

Organisations and Behaviour



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Lesson 4

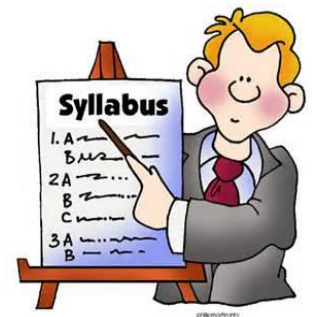


ORGANISATIONS AND BEHAVIOUR

LO I: Understand the relationship between organisational structure and culture

October – November 2014

The Basic Syllabus



- - Understand the relationship between organisational structure and culture
- - Understand different approaches to management and leadership
- Understand ways of using motivational theories in organisations
- - Understand mechanisms for developing effective teamwork in organisations

LEARNING OBJECTIVES



- At the end of the class, students should be able to:
- Compare the effectiveness of different leadership styles in different organisations

OVERVIEW



- A collection of ideas which set forth general rules on how to manage a business or organization. Management theory addresses how managers and supervisors relate to their organizations in the knowledge of its goals, the implementation of effective means to get the goals accomplished and how to motivate employees to perform to the highest standard.

KEY THEORIST TIME LINE

Table 1
Five Major Schools of Management Thought

MANAGEMENT SCHOOLS	Beginning Dates	Emphasis
CLASSICAL SCHOOL		Managing workers and organizations more efficiently.
Scientific Management	1880s	
Administrative Management	1940s	
Bureaucratic Management	1920s	
BEHAVIORAL SCHOOL		Understanding human behavior in the organization.
Human Relations	1930s	
Behavioral Science	1950s	
QUANTITATIVE SCHOOL		Increasing quality of managerial decision-making through the application of mathematical and statistical methods.
Management Science	1940s	
Operations Management	1940s	
Management Information Systems	1950s—1970s	
SYSTEMS SCHOOL	1950s	Understanding the organization as a system that transforms inputs into outputs while in constant interaction with its' environment.
CONTINGENCY SCHOOL	1950s	Applying management principles and processes as dictated by the unique characteristics of each situation.

Scientific management



- Frederick W Taylor (1856-1915) pioneered the scientific management movement in the USA. He was among the first to argue that management should be based on 'well-recognised, clearly defined and fixed principles, instead of depending on more or less hazy ideas.' Taylor was a very skilled engineer and he took an engineering efficiency approach to management.
- Principles of scientific management include the following.
- (a) The development of a true science of work. 'All knowledge which had hitherto been kept in the heads of workmen should be gathered and recorded by management. Every single subject, large and small, becomes the question for scientific investigation, for reduction to law.'
- (b) The scientific selection and progressive development of workers: workers should be carefully
- trained and given jobs to which they are best suited.
- (c) The application of techniques to plan, measure and control work for maximum productivity.
- (d) The constant and intimate co-operation between management and workers: 'the relations
- between employers and men form without question the most important part of this art'.

Scientific management



- In practice, scientific management techniques included the following key elements.
- (a) Work study techniques were used to analyse tasks and establish the most efficient methods to use. No variation was permitted in the way work was done, since the aim was to use the 'one best way'.
- (b) Planning and doing were separated. It was assumed that the persons who were intellectually equipped to do a particular type of work were probably unlikely to be able to plan it to the best advantage: this was the manager's job.
- (c) Jobs were micro-designed: divided into single, simple task components which formed a whole specialised 'job' for an individual, rather than permitting an individual to perform whole or part-task processes. (Task 'meaning' and 'significance', now considered essential to job satisfaction, had not yet emerged as important values.)
- (d) Workers were paid incentives on the basis of acceptance of the new methods and output norms; the new methods greatly increased productivity and profits. Pay was assumed to be the only important motivating force.
- Scientific management as practised by Taylor and contemporaries such as Gilbreth and Gantt was very much about manual work. However, elements of scientific management are still practised today, whenever there is a concern for productivity and efficiency

Classical administration



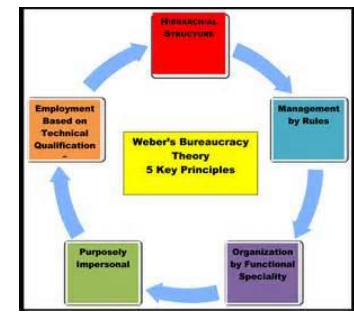
- Classical management theory was introduced in the late 19th century. It became widespread in the first half of the 20th century, as organizations tried to address issues of industrial management, including specialization, efficiency, higher quality, cost reduction and management-worker relationships. While other management theories have evolved since then, classical management approaches are still used today by many small-business owners to build their companies and to succeed.
- One of the advantages of the classical management structure is a clear organizational hierarchy with three distinct management levels. Each management group has its own objectives and responsibilities. The top management is usually the board of directors or the chief executives who are responsible for the long-term goals of the organization. Middle management oversees the supervisors, setting department goals according to the approved budget. At the lowest level are the supervisors who oversee day-to-day activities, address employee issues and provide employee training. The levels of leadership and responsibilities are clear and well defined. While the three-level structure may not be suitable for all small businesses, it can benefit those that are expanding.

