

LECTURE 2

CONTEMPORARY
MANAGEMENT IN THE
HR FIELD

DANIELA MAGRI



TODAY'S TOPIC

www.its.edu.mt

OBJECTIVES:

- To introduce the concept of management, and explore what this means in the human resources context
- To explain certain models and theories of management and assess unitary, pluralist and radical perspectives
- Discuss what modern management is generally used in forward thinking organisations





DEFINITIONS

www.its.edu.mt

Management is the process of planning, organizing, directing and controlling organizational resources in the pursuit of organizational goals

(Henri Fayol 1949)

The process of planning, organizing, leading and controlling an organization's human, financial, material and other resources to increase its effectiveness.

(George & Jones, 2012, pg 35)

Finding out what managers do is not the problem; interpreting it is. How do we make sense of the vast array of activities that constitute managing?

(Mintzberg 2009, p1)

“You make me feel so good! While I thought that all those other managers were planning, organizing, coordinating and controlling, I was constantly being interrupted, jumping from one issue to another, and trying to keep the lid on the chaos”

(extract taken from course paper from a manager, cited in Mintzberg 2009, p17)



MANAGEMENT THEORY EVOLUTION

www.its.edu.mt

- **Scientific Management School**
 - eg. Frederick W. Taylor and Lillian Gilbreth's motion study
- **Classical Organizational Theory School**
 - eg. Henri Fayol's views on administration and Max Weber's idealized bureaucracy
- **Behavioural School**
 - eg. Elton Mayo and his associates
- **Management Science School**
 - eg. Deming's quality management, McGregor's Theory 'x' and 'y' and 'management as practice'
- **Recent Developments in Management Theory**
 - eg. Systems Approach, Situational or Contingency theory, Chaos theory, Complexity Theory and Team Building approach.



WHY STUDY MANAGEMENT MODELS?

www.its.edu.mt

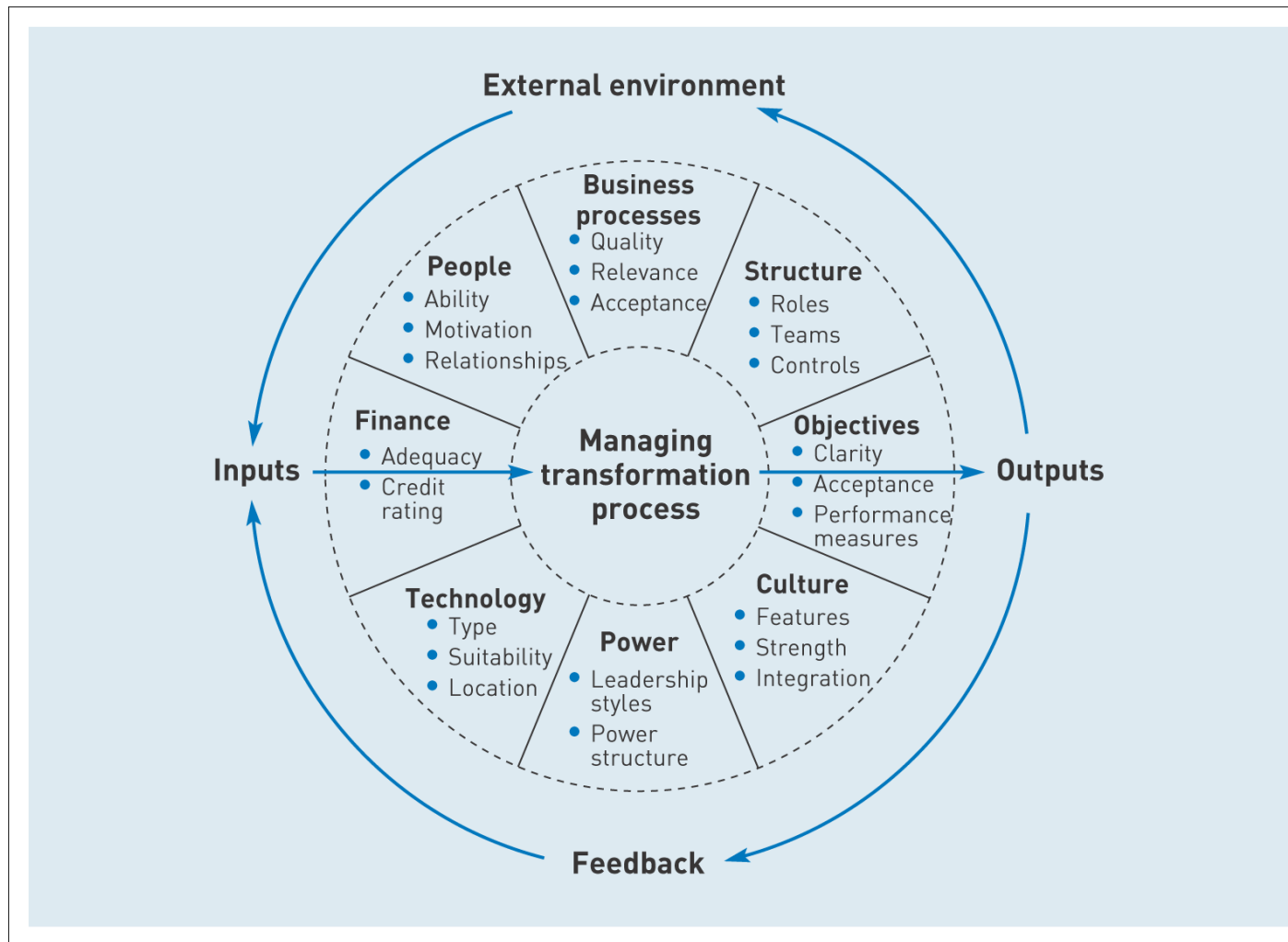
- Model (or theory) represents more complex reality – aim to identify main variables in a situation and relationships between them.
- Most management problems can only be understood from several perspectives - **no single model offers complete solution**
- Managers act in accordance with **their model** of the task. To understand management action need to understand models available and how people use them
- Every situation is unique; many experienced managers doubt value of theory – however we all use theory acting on (perhaps implicit) assumptions about relationships between cause and effect
- Good theories help identify variables and relationships, providing mental toolkit to deal with situation. Perspective taken reflects assumptions used to interpret, organise and make sense of events
- As managers influence others to add value they use their own mental model of the situation to decide where to focus attention and effort



