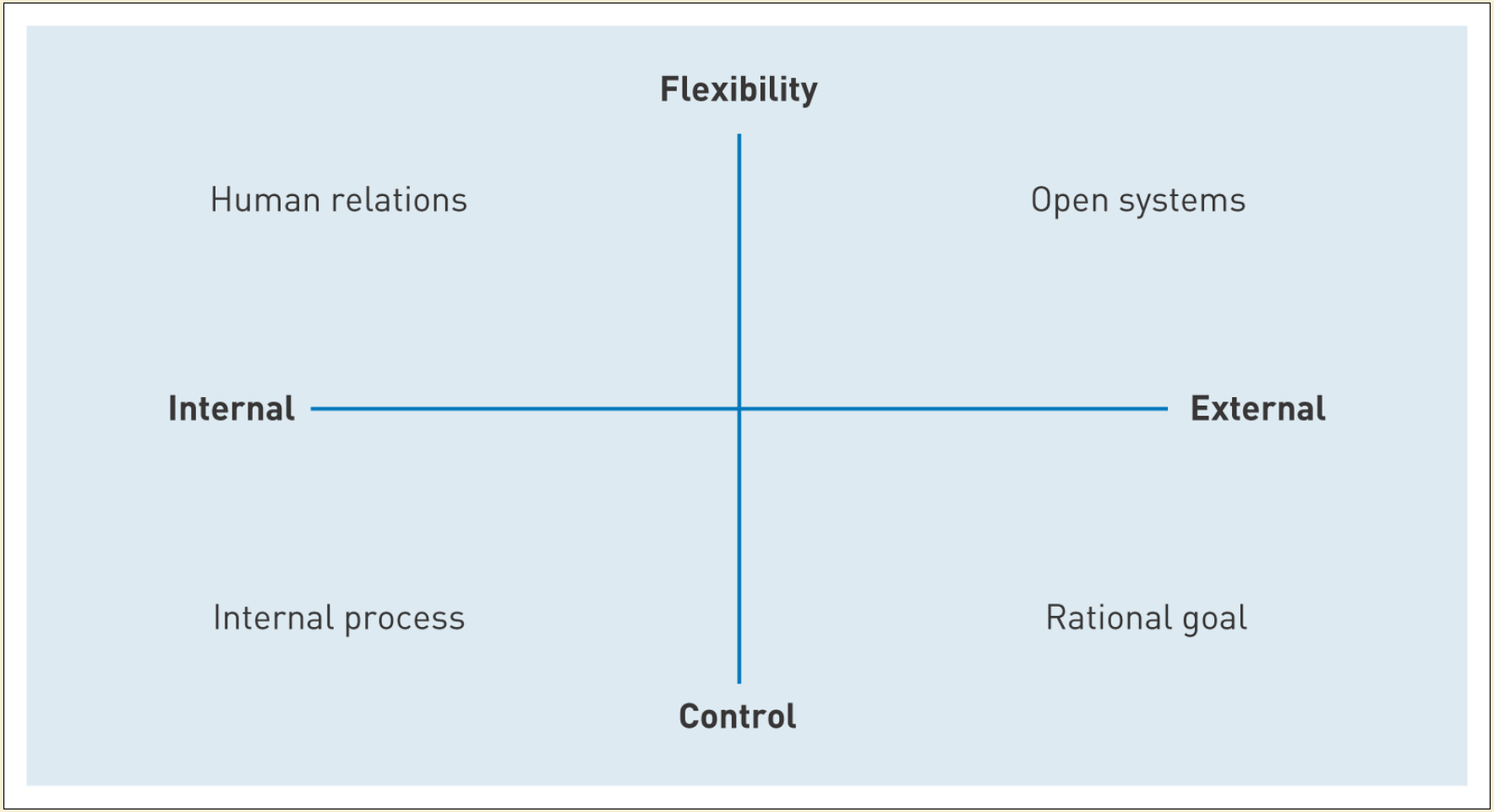


Figure 3.3 Types of organisational culture

Source: Based on Quinn *et al*. (200)

Contrasting assumptions

Linear	Non-linear
The organisation is a closed system. Generally, what it decides to do will take place without too much disruption from outside events.	The organisation is a complex open system, constantly influenced by, and influencing, other systems. Intended actions will often be diverted by external events or by the internal political and cultural processes.
The environment is stable enough for management to understand it sufficiently well to develop a relevant detailed strategy. That strategy will still be relevant when implemented.	The environment is changing too rapidly for management to understand it and to develop a detailed strategy. By the time a strategy is implemented the environment will have changed.
There are defined levers within an organisation that cause a known response when applied (cut staff numbers, increase profits).	Actions lead to unexpected consequences, which can be either positive or negative.

