

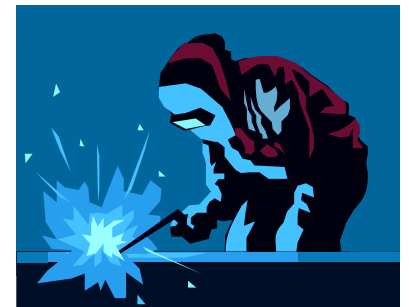


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Principles of Managing Organisations

2:

**Approaches
to Management**



Previously

- Everyone is affected by the existence and behaviour of organisations
- We are all members of organisations for most of our lives
- What happens in organisations depends on what people do
- Managers need to consider what affects human behaviour to better understand their people
(Rollinson, 2008)

Today's objectives



- To identify major trends in the development of OB and management thinking, and to contrast them
- Why are these relevant to management today?
- To explain the relationship between theory and practice
- To assess how management has developed
- To put the rest of the course in context

CLASS WARNING!!!

Moodle it.....

THEORY

ALERT

http://youtu.be/7QL_uG2GSZo?t=30s



Where did 'management' begin?

- Industrial revolution
- Large scale organisations
- Issues such as how they were run and organised needed consideration
- Why?
- To improve performance
- What can we do better/differently/more efficiently?
- Can these be 'designed in' to an organisation?



WHAT IS MANAGEMENT?

- **Management** – a process that involves planning, organising, leading (or deploying), and controlling resources in order to achieve goals
- **People management** - the process of trying to achieve goals in organisations with and through people.

Martin & Fellenz (2010)



Management theory

‘Every managerial act rests on assumptions, generalizations and hypotheses – that is to say, on theory.

Our assumptions are frequently implicit, sometimes quite unconscious, often conflicting: nevertheless, they determine our predictions that if we do “a”, “b” will occur.

Theory and practice are inseparable.’

McGregor (1987)



Main approaches to organisation, structure and management

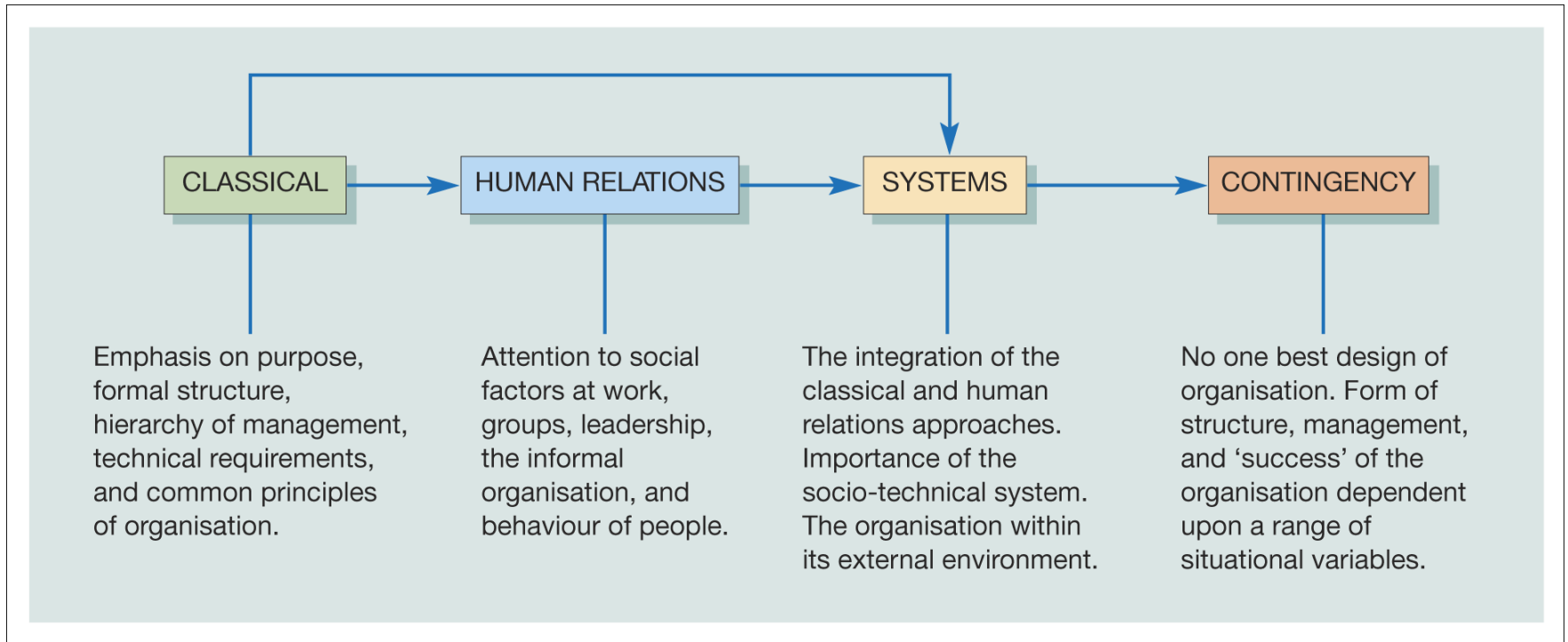


Figure 2.1 Main approaches to organisation, structure and management

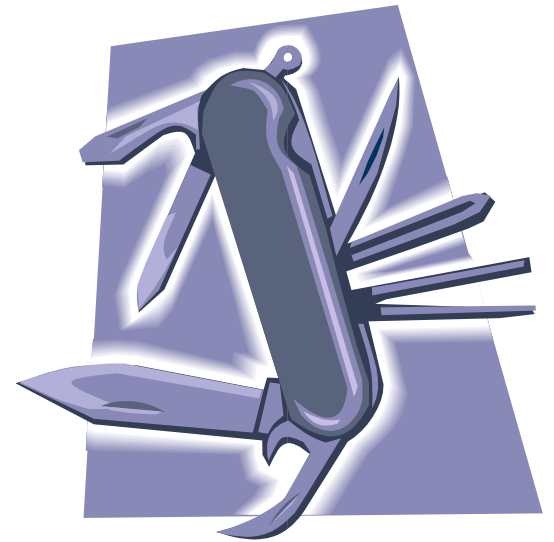
1: The Classical approach

The organisation is considered in terms of:

- Purpose
- Formal structure
- Planning of work
- Technical requirements
- Principles of management
- Rational and logical behaviour

In order to find:

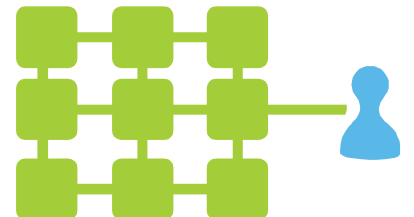
- The most effective structure



Principles of the classical approach

- Co-ordination
 - The need for unity of action, authority and discipline
- The scalar principle
 - The need for hierarchy, grading of duties and delegation
- Function
 - Specialisation and the distinction between different types of duty

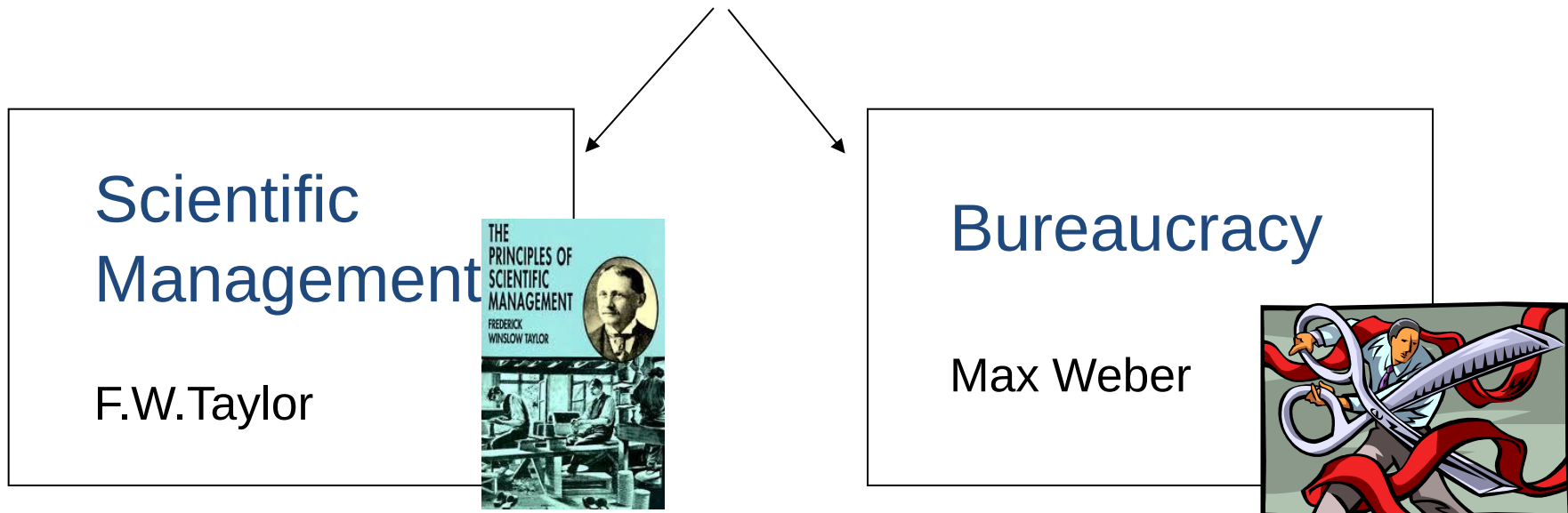
All about structure and efficiency achieved through rules and procedures



Classical approach: 2 main sub-groups

Common principles can be applied to all organisations, taking into account:

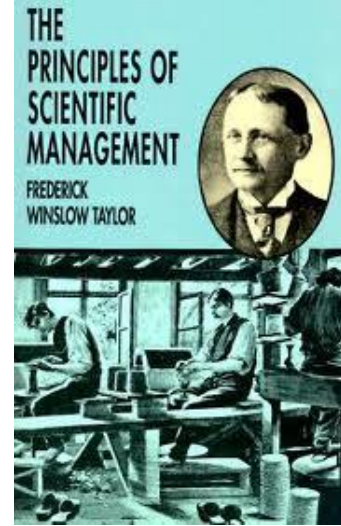
- The particular situation of each organisation
- The social and psychological factors relating to members of the organisation



Scientific management

F.W. Taylor, 1856–1917

- Belief in the possibility of a ‘best way’ to undertake a job
- Analysis of work into discrete tasks
- Identification of the ‘one best way’
- Use of the ‘rational-economic’ concept of motivation



Taylor's principles to guide management



- The development of a true science for each person's work
- Scientific selection, training and development of workers
- Co-operation with workers to ensure work is carried out in the prescribed way
- Good workers got hired, promoted and got paid more
- The division of work and responsibility between managers and workers

Activity 1



What are the possible problems with this way of working ?