Classical administration



- . One of the advantages of classical management approach is the division of labor. Projects are broken down into smaller tasks that are easy to complete. Employees' responsibilities and expectations are clearly defined. This approach allows workers to narrow their field of expertise and to specialize in one area. The division of labor approach leads to increased productivity and higher efficiency, as workers are not expected to multitask. Small-businesses owners can benefit from taking this approach if they are looking to increase production with minimal expense.

Characteristics Of Bureaucratic Organizations



- Characteristics Of Bureaucratic Organizations
- A well-defined formal hierarchy and chain of command distinguishes the level of authority within an organization. Individuals who hold higher positions will supervise and direct lower positions within the hierarchy. For example, Megan the Manager supervises a team of four sales representatives. Megan's position within the organization as a supervisor gives her authority over those four sales representatives to direct and control their

Characteristics Of Bureaucratic Organizations



- Management by rules and regulations provides a set of standard operating procedures that facilitate consistency in both organizational and management practices. For example, when an employee is sick and cannot make it into work that day, he or she must call out to their direct supervisor. If one of Megan's sales reps is sick, they are expected to call her directly to inform her of their absence. Any employee who fails to do this will be subject to termination. All of Megan's employees are expected to follow this rule, and Megan is expected to enforce this rule equally among her employees

Characteristics Of Bureaucratic Organizations



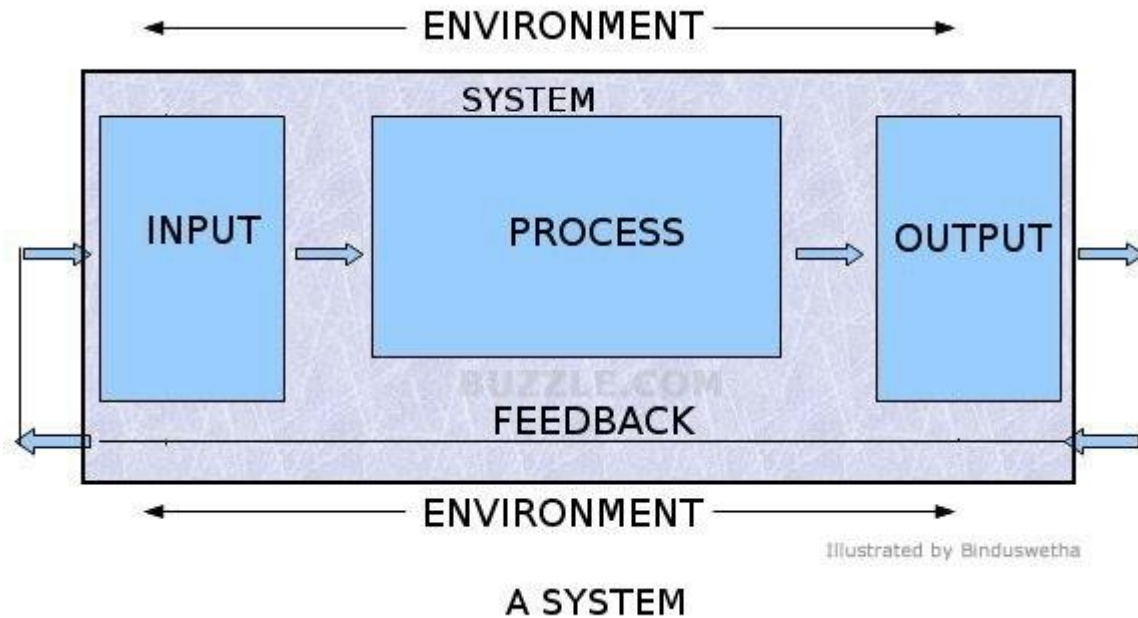
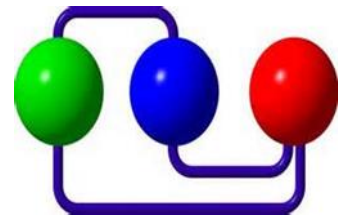
- Division of labor and work specialization are used to align employees with their organizational tasks. This way, an employee will work on things with which he or she has experience and knows how to do well. For example, let's say two of Megan's sales reps are experienced in selling products to vendors in the western region of the state due to their extensive experience working in that area. Megan would then put those two employees in charge of that specific region and would place the other two sales reps in the eastern region.