Table 2.4 Contrasting assumptions in linear and non-linear systems

Many variables, many models

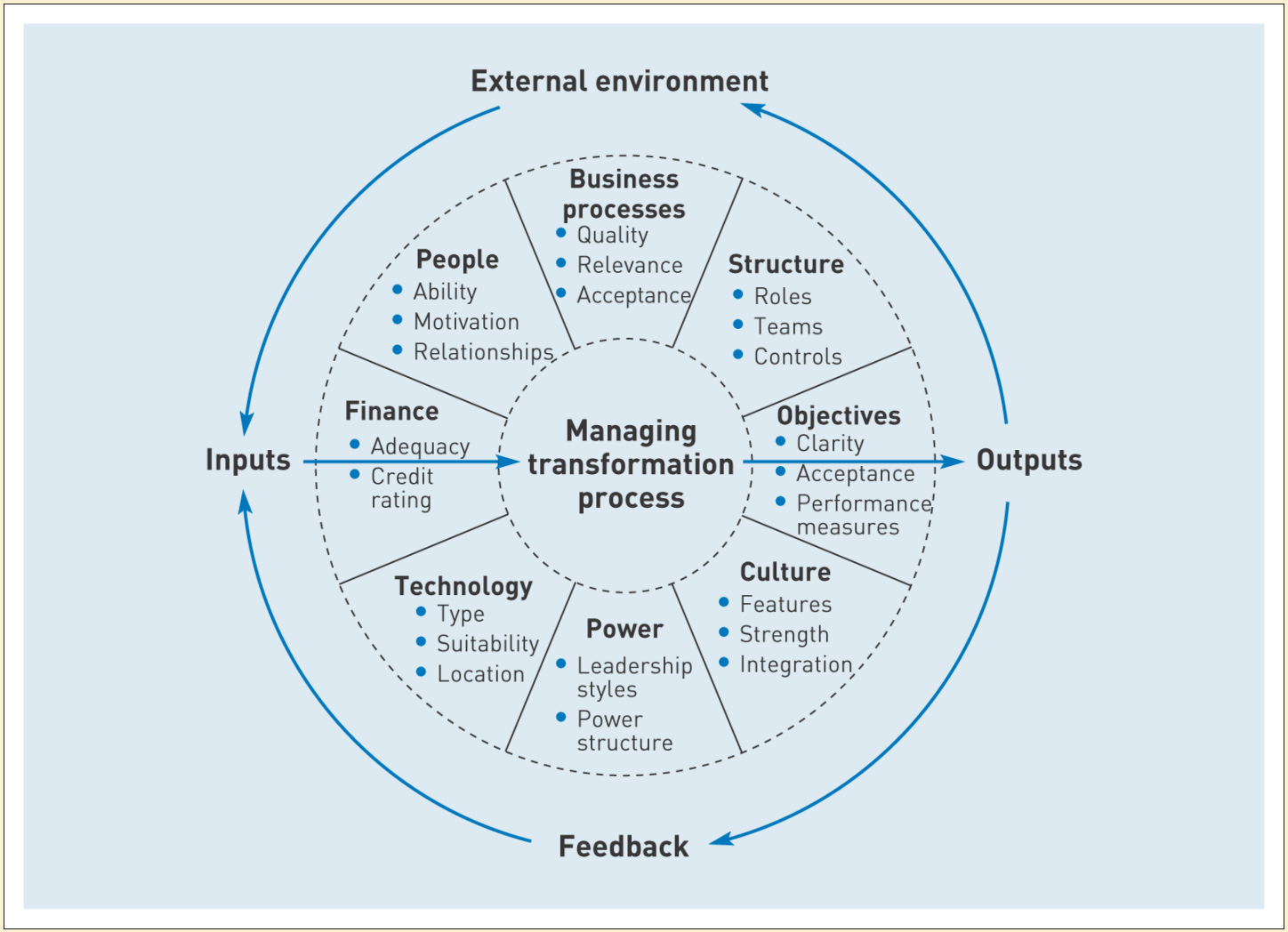


Figure 2.1 Some variables within the internal context management