Give an example of a hotel function/department where this highly structured approach would work well today

<http://youtu.be/6wKwQodt1Pg>



Critique of Taylorism

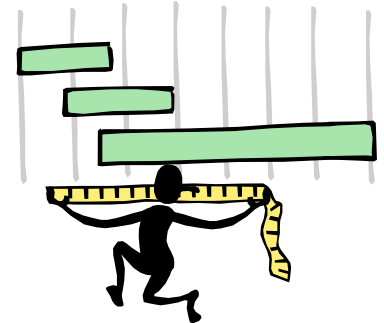


- Hostility and suspicion among workers and from unions
- The 'rationalisation' of work results in the de-skilling of workers
- Creates excessive levels of managerial control
- Tends to create rigid organisational structures
- Views workers as individual 'units of production' rather than social beings (machines)
- Organisation first, people second

Taylor's legacy to hospitality:

'Taylor... shaped the first coherent school of thought with application to the industrialised world.' (Stern)

- Work study systems
 - Payment by results
 - Management by exception
 - Production control - assembly line and Fordism
 - Systematic and procedural training
- = ways of removing any inefficiency



Happy workers? Drucker – yes

-> industrial harmony, safer, skills, managers coach

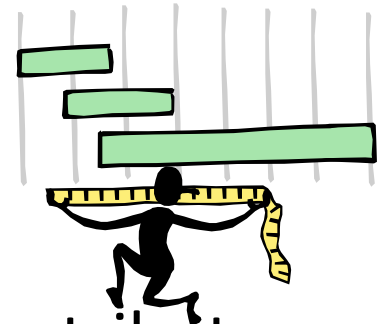
Everyone knows their place

Taylor's legacy to hospitality:

Managers need to find efficient and productive ways of working

Food prep & service, housekeeping – clear division of work and responsibilities; manuals/policies & procedures = standardisation

Performance targets (rooms cleaned per hour or shift). Bonuses if exceeded?



How this is done matters – can people contribute or are they just slaves to the machine?

Bureaucracy

Max Weber, 1864–1920 <http://youtu.be/YBCAIZPF0D0>

- Concept arose from his sociological studies of power and authority
- Belief in the superiority of an organisational structure which can survive changes in individual personnel
- That it is a means of introducing order and rationality into social life
- Emphasis on both expertise (the rule of experts) and discipline (the rule of officials)

Four main features of bureaucracy:

- Specialisation – job not people
- Hierarchy of authority – management/workers
- System of rules – for efficiency; must follow them
- Impersonal behaviour – laid down rules, little discretion



Stewart.

Activity 2

- Identify an example of a bureaucratic process in a hotel.
- Does it help/hinder service/productivity?
- When have you personally experienced bureaucracy recently?



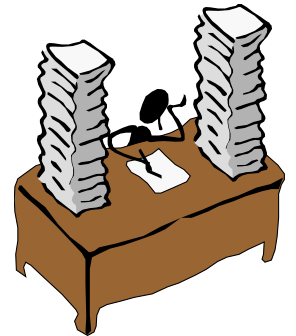
Is a hotel a bureaucratic organisation?

- Complex
- Technical knowledge
- Interdisciplinary working
- Large scale operations (chains)
- Multinational
- Departments e.g. kitchen brigade
- Good for staff/guests/management?

Does this help/hinder innovation and proactive customer service? e.g. complaints procedures

Critique of bureaucratic organisations

- They over-emphasise rules, procedures, record-keeping and paperwork, which become an end in themselves.
- They tend to emphasise status and ritual behaviour.
- Individual initiative can be stifled by rules.
- They cannot adapt quickly to changed circumstances.
- Their rigidity can restrict the psychological growth of their members.