Human relations



- In the 1920s, research began to show that managers needed to consider the complexity of human behaviour. It was recognised that an exclusive focus on technical competence (under scientific management) had resulted in social incompetence: managers were not taught how to manage people. At the same time, it emerged that being a 'small cog in the machine' was experienced as alienating and demoralising by workers – whatever the financial incentives offered. A more complex picture of human motivation began to emerge.
- Elton Mayo was Professor of Industrial Research at the Harvard Business School. He was involved in a series of large scale studies at the Western Electric Company's Hawthorne works in Chicago between 1924 and 1932. These studies were originally firmly set in the context of scientific management in that they began with an experiment into the effect of lighting on work output. However, it rapidly became apparent that worker attitudes and group relationships were of greater importance in determining the levels of production achieved than the lighting itself.
- An important element in the Hawthorne studies was the investigation of the dynamics of work groups. The group was very effective in enforcing its behavioural norms in such matters as 'freezing out' unpopular supervisors and restricting output. It was concluded that people are motivated at work by a variety of psychological needs, including social or 'belonging' needs. This

System approach



Contingency approach



- The contingency approach model of business is a theory of managerial control used both in small and large companies across the country. In practice, the contingency approach empowers management to create specific, integrated solutions to solve workplace issues and meet the project goals of clients. This can provide highly specialized task completion, as long as managers and supervisors assign the right mix of qualified employees.
- Managerial personnel work to determine specific solutions to handle workplace issues and satisfy client needs. This means assigning employees to a task based on relevant skills, developing situational strategies to meet deadlines, and integrating these efforts to provide a fully realized plan of action. Managers using the contingency approach only deals with challenges and risks as these situations occur for the business.
- The task of assigning specific work roles to employees is an integral component of a manager's job description in the contingency approach model. This increases the pressure on a manager to ensure given projects succeed because the personnel assignments are her responsibility. If a project fails, ownership could look at the manager's decisions in assigning job roles as a main reason for slow project completion, missed deadlines or outright project failure. A string of failed projects could quickly place a manager's position with a company in jeopardy.

REVIEW QUESTIONS



- 1. The following four different approaches to management thinking were first half of the 20th century:
 -
 - A) General administrative, globalisation, organisational behaviour, and quantitative.
 - B) Scientific management, general administrative, quantitative, and organisational behaviour.
 - C) Systems approach, scientific management, general administrative, and organisational behaviour.
 - D) Scientific management, Hawthorne Studies, quantitative, and organisational behaviour.
 - E) Scientific management, general administrative, quantitative, and contingency approach.

- 2. Authority, discipline, unity of command, and unity of direction are:
 - A) Four of Fayol's fourteen principles of management.
 - B) Key features of learning organisations.
 - C) Principles of the human relations movement.
 - D) Elements of Weber's ideal bureaucratic structure.
 - E) Taylor's four principles of management.

REVIEW QUESTIONS



- 3. Possibly the most important pre-20th century influence on management was:
 - A) Therbligs.
 - B) The division of labour.
 - C) The industrial revolution.
 - D) Scientific management.

- 4. Division of labour, authority hierarchy, formal selection, formal rules and regulations, impersonality, and career orientation are all features of:
 - A) Taylor's principles of management.
 - B) General administrative theory.
 - C) Weber's ideal type bureaucracy.
 - D) Fayol's principles of management.

- 5. According to Fayol, the idea that each worker should have one, and only one, supervisor is based on which principle of management?
 - a) Centralisation
 - B) Unity of command
 - c) Division of labour
 - d) Order

REVIEW QUESTIONS



- 6. Fayol believed that every department of the organisation should be working on the same plan to achieve the organisation's objectives. He expressed this in which principle of management?
 - A) Unity of direction
 - B) Authority
 - C) Order
 - D) Centralisation
- 7. Here are four short references to the function of management:
 - A There are essentially five functions of management that apply to any organisation
 - B Individual and group behaviour at work is a major factor in productivity.
 - C Management is the development of a true science of work.
 - D The manager of a business has one basic function – economic performance.
- Required:
 - (a) Identify the description above which is associated with each of the following theorists, by selecting A, B, C, D or None.
 - (i) Peter Drucker
 - (ii) Elton Mayo
 - (iii) Henry Mintzberg
 - (iv) F W Taylor

REVIEW QUESTIONS



- 8. Below are listed five functions of management.
- A Planning
- B Organising
- C Managing
- D Monitoring
- E Motivating
- Required:
- Write down which two of the above are those functions identified by Fayol by selecting TWO of the letters from (A, B, C, D, E).

FURTHER READING



- <http://www.businessdictionary.com/>
- Advantages and Benefits of the Classical Management Theory by Julianne Russ
- Bureaucracy: Max Weber's Theory of Impersonal Management -Sherri Hartzell
- <http://www.buzzle.com/>
- Contingency Approach Use in Business
- by Jonathan Lister
- ACCA-BPP F1
- Management 3e By Robbins, Bergman, Stagg and Coulter