

ASSIGNMENT COVER SHEET

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ID number	28805925	Phone	0424 014 300
Unit name	INTRO TO MANAGEMENT	Unit code	MGC1010

Title of assignment	MANAGEMENT ESSAY: IS THERE ROOM FOR MANAGEMENT IN THE 21ST CENTURY?
Lecturer/tutor	DR RUBY RANJAN
Is this an authorised group assignment? ☐ Yes ☒ No If this submission is a group assignment, each student must attach their own signed cover sheet to the assignment.	
Has any part of this assignment been previously submitted as part of another unit/course? ☐ Yes ☒ No	
Tutorial/laboratory day & time	TUESDAY 8 AM
Due date: 28/04/2017	Date submitted: 27/08/2017

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Updated: July 2014

Topic: Given the changing context of management, is there room for management in the 21st century?

Management exists in all forms of organisations, whether it is private, public or even non-profit organisations. However, as the forms of organisations have evolved to be much greater in both size and complexity, as a result, a distinct and specialised approach to the method of management has become a necessity. “Management is the process of planning, organising, leading and controlling the work of subordinates to achieve organisational objectives” (Somers, Cain & Jeffery, 2011). There are many theories that guide the notion of management such as, Hawthorne studies and scientific management and many more. While these are the iconic strategies to management, a single strategy does not perfectly suit and blend into an organisation. There are three types of business environments, internal environment (business has complete control), operating environment (business has some control over) and macro environment (business has no control over these factors) (Somers, Cain & Jeffery, 2011). Businesses operate in a “dynamic” environment, which is ever changing and evolving. Given the advances in technology and evolutions in the socio-cultural beliefs of employees, is the notion of management as relevant in the 21st century. Nevertheless, if the notion of people working in teams is relevant, then

management is equally important so as to keep the team intact and operating. This essay will argue that management is very important and relevant besides the technological advances and socio-cultural shifts in our society. Furthermore, also discuss how employers retain and engage employees, analyse the management theories and their relevance also explain how employee expectations affect the management (Huang, Tung, Lo, Chou). Management is about leading, without leading, an organisation cannot achieve its business goals and objectives.

One of the factors that affects the appropriateness of management, is the technological advances namely, developments in robotics, digitization, automation and artificial intelligence (AI). While it may be efficient, the World Economic Forum “predicts a loss of 5 million jobs by 2020 mainly because of technological advances”. For example, the driverless car by Google, means that approximately quarter of Australians employed in jobs involving driving, potentially could lose their job. Is this a healthy evolution? Taylor’s scientific management theory consists of four principles; development of a true science, scientific selection, training of a workman and cooperation between employees and management. Ultimately, Taylor’s theory could be eradicated due to the advances in technology; these mainly aim to get rid of jobs that involve low levels of creativity, social interaction, or low levels of mobility and dexterity. Furthermore, Collins & Ryan argue, “technology, as in ATMs, airline kiosks, automated ordering systems, self checkouts, etc., reduces overhead and improves productivity but also creates an increasing emphasis on efficiency rather than effectiveness.” Machines and automated systems will definitely be able to achieve efficiency, refers to “achieving results without wasted time or effort”, effectiveness is unlikely to be achieved, refers to “achieving competent

results". Qantas integrated technology into its business in a number of areas. "New Green technology is being used in its planes, fuel efficiency and carbon emissions greatly reduced with the new planes...carbon offset program developed" (Essential VCE business management). Through their implementation of technology in operations they were able to reduce their major expense: employee expense. However, Qantas hired more middle and senior managers, this is because managers not only assist in implementing change but they themselves act as change agents to motivate the organisation and its people to be proactive towards the change. On the other hand Toyota, though the production line is completely automated, human intervention is still required. Humans no longer do the repetitive tasks robots are replaced instead. However, products and services that demand for unique features still requires human intervention. While the front end of an organisational hierarchy, which undertakes routine tasks, can be replaced by technology, the middle management and senior management cannot be substituted, as their work encompasses innovative and creative thinking tasks that direct and lead the organisation into the future. Therefore, despite the technological advances in 21st century, managers are required to device the change and assist employees to achieve individual and organisational objectives.

