

Management 390-H

PRINCIPLES OF MANAGEMENT

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David L. Hawk, Professor of Architecture and Management

hawk@njit.edu

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OVERVIEW

The course is about management of organizations with a focus on management of business development. Business is the platform for economic exchange, where what you have of value is offered to others for what you perceive as valuable. This provides for a systemic means to meet human needs via delivery of goods and services. As well as driving the economics that motivates product delivery it builds the interdependencies that find humans into a social fabric. Key to continuance is that the system remains fluid and adaptive to change. Where the system attempts to eternalize itself and resist adaptation serious problems emerge in the system. Problems leading to failure are clearly seen in the applications of traditional principles of business and management. From the exterior the failure process might seem humorous but from the inside the consequences can be tragic.

The emphasis in the course will be with forming and reforming businesses in ways that encourage seeing and using the changes that help systems adaptation. A major distinction will be made between institutions that are organized around change and those that revere changelessness. The concept of change is thus a critical characteristic to what we will discuss in classes, and the concepts we will use for its discussion.

To understand change and its impact on business principles we will need to learn about issues of context. In this way we can discuss how best to improve them as a more fluid process. You will not be expected to memorize traditional management principles and the pretext they support, yet we will discuss some of them via their historic significance. This may seem ambiguous, or BS laden, but the current reality of business turbulence illustrates the importance of contemporary context or traditional practice. For example, Maslow's hierarchy of needs exemplifies the poverty of ill formed principles of industrial management yet it continues to be centerpiece of most management texts. The Wall Street meltdown can be seen as temporary mismanagement, via incompetence or meanness, or can be seen as part of an enduring human problem with Faustian dilemmas. If we take the second approach it becomes an issue of leadership instead of management. This helps us understand who formed the boxes that house business as usual. Since business as usual is clearly leading to less business, and viable employment, it's important to improve our skills in changing the box. This can help us improve our ways to manage human systems. It's the least we can do with the limited time we have.

INTRODUCTION

You may have noticed that we occupy *interesting* times. It's also worth noting that there are cultural differences in what "interesting" means. In Chinese culture the term interesting is seen as a curse while in the US we generally see it as a pathway to amusement. As with most concepts used in social systems, such as business, we will see that the introduction of a cross cultural perspective reveals a surprising richness to what we normally see as mundane, or "so what," or even "whatever." To ignore such expanded vision is to guarantee that little is seen. As such, a contextual approach which includes international business will be used to see how to manage the unknown that defines the interesting stuff that lies outside the box.

Reality has always been an ambiguous concept but recently it has become more challenging. It used to be the world after graduation from school that was somehow more tangible. Now school seems more tangible and stable than what awaits the graduate. This is not a complement to the relevance of what is taught in school. What we encounter in the environment beyond school seems quite different from what is described in textbooks, history books and lectures. While we desire stability it seems that we increasingly encounter instability. Since stability is normally needed to accomplish our objectives, we strive for it, yet the means we select for fixing things seem to only make them more unstable. A number of scientists have pointed out that biological systems quest for stability, which is referenced as homeostasis, but this kind of stability is seldom in the interests of human systems. I mention this because biological systems are increasingly recognized as the context for human affairs, and where human-designed stability breaks down biological systems intervene and provide their form of stability. This is noteworthy for a course like this because biological stability is often intolerant of how we define the economic interests of humans. As such we will need to create tools that can improve our means and methods for managing situations of economic interaction. We need to find ways to achieve a stability that is in the longer term interest of psychological and physiological systems, and that can accommodate the wilderness alongside the artificial.

COURSE IMPLICATIONS

Just now you are caught up in attempting to understand, and thus adjust to, a series of rapid changes in your world that are discontinuous and appear harmful to your images of a desirable future. Many of these changes seem driven by technological phenomenon (e.g., transportation systems based on automobiles, electricity based on coal, food based in fat and doing things because you can, not because you ought to). With an emphasis on change brought about by technology only we risk forgetting the importance of natural and the social dimensions of change. A human predisposition to control that which they don't understand, then revert to managing what can't be controlled, often stands in the way of seeing the need to change. .