PERSPECTIVES

www.its.edu.mt

- **Unitary perspective** – believe organisations aim to develop rational ways of achieving common interests. Managerial work arises from technical division of labour, managers work to achieve objectives shared by all members
- **Pluralist perspective** – believe complex division of labour creates groups with distinctive interests. Some conflict over ends and/or means is inevitable and managerial work involves gaining sufficient consent to meet all interests in some mutually acceptable way
- **Radical perspective** – challenges other models, arguing they ignore the fact that the horizontal and vertical division of labour sustains unequal social relations within capitalist society. As long as these exist managers and employees will be in conflict





DEVELOPING MANAGEMENT SKILLS

(Cameron & Whetton 2011, p36)

www.its.edu.mt

| Components | Contents | Objectives |
|----------------------|--|---|
| 1. Skill Assessment | Survey instruments Role plays | Assess current level of skill competence and knowledge; create readiness to change |
| 2. Skill Learning | Written text Behavioural guidelines | Teach correct principles and present a rationale for behavioural guidelines |
| 3. Skill Analysis | Cases | Provide examples of appropriate and inappropriate skill performance. Analyse behavioural principles and reasons they work |
| 4. Skill practice | Exercises Simulations Role plays | Practice behavioural guidelines. Adapt principles to personal style. Receive feedback and assistance |
| 5. Skill application | Assignments (behavioural and written) | Transfer classroom learning to real-life situations. Foster on-going personal development |



COMPETENT MANAGERS

www.its.edu.mt

| Statistics at Fremont Plant, California | 1982 (prior to Toyota) | 1986 (after Toyota) |
|---|-----------------------------|--|
| Absenteeism | 20% | 2% |
| Grievances (per annum) | 5,000 (>2/day) | 2 |
| Strikes | 3-4 wildcat | None |
| Employees | 5000 | 2500 (producing 20% more cars) |
| Productivity | Lowest in corporation | Highest in corporation |
| Quality | Lowest in corporation | Highest in corporation |
| Costs | 30% higher than competition | Equal to competition |
| Product | Chevrolet Nova | Toyota Corolla – rated AAA’s best car in price range |

Over last decade, overwhelming evidence that skilful management – esp. managing people – is key to organisational success!

Dramatic anecdotal evidence shows that effective management has positive impact on workers and organisations (e.g. GM Fremont Plant, California)

Good management fosters financial success, and less effective management fosters financial distress

Data shows management skills are more important than industry, environment, competition and economic factors combined

However, effectively managing people not that easy – in addition trends in actual management practice appear to be moving in opposite direction

Common sense and common knowledge not necessarily common practice–

Knowing and doing are not the same things as being able to analyse a case, identify a problem, recite correct answer to a question is not equivalent to be able to implement effective management skills!

(Source: adapted from Whetton & Cameron 2011)



SKILL DEVELOPMENT

www.its.edu.mt

Research carried out by Whetton & Cameron (2011) examining the characteristics of 402 managers rated as being highly effective produced 60 characteristics. **10 most often listed were ALL behavioural!**

(1) verbal communication (including listening), (2) managing time and stress, (3) managing individual decisions, (4) recognising, defining and solving problems, (5) motivating and influencing others, (6) delegating, (7) setting goals and articulating a vision, (8) self-awareness, (9) team building, (10) managing conflict

Their results correlate closely with similar studies

The skills identified to manage effectively appear to be heterogeneous and easily identifiable regardless of level (CEOs to first line supervisors) or what sector (public, private or third sector (charity))

Evidence (both empirical and anecdotal) shows overwhelmingly capabilities in personal, interpersonal and group skills **CRITICAL** pre-requisite for successful management

Strong analytical and quantitative skills important but not sufficient; successful managers **MUST** be able to work effectively with people!



WHAT IS CONTEMPORARY MANAGEMENT?

www.its.edu.mt



<https://www.youtube.com/watch?v=EKANxSIdLZY>



CONTEMPORARY MANAGEMENT

www.its.edu.mt

“**Contemporary management** involves planning, leading, organizing and controlling operations to achieve organizational goals. **Managers** at each level of an organization are responsible for using resources effectively.” Google search



<https://www.youtube.com/watch?v=A3NCt8QMrXA>



HIGH FUNCTIONAL ORGANISATIONS

www.its.edu.mt

- Focus on employee well being
- Encourages development
- Manages change effectively
- Shows a genuine level of empathy and care
- Focuses on recruiting the correct calibre of people
- Understands the importance of retention of key talent
- Regards the organisation as one that gives more
- Values human capital
- Respects opinions and individuals
- Positive outlook



MODERN ORGANISATIONAL CULTURE

www.its.edu.mt



Meet JIM

<https://www.youtube.com/watch?v=4cBN8xH-5Qw>