

MGC1010: Introduction to Management

Week 9: Through the Looking Glass – Critical Perspectives of Management and Organisations

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OVERVIEW OF TODAY'S LECTURE

- Comparing and contrasting mainstream approaches to organisations and management with critical management approaches.
- Understanding paradigms and how they shape organisational and managerial practice.
- Organisational examples of using critical management approaches



CRITICAL PERSPECTIVES

- Adopting a viewpoint that asks questions about the rationale and validity behind things.
- Removing normalcy biases from the point of view; identifying the unspoken ideologies behind decisions or assumptions.

Unspoken ideologies in the workplace:

- Individualism
 - Social theory that emphasizes that the needs of each person are more important than the needs of the whole society
- Managerialism
 - The belief in the value of professional managers and of the concepts and methods they used
- Capitalism
 - Economic and political system where trade and industry is controlled by private owners for profit
- Neo-liberalism
 - Transfer of control of economic factors to the private sector from the public sector.

ASSUMPTIONS OF MAINSTREAM MANAGEMENT:

■ What is an organisation?

- A collection of people working together with a division of labour to achieve a common purpose
- All organisations have: a distinct purpose; are composed of people; and have a deliberate structure.
- A “consensual collective”
- Activities results in output, and if appropriately chosen and efficiently executed → organisation is successful!
- Consensus is important, and a lack of consensus is often associated with a lack of effort → resulting in inefficiency and poorer performance.

ASSUMPTIONS OF MAINSTREAM MANAGEMENT:

- Initially, focus was to identify *one best way* to organise in order to achieve success
- Attributed to Adam Smith's Wealth of Nations ideology – that division of labour will lead to expertise and efficiency.
- Reinforced by Fayol and Weber: hierarchy of authority and responsibility to control and coordinate
- Subsequently, theorists conceptualised organisations as a system of inter-related parts, and such part working together have synergistic outcomes.
- Unity is presented therefore as a common good
- Normalising control over workers' minds and bodies.

ASSUMPTIONS OF MAINSTREAM MANAGEMENT

- What about management?
 - The people in organisations who directly support and help activate the work efforts and performance accomplishments of others.
 - Centres around technical activity
 - Managers = experts



- “Amid the confusion and uncertainty about what management is, there has been a tendency to privilege one meaning: **management as a universal process that comprises a number of technical functions.**
- Central to this formulation is the understanding that management is a distinctive component of all complex systems, and that it is **rational** to allocate this activity to those who are deemed to be experts”

Alvesson and Willmott (1996, p. 10)

MANAGEMENT AS A SCIENCE



- Science:
 - Rational and logical investigation of observable phenomena
 - Started in the 16th Century – Francis Bacon
 - Progressive & objective
 - Irrefutability & pseudo-science
 - Still the dominant view of science

MANAGEMENT AS SCIENCE: PARADIGMS



- Thomas Kuhn: does science progress in a straight line of process?
- Identified paradigm shifts – incremental developments where ideas that disrupt

- Science is not purely objective, but has a subjective element (consensus of experts).
- Social construction (Berger & Luckmann, 1966):
 - All knowledge is derived from and sustained by social interaction
 - Knowledge is not universal, but rather a product of particular social and historical context
 - Social construction is often unconscious, and we often only become aware when things go wrong

PARADIGMS: BURRELL AND MORGAN'S PARADIGM (1979)

■ Nature of social science

- An objective reality, can be investigated through objective observation and understood as universal laws

vs

- A subjective reality, product of cognition and therefore personal and intangible

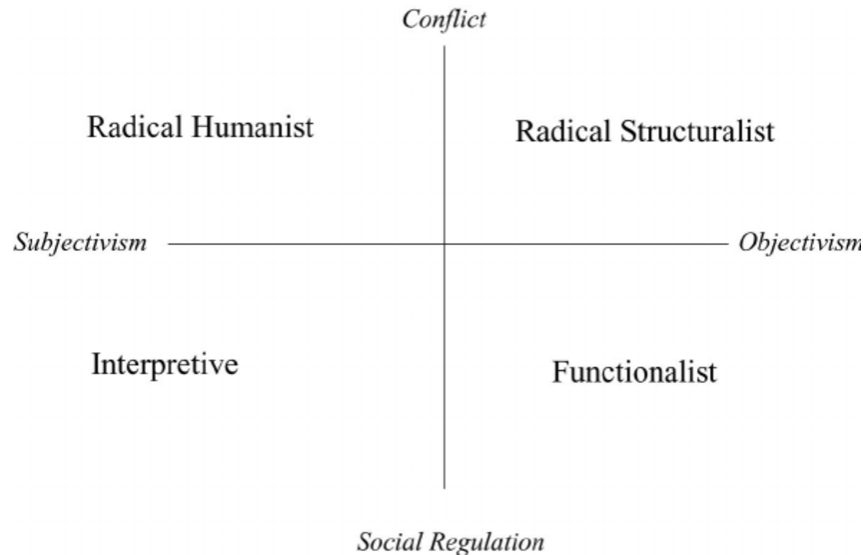
■ Nature of society

- Emphasise society's unity and cohesiveness

vs

- Those who seek to understand the deep-seated structural conflict and the possibilities for radical change

PARADIGMS: BURRELL AND MORGAN'S PARADIGM (1979)



- **Functionalist**
 - Primary paradigm for organisational study
- **Interpretive**
 - Try to observe on-going process to better understand human behaviour
- **Radical Humanist**
 - Release social constraints that limit human potential; often anti-organisation
- **Radical Structuralist**
 - See inherent structural conflicts that generate constant change