Main approaches to organisation, structure and management

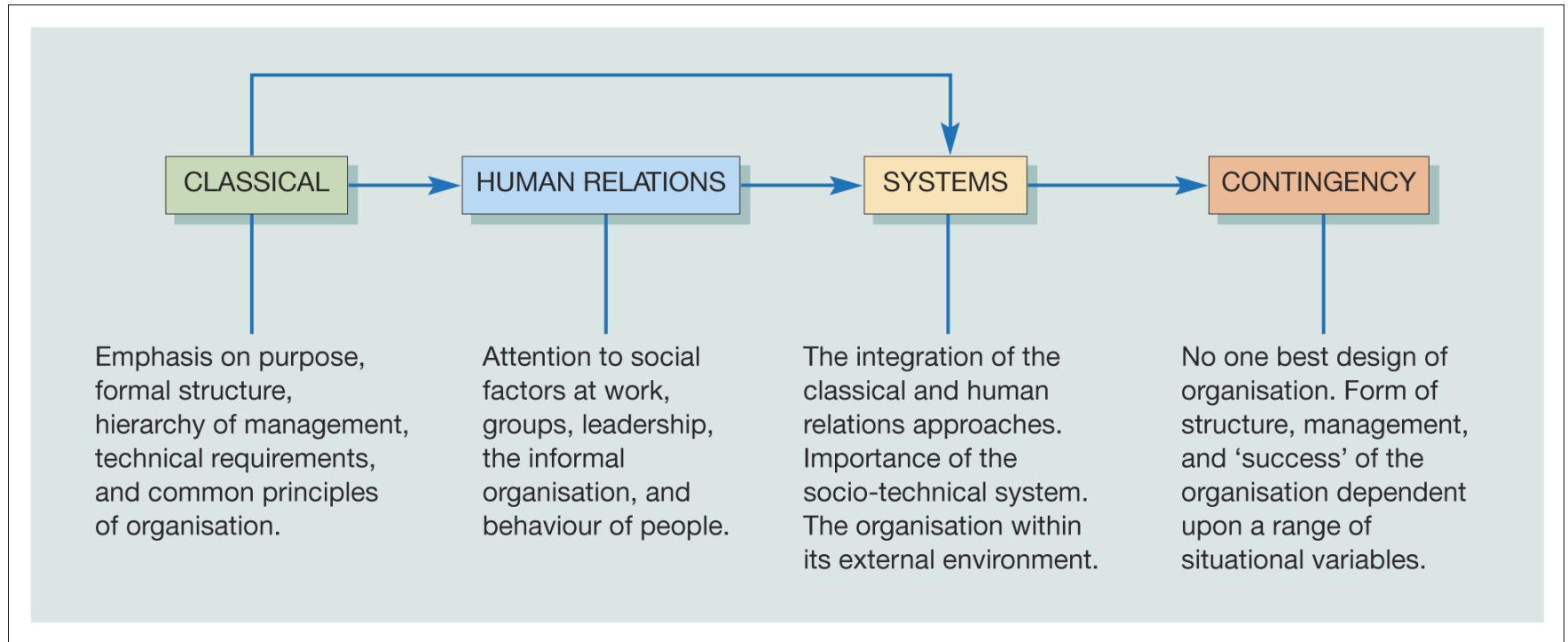


Figure 2.1 Main approaches to organisation, structure and management

2: The Human Relations approach

Elton Mayo, 1880–1949

<http://youtu.be/lxZoxN5IjFE>

- Hawthorne experiments at the Western Electric Company in 1920s Chicago
- 2 experiment + control groups
 - changed lighting at work
- Productivity went up regardless – WHY?
- Other things influence – social factors
- Focus on individual psychological and social needs
- The informal organisation, group norms influence worker behaviour



The legacy of the Hawthorne experiments

The humanisation of the workplace

People matter – they make a difference at work

Classical School =

‘organisations without people’

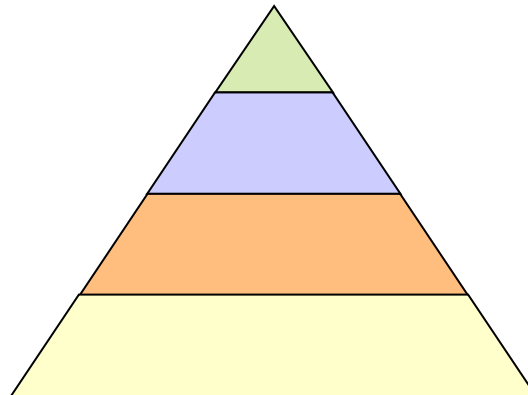
Human relations school =

‘people without organisations’.



Neo-Human relations

- Concerned with human personality and motivation / psychology
 - Maslow: the hierarchy of needs
 - Herzberg: two-factor motivation theory
 - McGregor: theory X and theory Y managers



Main approaches to organisation, structure and management

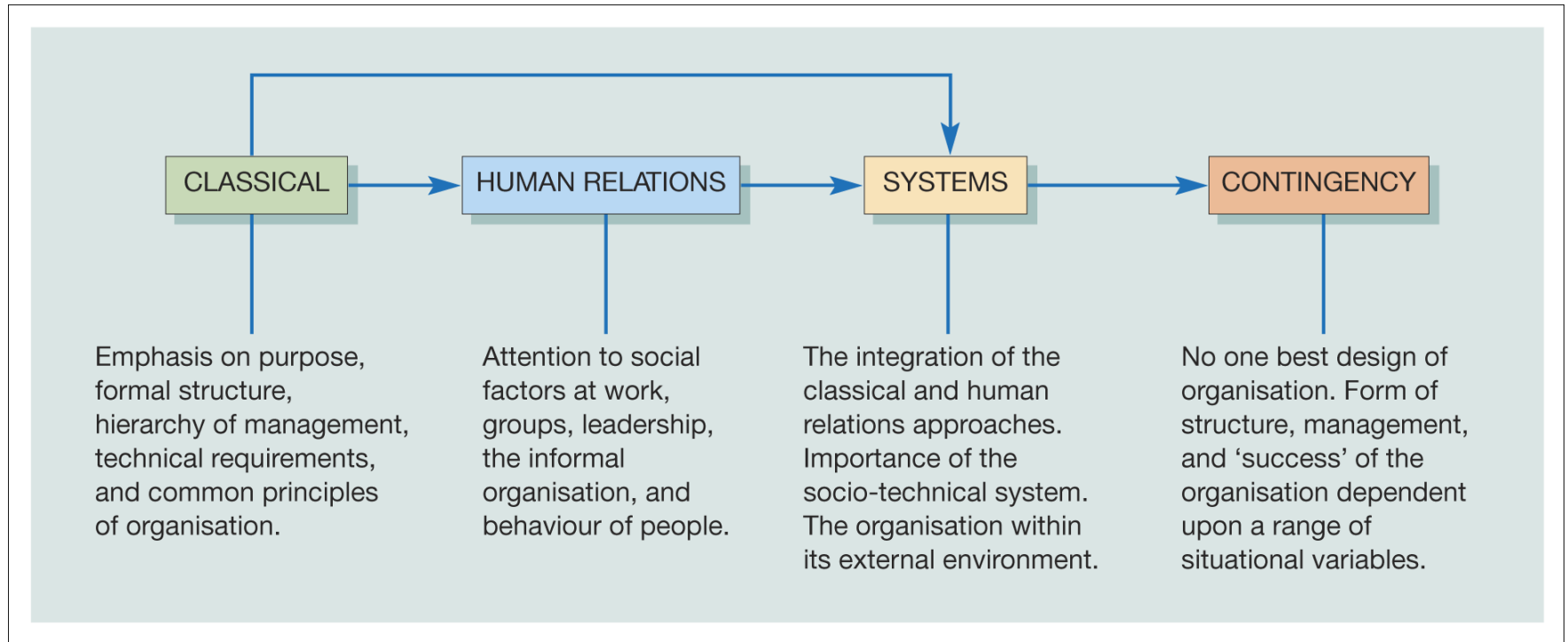
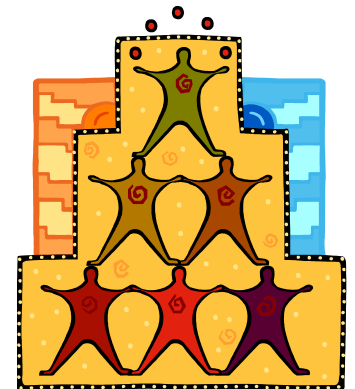