Changes essential to improving what human do and how they do it have been avoided for decades. Rethinking communication as movement of ideas, instead of mass, can change the impact of human acts on nature. Such rethinking is now critical. During the 1990s we continued to use the industrial idea of human wellbeing being tied to quantities of material wealth. Buying, storing and guarding material objects were seen as more

important than the ephemeral, the spiritual, and the non-rational. We did allow the production of objects, and the pollution associated with it, to move to other nations but even that has become a problem in that the consequences of pollution are global even if the causes of it are local. This attitude began to emerge in the 1960s as we noticed that there were problems in traditional industrial development. By the 1970s we began to rethink the situation at a deeper level by encountering limits in resources. Now, in 2009, we see the difficulties of the nineteenth century ideals about economic systems but still lack a framework for understanding how to recalculate our actions to avoid the tragedy of the commons (a 1965 paper in Science Magazine). Aspects of how to creatively respond to this growing dilemma ought to be part of any well prepared university graduate. One of the better books on this is *The Entropy Law and The Economic Process*, by Georgescu-Roegen, Harvard Press, 1971.

Herein we will address principles and practices that encourage “doing the right thing,” instead of continuing the tradition of doing the wrong things ever more efficiently. We can thus see how pollution is not a necessary cost of economic exchange and development, how we have missing institutions that await invention, and how serious challenges can lead to a very worthwhile future. Herein we will strive to learn about approaches to management that build on these emerging ideas of living better by doing better.

Closely linked to changing management systems are needed changes in the values of who we are and what we should aspire to be, and thus do. The Western industrial world, led by the US, has long pursued a dream of building an independent world, for the west, where the rest of the world would /should be dependent on those with the most advanced industry; e.g., the US. The practices and consequences associated with this and the rules of finance it depends upon are now difficult to justify. We see how all peoples, problems and potentials are interdependent to others as well as nature, and degrees of industrialization are not a viable measure of future economic success. It seems that either people will change their ideals/ideas about an improved condition of human existence, or the human context will be changed in ways that humans will not enjoy; i.e., the biological stability scenario introduced near the beginning.

Change cannot be classified as a universal good or bad, but in all its forms it does require a response. The responses can be based on management or leadership, where there are significant differences between these. The consequences of long periods of avoiding change can be dramatic to the human condition; i.e., the consequences of humanly generated pollution, or, not responding to the significant potential in applying information technology to health systems. Instead of creating a false dichotomy between theory and practice we will instead discuss why there is nothing so practical as a good theory. Since most change has an economic dimension we will concentrate on economically motivated actions that drive change. Since most economic acts involve organized business we will further focus on the business ideas that drive or respond to change. Since management of business is associated with problems and potentials we will spend at least half of the course with principles of management as they once were, are and need to be taught. Much of this begins with who responsibility for what and how long standing concepts such as hierarchy can today be counterproductive to improvement. The rest of the course will deal with what these principles are set up to manage; i.e., the enterprise. The emergence and history of management ideas illustrates

the successes and failures of others attempting to adapt to change, and the ambiguities encountered therein.

The course includes lectures, discussions, readings and books that can help you with these challenges. To listen might seem confusing, to speak up might seem scary, and to read might be seem unusual in a business course like this. All three areas of communication are important in the course and to your personal development via the course.

The lectures and books represent a wide array of classic ideas for dealing with relatively well known human problems; all of which you will encounter in business and your employment lives that will of course be tied to some form of business. The books referenced for the course generally come from noteworthy people that have faced some of the problems you will face. Their experiences should help you understand the issues involved in life management in general and business management in particular.

REFERENCE TEXTS and SUPPLEMENTAL READINGS:

References books for the course are:

- 1) *The Idiot*, by Fyodor Dostoevsky. This is a powerful book about the underlying ethical and moral values involved in human activities. It is probably better than taking a course on legal and ethical issues, as taught by a US law expert; although the central idea of the book can seem confusing to those who restrict good works to one day a week.
- 2) *Zen and the Art of Motorcycle Maintenance*, by Robert Pirsig. This is one of the more important books written in the fifty years on defining quality in what people are and do. Essential to help you deal with the complexity of Sigma 6 and ISO quality standards that you will encounter in your work-life.
- 3) *The Best of Russell Ackoff*, Russell Ackoff, 1999. A great philosopher of management during the last century, as well as an important contributor to building a top business school.
- 4) *Business: the Ultimate Resource*. This provides a great resource to those interested in the underlying concepts and practices of current management practice. You might find it better than a collection of current texts on management practice.
- 5: *Karaoke Capitalism: Daring to be Different in a Copycat World*, Jonas Ridderstralle and Kjell Nordstrom. *Funky Business Revisited*, by the same authors, is also an option.