PARADIGMS: HASSARD AND COX (2013)

- Extending the Burrell and Morgan (1979) grid
- New ways of looking at management studies

	Structural	Anti-structural	Post-structural
Ontology	Realist	Nominalist	Relativist
Epistemology	Positivist	Constructionist	Relationist
Human nature	Determinist	Voluntarist	Deconstructionist
Methodology	Deductivist	Interpretive	Reflexive

CRITICISMS OF DOMINANT PERSPECTIVES

- Marx & Engels: alienation
 - Workers gave up ownership of their labour in return of wages
 - False consciousness through which the working class are misled into accepting this exploitation as natural and unavoidable
- Weber: the iron cage of bureaucracy
 - Bureaucracy was rational and efficient
 - Concentrated power in a few, largely unregulated people
 - Benefits meant that it became inevitable and inescapable
- Weil: oppression
 - Degradation of workers is not from classed exploitation (c.f. Marx), but rather from oppression
 - When people are treated as means rather than ends
 - Management is a new form of oppression
- They do not represent lived experience.

CRITICAL MANAGEMENT STUDIES: AN ALTERNATIVE APPROACH

- CMS gained momentum in the 1970s
- Fournier and Grey (2000) identified three characteristics of CMS
 - Denaturalisation
 - Reflective
 - Non-performative
- CMS aims to unmask power relations and identify how power is manifested and wielded.
- Emancipation (Alvesson and Wilmott, 1992)
 - The process by which individuals and groups become freed from repressive social and ideological conditions
 - Mainstream scholars argue that the proper role of managers is the promotion of organisational profitability – CMS scholars argue the need for true autonomy

WHAT ABOUT IN PRACTICE?

- While CMS might drive intellectual and philosophical interests and inquiries, is it plausible to put it into practice?



- Netflix's approach to HR
 - Hire, reward, and tolerate only fully formed adults
 - Why rely on formal policies, which are expensive and difficult to implement, and instead ask employees to rely on logic and common sense?
 - Most companies spend time and money writing and reinforcing HR policies that a small portion of the workforce might cause; why not just ensure that we hire the right people?



- Vacation policy
 - Initially started with a 10 day annual leave, 10 day holidays, and a few sick days
 - Used an honour system where employees kept track. When Netflix became a public company, this became an issue
 - Managers focused on legislation – found that there was no requirements governing vacation time (annual leave) in California
 - Salaried employees were told to take whatever time they felt was appropriate

Netflix Vacation Policy and Tracking

“there is no policy or tracking”

There is also no clothing policy at Netflix,
but no one comes to work naked

Lesson: you don't need policies for everything

WHAT ABOUT IN PRACTICE?



- Expense policy
 - Act in Netflix's best interests.
 - Allowing employees to have autonomy, asked them to behave like adults, and spend as if they would their own money.
- Formal performance reviews
 - Eliminated formal reviews
 - Instituted informal 360 degree reviews
- Netflix managers questioned the underlying ideologies that “governed” organisations.
- Why should we do what the mainstream does?
- Will our employees be happier this way?

CRITICISMS OF CRITICAL THEORY

■ External Criticisms

- Critical theory is hopelessly value laden and political.
- Critical theory is the work of disgruntled intellectuals from privileged backgrounds which retards their ability to identify with the working class
- Poststructuralists question whether knowledge can ever be separated from power.

■ Internal Criticisms

- That thought (critical theory) is often difficult (or there may be no will to do so) to translate into action (praxis).
- That critical theory, in giving a voice to one group of workers may nevertheless maintain marginalisation of others.

GENDER IN ORGANISATIONS: DIVERSITY THROUGH CMS

- The world of work in Australia is gendered. According to the WGEA (2017) 'women continue to earn less than men, are less likely to advance their careers as far as men, and accumulate less retirement or superannuation savings. At the same time, men have less access to family-friendly policies such as parental leave or flexible working arrangements than women.'
- Mainstream explanations for the lack of women in senior management:
 - Women are not capable of doing the work required at the top.
 - Women do not have the desire to be at the top.
 - There are structural impediments preventing women from reaching the top.
- Mainstream solutions include:
 - Affirmative action and quotas
 - Official mentoring programs for women

A CRITICAL APPROACH TO GENDER (ACKER, 1990)

- Acker (1990) identifies five ways that organisations are gendered:
 - **Divisions along gender lines**: of labour; of allowed behaviours; of physical space; of power; of institutions such as the family and the state that maintain these divisions.
 - **Constructions of symbols** that may explain, express, or reinforce gender divisions.
 - **Interactions** between men and women which reflect and **reinforce differential power positions** between genders
 - These processes help to create gendered identities reflected in choice of work, clothing, language and presentation of self
 - As a constitutive element in organisational logic, having material form in work rules, contracts, and managerial directives including systems of job evaluation.

- Job evaluation:

- Job evaluation evaluates positions, not incumbents. It considers the ideal worker, rather than real individuals who will all have strengths and weaknesses.
- On analysis, this hypothetical ideal worker is able to devote all their time and energy to the organisation.
- The closest an organisation can get to this hypothetical ideal is the male worker who can devote his time to work while his wife takes responsibility for the family.

- Bodies:

- ‘The abstract, bodiless worker, who occupies the abstract, gender-neutral job has no sexuality, no emotions, and does not procreate’ (Acker, 1990, p. 151)

NEXT WEEK:

Changing Concept of Careers