Figure 2.1 Main approaches to organisation, structure and management

3: The Systems approach

- Considers:
 - The total work organisation
 - The relationship between structure and behaviour
 - The range of variables within an organisation
- The organisation as an 'open system'
 - new working methods and impact on people
 - best fit of people, structures, technology
- Reactive not static



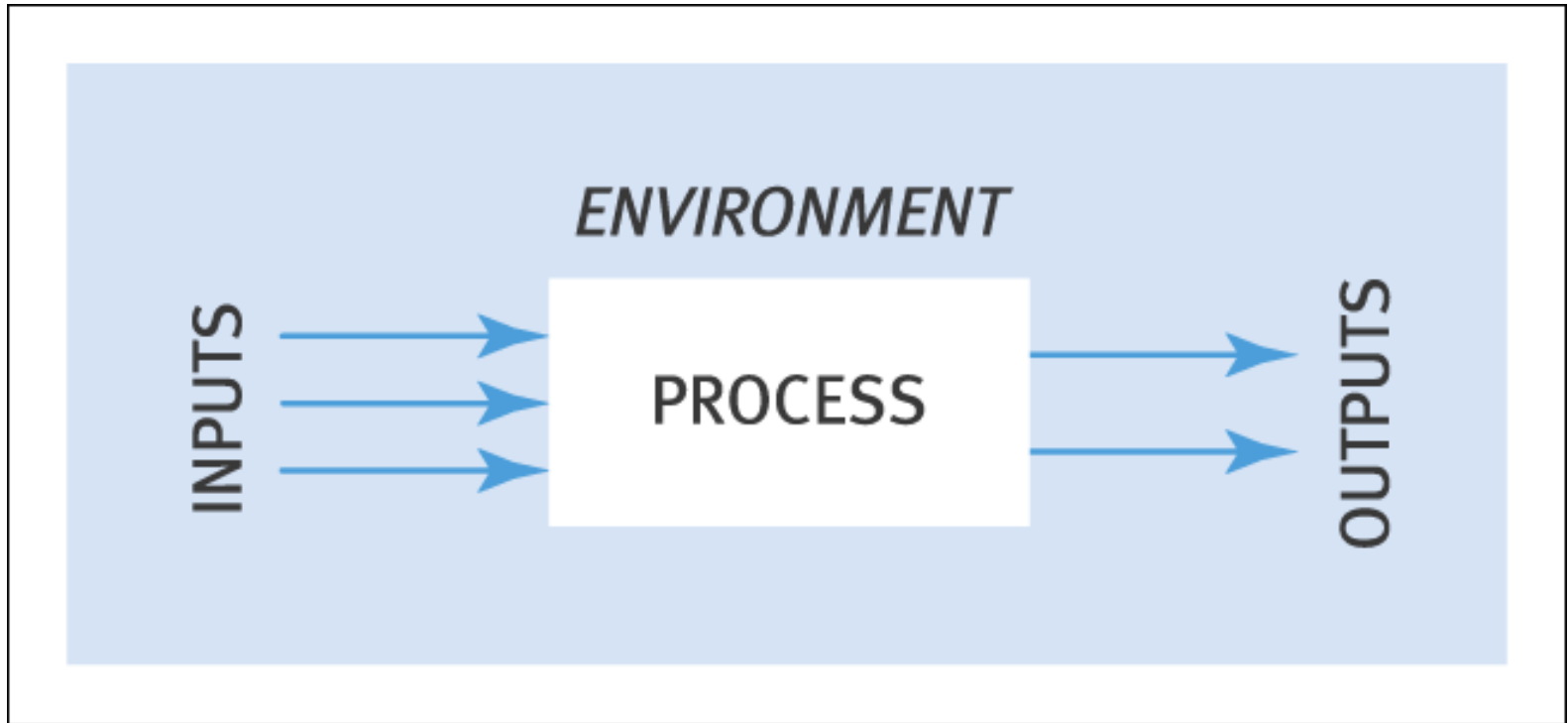


Figure 1.3 Basic open systems model Rollinson (2008)