Some additional material will be assigned for your reading during the semester. These will be handed out or placed on the course web site. You can find the books many places or simply go to the web. If you go to one of the larger bookshops to get them, which I recommend, you should be prepared to spend some extra time browsing in the management and other subject areas. These can include but not be limited to: computers, science, mathematics, philosophy of science, religion, literature, etc. You will discover

much that you didn't know existed and open up areas of learning that are well beyond what can be provided in a single course, degree, discipline or university. This method introduces you to a means to self-discover unconsidered ideas and information that will occupy your life. These books will become the essence of your self-understanding, and self-management. You may even discover the means to connect many of the things you are interested in back to your current reality. Often all that is lacking for you to make parts of your existence meaningful is a structure for tying it together. Great literature provides a great context for giving structure to ideas and concerns. Books can also be seen as doorways into regions of mental delight and understanding.

COURSE OBJECTIVES:

The course deals with helping you learn about principles of management where the object of these principles is primarily a business organization but ultimately it must be management of self. This may be the only undergraduate course that you may take in these subjects. As such it is designed to be more of an overview than an in-depth presentation. Many of the subjects may first seem like tangents to the subject of the course, but they will give you a sense of the larger context.

We will discuss management principles in terms of what it means in the larger context of our unfolding realities. This should help you understand changes taking place to time-honored presumptions about what we, others, and specifically managers, are and do. We will strive to cover the critical issues facing managers that center on concepts of what managers are and do. Definitions of "management" will be an important beginning to the discourse. From this discussion will expand to include how management is many separate disciplines. This will open up differences in how public and private organizations are managed.

You may not now envision yourself to be a manager, or want to see yourself as managing others but you will undoubtedly spend much time with those who want to manager you. At the surface this gives you a simple early choice: to either learn to manage or prepare to be managed. In fact, you should discover that the most interesting choices are always arrived at by expanding the choice beyond what is given in simple dichotomies. This would mean that the choice between being a manager, or in being managed, ultimately becomes a false choice. How to expand it to include more of reality is one objective the will become more explicit as the course unfolds. To enlarge the choice pool beyond such limits you will need to step back, examine the context and offer a creative input. The course is organized to encourage you to do so. In this instance a third possibility is to consider the option of reducing the role of and need for formal external management systems and experiment with options such as "self-management." This can lead you to some very different assumptions and conclusions than those normally offered in basic principles of management texts or courses.

To be successful at self-management it is critical that you have tolerance for difference, know how to systematically carry out inquiry into that which you don't understand and appreciate the forces behind what you don't know. In this way you can

truly learn, and perhaps even learn to learn. In this way you may develop skills in dealing with more complex information and see the larger possibilities that come from understanding.

A history of management theory, how it has emerged and how it is being developed will be presented in the course. The text material as tangential to the lectures but should be helpful. Like this syllabi, it should be seen as an outline and reference of the multifaceted issues that now define management theory. These issues are more dynamic than what can be captured in formalized written words. What gets put into word form is mostly historical record; what the textbooks on management call “case studies.”

The course is an introduction to management but as such presents some issues that might be found in advanced studies of management theory. It is organized to raise topics found in current discussions about management but to do so via ideas about what management was, is and might be like in the next century. As such, the course content is not intended to be comprehensive, or conclusive. The topics are discussed in terms of their current relevance as well as their historical roots and perspective.

Lecture topics will on occasion seem to be disjointed and tangential; i.e., a bit like life. Efforts will be made to connect them in later lectures. As these “displaced” concepts arise you should seek ways to design and construct a self-referential framework that helps you to weave together your own set of seemingly disjointed ideas. In others words, much information will be offered in this class about the subject of management, but it will ultimately be up to you to place these fragments into a knowledge framework. Part of this involves selecting between those topics that you need to look more deeply into those topics which you should discard. You are responsible for your futures and thus must learn to make the best use of your mental capabilities at the same time that you are expanding and reorganizing them; i.e., learning how to best manage yourself before you manage others.

Extensive use of 35 mm slides will be presented during the course lectures. These will be of companies, industrial processes and selected topics in management.

EVALUATION:

- Semester assignments - 40%, Assignments are due one week after being assigned.
- Class participation - 20%
- Final project - 40%

SCHEDULE:

1. Introduction and overview, Part I.
Course overview and general management discussions

Some concepts considered problematic to management: discipline, imagination, spontaneity, creativity.