Secondly, socio-cultural conditions have a major impact on the view of management at organisations. Employees have moved from a classic mentality of earning bread for family and obeying orders from the top management to now expecting autonomy and job satisfaction. Scott, Eau and Kickul discuss the expectations employees have at workplace and the importance of fulfilling these. Overall, though employees expect autonomy and freedom to make decisions at

workplace, they also demand work life balance. This puts organisations in a position where they are unable to fulfil all aspects of employee expectations. However, all managers regardless of what field of work they are in they undertake the four key managerial roles, planning, organising, leading and controlling. Employees in 21st century expect to be rewarded and recognised for the work they do, known as performance appraisal. There are four common appraisal methods; management by objective (MBO), comparative standards, absolute standards and critical incidents (Somers, Cain & Jeffery, 2011) For each of the stated appraisal methods a respective manager is required, though personal autonomy and decision-making authority is demanded from employees, they expect to be appraised by senior management and managers. Frank, Finnegan and Taylor in their article discuss the strategies to “[retain] talented employees and keeping them actively engaged in their work” (p.12). Organizations are not only responsible to meet the interests of employees but they must act in the best interest of all the stakeholders. Google is an organisation that embraces culture and places employees first. In order to motivate and value employees, Google provides free meals, employee trips and parties, financial bonuses, open presentations by high level executives, gyms, a dog-friendly environment and many more (Patel, 2015). Management is proven to be still very relevant at Google, but the extent to which they delegate tasks and authority given to employees to make decisions have evolved. Since, Google hires the best of the best employees, the need to demand and tell an employee what tasks they are to perform is minimal. This situation is not only with Google, but this is the case with most of the organisations in Australia. Organizations filter the iconic management theories of the industrial age and alter them in such a way that it suits best uniquely to their organisation.

Moving away from the factors that impact management in the 21st century, analysing Taylor's scientific management theory will aid in deciding the relevance of management. Taylor's theory of scientific management was a major revolution in the approach to management. Taylor's scientific management is present in all forms of organisations, ranging from car manufacturers, computer manufacturing plants and even some hospitals (Huang et.al, 2013). Taylor's theory consists of four principles; development of true science, careful selection of workman with scientific education, training of a workman, and division of labour (Huang et.al, 2013). This method is still evident in giant fast food outlet, McDonalds, they use standardised processes; a series of steps are followed by every employee to make a burger (Christensen & Raynor, 2003). McDonald identifies the "central importance of coordination to the practice of management, highlighting that coordination is not synonymous with the control", the eradication of the "command and control style of management" has led to a new emerging trend of working with teams hence enabling the organisation to transition smoothly into the changing technology (Schraeder, Self, Jordon, & Portis, 2014). Taylor's experiment presents workers who are "motivated solely by money" (Huang et.al 2013). The other aspects of employee motivation are not acknowledged and addressed in Taylor's experiment. Today, in the 21st century, there is a range of expectations that employees demand from their workplace and the satisfaction of which will automatically lead to employee staying motivated. Taylor treats employees as "machines" with no certain feelings or expectations, this notion is proven to be rather ineffective and impractical (Huang et.al, 2013). As other theorists developed new management theories, Taylor's scientific management was severely criticised. "Different approaches to managements will show different effects