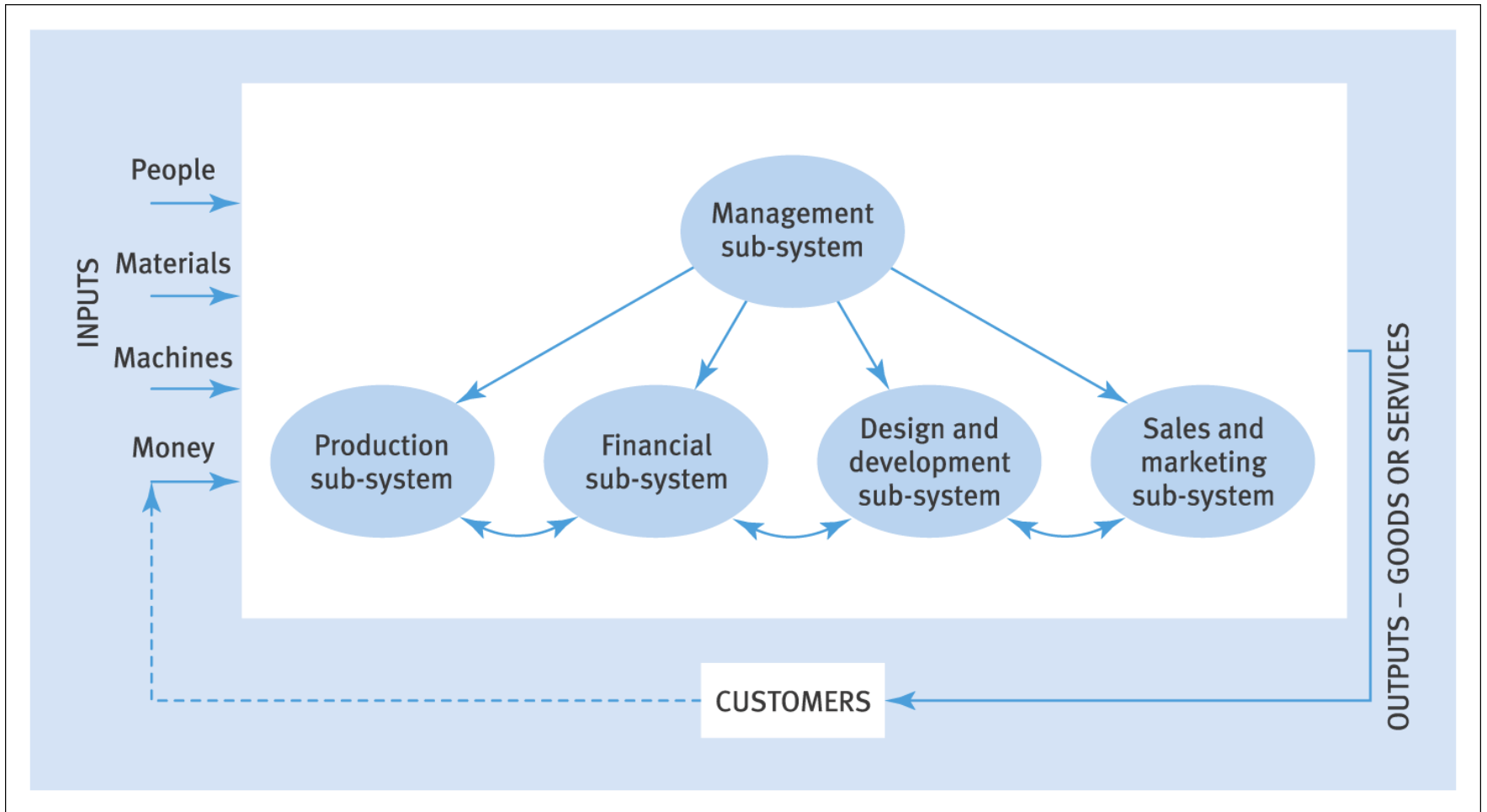


Figure 1.4 Simplified open systems model of a commercial organisation

Rollinson (2008)