on the organizational performance” (Jung & Lee, 2015). Contrary to Taylor’s scientific management, Hawthorne studies by George Elton Mayo highlight the importance of the relationship between an employee and manager, to attain high productivity levels and build on staff morale. Mayo’s theory begins with the illumination study, which experiments the level of productivity of employees based on the workplace conditions, especially light. They unexpectedly established that “work performance and job satisfaction of increased regardless of the change of illumination” (Jung & Lee, 2015). Therefore this allows determining that more than the physical variables at workplace, employees value the quality of human relations at their organisation. Mayo’s other experiments include relay assembly test room study, which examine the importance of powerful relationships between employees and managers, the interviewing program, which exposes the powerful influence of upward communication and the impact on an positive attitudes of employees towards company. Bank wiring Room observation study highlights that in any form of organisation informal communication exists (Jung & Lee, 2015). In both Mayo’s and Taylor’s management theories, the importance of managers and supervisors are logically experimented, however, Taylor’s scientific management cannot be implemented in all types of organisations (Huang et.al 2013) whereas Mayo’s Hawthorne studies are applicable across a wide range of organisation whether public or private (Jung & Lee, 2015). Despite theories of the past being criticized in most cases, they still form the basis of the management practice in 21st century organisations.

Some might argue that due that the advances in technology, the need for managers and senior management has almost become insignificant.

Through a real-life example, the importance of humans and especially managers and management can be highlighted. Toyota, a well-known car manufacturer in Australia has implemented technological systems as part of the production assembly line. Nearly eighty per cent of the organisation has been robotized, though it was able to replace robots for the tasks that the repetitive and required consistency, human intervention is still required in some parts of the assembly line. One of the biggest threat and at the same time an enormous opportunity is provided by the new Information Communications Technology (ICT) enabled services (Corso, Giacobbe, Martini, & Pellegrini 2006). However, ICT alone is not enough for an organisation to be successful and remain successful in the highly competitive global market. Organizations do not want employees to be “machines”, but rather to understand the work they do, so that they take sole responsibility of the outcome and also it encourages its employees to involve in exploring processes of higher quality and more efficient to the organisation. Project lead of Toyota, Mitsuru Kawai, states that they do not “simply depend on the machines that only repeat the same task repeatedly...to be the master of the machine, you must have the knowledge and the skills to teach the machine” and hence management is very important for the “machines” to remain in operation (Nisen, 2014). To further elaborate on the importance of management in implementing the socio-cultural shifts, Zappos, an online shoe sales company can be analysed. Each candidate is thoroughly examined by the management whether they culturally fit the organisation. During the first week of their job in training, if an employee chooses to leave the organisation, they are offered \$2,000. During their training period, the core values of the business are introduced to the employees (Patel, 2015). The typical management methods of the past are not used by Zappos to maintain their employees; rather a participative and

holacracy (where employees are able to make self-decisions and manage themselves) management style is adopted in order to build staff morale and motivation. However, the need for management and managers has not become irrelevant, in most cases management is more important in 21st century, as the knowledge each employee has within an organisation has drastically increased, the ability to allocate knowledge and make the best use of it is in the hands of managers.

Overall, the impact of the advances in technology and the socio-cultural shifts are vast, hence organisations need to equip themselves to remain proactive towards the change. New technology like robotics, digitization, automation and artificial intelligence (AI), have been introduced in many organisations like Qantas and Toyota, but it was implemented to increase efficiency not to replace the knowledge and ability of humans. Despite all the changes and advances technology might bring to our Australian workforce, management will forever remain relevant. In addition, the socio-cultural shifts which have altered employee expectations and the factors of motivation, severely affects the relevance of management as it is today. Employees expect to have much more freedom and personal autonomy at their workplace to make decisions, expect to be rewarded and praised for the work they do. No longer does an employee feel motivated to achieve one organisational goal, employees want to set their own goals, which are challenging for their level of competency. Managers aid in appraisal process, change management and employee motivation. Robots make the processes more efficient, however, human knowledge is required to alter the systems to make them effective and efficient at the same time. Management is required for the implementation of changes within the organisation and responsible for the coherency of the employees. Zappos and Google are

organisational examples that highlight the importance of good management strategies and styles, which are pertinent in the 21st century management. Theories of the past, Taylor's scientific management and Mayo's Hawthorne studies, still continue to remain relevant to some extent. However, organisations tend to alter and tailor the theories to suit the specific needs of their company. Therefore, in order for organisations to survive in the 21st century and beyond, management is crucial and fundamental.

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