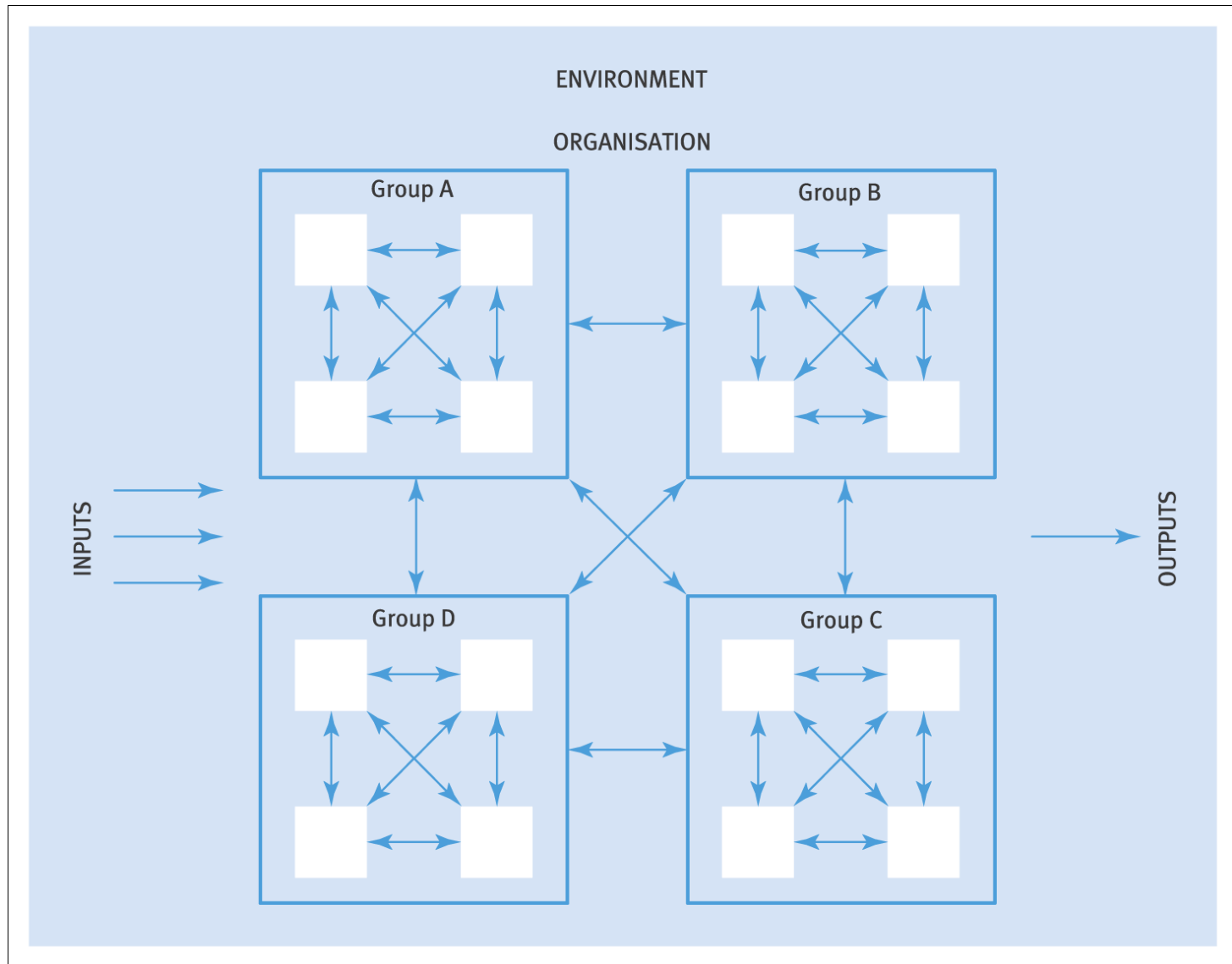


Figure 1.5 The organisation as a system of sub-systems and sub-sub-systems
Rollinson (2008)

Main approaches to organisation, structure and management

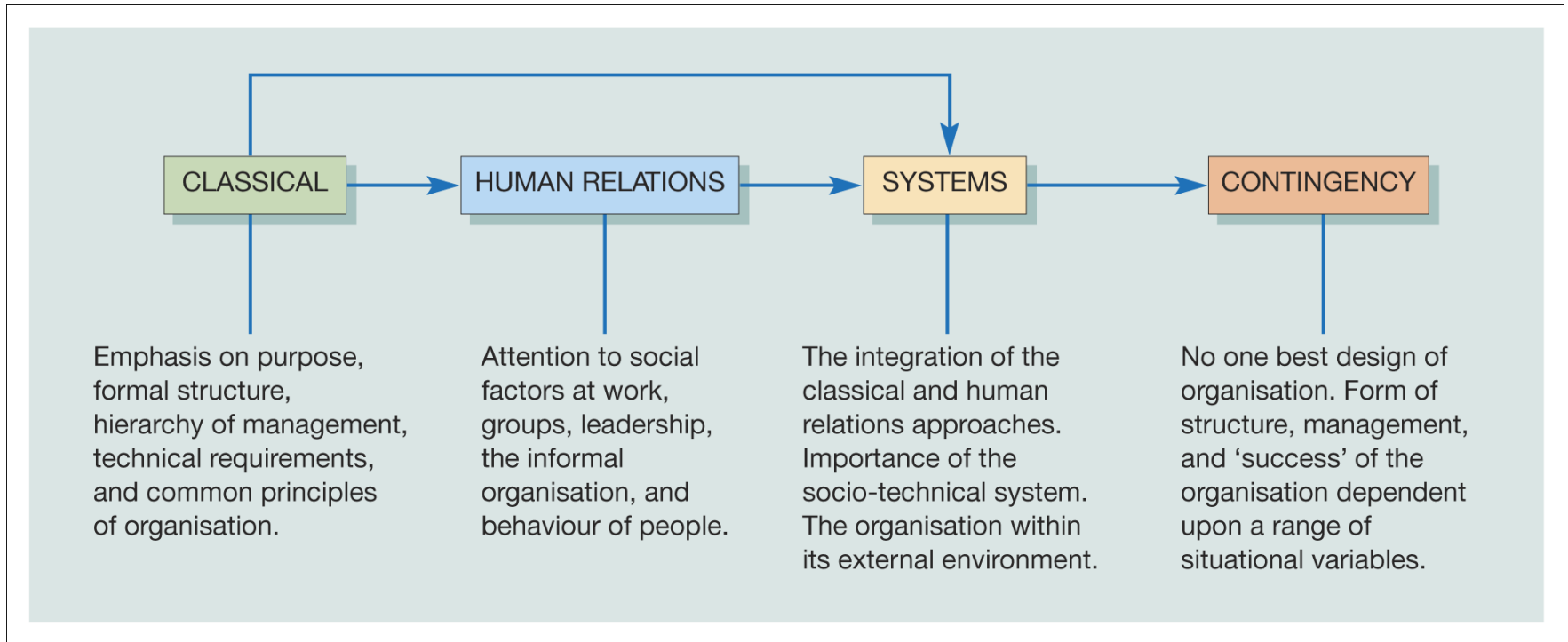
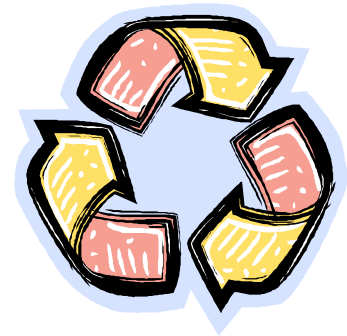


Figure 2.1 Main approaches to organisation, structure and management

4: The Contingency approach

- Rejects the idea of 'one best form or structure' or 'optimum state' for an organisation
- Focus placed on more general principles of organisational analysis and design
- Successful design is dependent (ie. contingent) upon:
 - The nature of tasks
 - The nature of the environment



Contingency approach

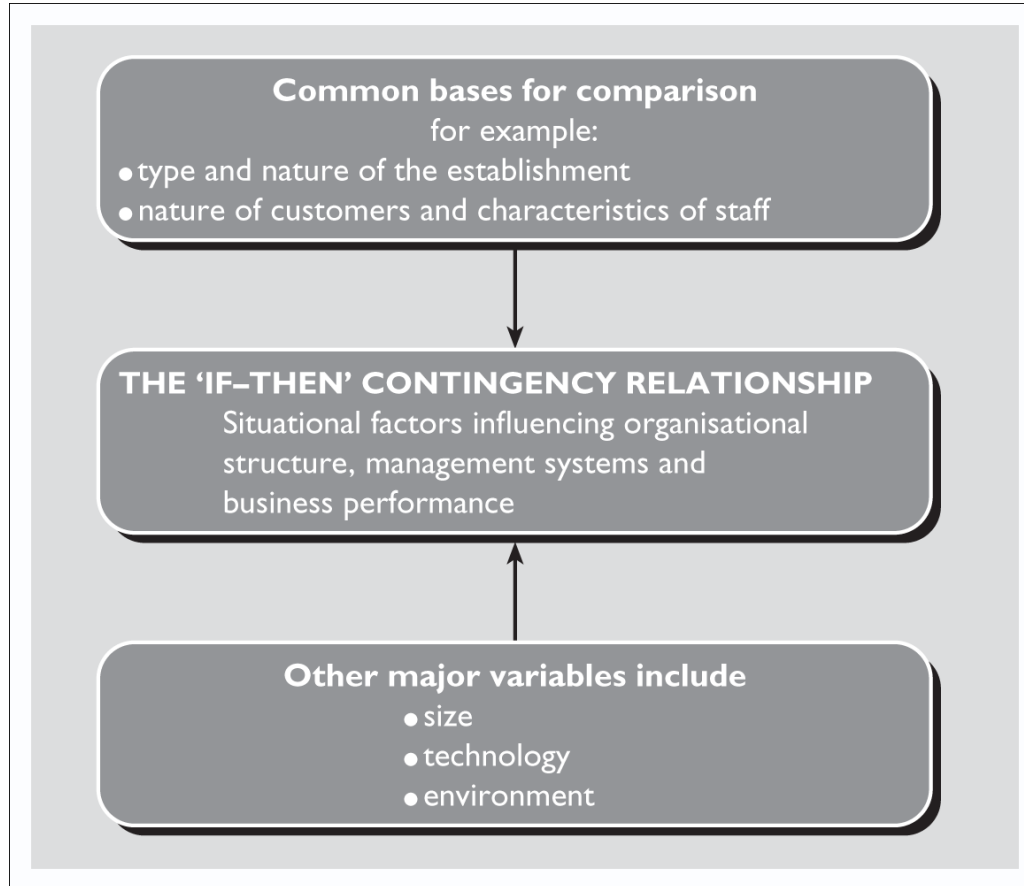


Figure 4.5 The contingency approach – main influences on organisation and management

Development of approaches to organisation and management

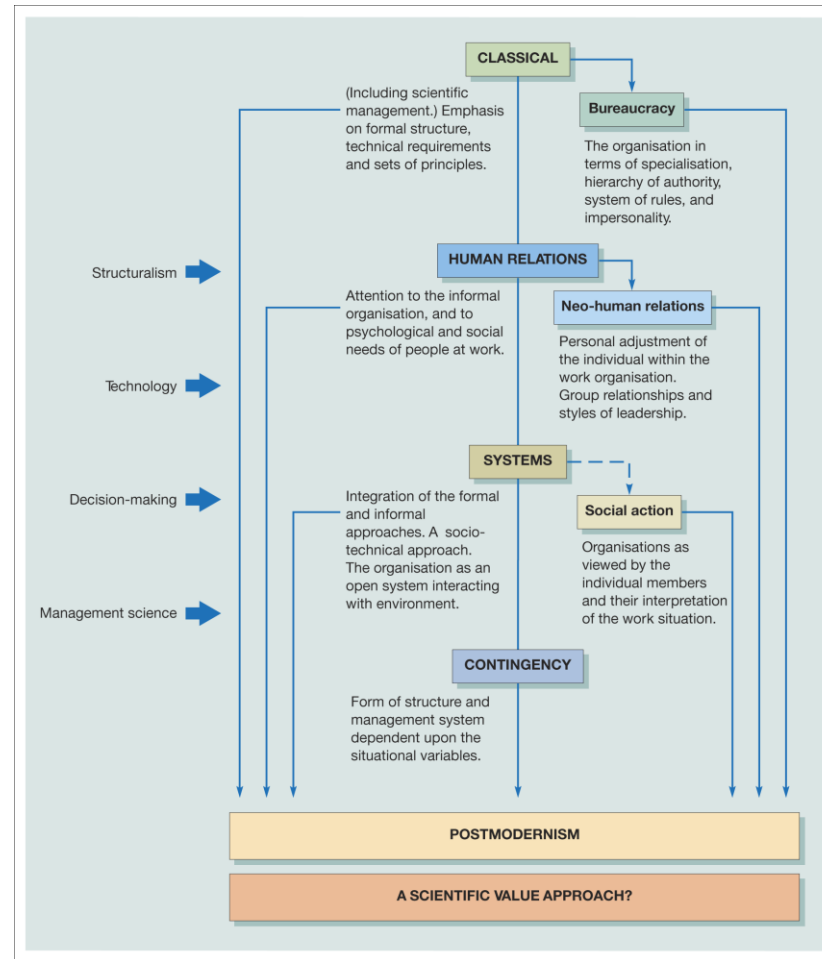


Figure 2.3 An outline of developments of approaches to organisation and management

Health Warning re: OB



- Various approaches represent a progression of ideas, not competing ideas.
- Categorisations tend to be arbitrary.
- There may be general acceptance of the need for a theoretical framework, but none exists on its shape.
- The distinction between ‘schools’ of thought is rarely clear or accurate.
- Differences between cultures impact also

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Recap

- OB theory a setting to view the field of management
- Different approaches over time
- Offers a framework for comparisons between management principles and practices
- Helps organisational analysis and problem identification
- Enables managers to select ideas from a range of approaches which best suit their situation
- Theories evolve, develop and are replaced – some survive, others are replaced
- Give us an insight, a way of looking at something
- Why? Because we want managers and organisations to be more successful

Tutorial 2

- Review key concepts
- Discover your attitude to work
- Exercise: scientific management in action
- Discuss assignment 1