2. Introduction and overview, Part II.
Continuation of course overview.

Management Problem Types and additional concepts: change, changelessness, and the importance of one, two, three, n dimensions of reality to management, Catch 22s, double-binds, dilemmas, etc.

Assignment 1. *Management as omnipresent*

Describe two events, where one focuses on how you attempted to manage someone/something and failed while two describes how someone attempted to manage you and failed. In conclusion, speculate on how you could have changed the outcomes.

Due – Class meeting Six.

3. Introduction to Management Theory

Concepts: management, classical management theory, productivity, efficiency, effectiveness, engineering management, technology management

4. Management Evolution.

Concepts: legal order, negotiated order, quality.

5. Management Challenges.

Concepts: Competitiveness Ideals, Middle Management, Quality as the Baldrige Award, and Strategic thinking as Planning. Emergence of technological sophistication.

6. Management Challenges Two.

Information Systems, and misinforming the Organization and the Individual.

Emergence of IT (Information Technology) in the modern organization.

7. Special Discussion I

Discussion of concepts used to date and fluid management article. How does this relate to the two reference books for the course?

8. Describing management theory

Differences between management theory and practice, management of change and conflict, and non-management.

Assignment 2. *Management in defining your future*

Identify the profession/job/area that you are interested in joining for the next ten years. Identify an individual that best represents this area to you, and then work to arrange an interview session with her/him. Articulate three to five questions areas that can be covered in 30 to 45 minutes time, where the first one addresses the person's background relative to job and the last one might simply be "If you could do it all over again what would you change?"

Due: Class Meeting 15

9. Special Discussion II

Discussion of Assignments One and Two and your ideas about them.

10 Environment

The Role of the Environment. (Environmental typologies.)

11. Organizational design with reference to the environment

Organizational design. Is there a difference in designing products, processes and the organizations that manage them?

12. Revisiting planning concepts, theories and dilemmas.

Normative ideas and issues. Beyond descriptive theory and its management. The planner's dilemma.

Assignment 3. *A Business Plan: Giving an idea structure*

Present a business idea that you find in the business literature or invent yourself that illustrates a radical departure from business as usual. Your plan should outline the essence of the business idea, how it attracts the necessary resources to make it work, your means for managing it so it and the people who buy into it prosper and how you allow it to adapt to changing conditions. The emphasis in the plan should be on your approach to success and how you choose to measure it. This can involve building trust, instilling ethical structure, or simply attracting a lot of money and moving on to a new location or idea. The plan should involve a product, which can be either a good (tangible) or service (less tangible).

Due: Class Meeting 18

13. Design and Management: Business ideas, business plans and business development

14. Product Development

How do you manage creative people, diverse groups and environmental uncertainties?

15. Ethics in Business. What is Social Responsibility?

Assignment Five: Describe a business example of a firm that has done an extraordinary job of demonstrating concern beyond short term, bottom line profit that might be seen as "socially responsible."

16. Staffing and Human Resource Management

More about the SOL, ABB and NOKIA examples.

Assignment 4.

Select any two of the following management concepts and explain the difference between them in a way that exaggerates their potential for conflict. Then, examine them as collaborators to achieve a higher idea where neither is sufficient to the challenge. Then, suggest what might need to be added should you find the two together to be insufficient to the challenge.

a) management b) leadership

- a) decision-making b) judgment
- a) stability b) turbulence
- a) private b) public
- a) changelessness b) change
- a) individual b) organizational
- a) social b) technical

Due Class Meeting 22

17. Organizational Behavior, Motivation and Values

What motives people to do what they would not normally be expected to do?

What are expectations about others?

18. Communication

Communication theory, management information systems,

19. Cross-cultural Relations

More on cultural differences and similarities and how they show up in motivational and product choice issues.

20. Globalization and Internationalization

Globalization, Internationalization, Regionalization and Localization: What do these mean for contemporary firms and their employees.

Final Project/Description Handed Out and Teams Formed.

Due: the final two class meetings.

21. Globalization and Localization II

What does this means for the future?

22. The concept of others relative to the self in everyday life.

Team building and group dynamics within a culture, and between cultures.

23. The concept of Self relative to Others

The role of the Individual in an organized environment.

24. Organizational Ecology

Changing role of social organizations in contemporary society.

24. Design of Jobs and Workplace Settings

The architecture of institutions and the architecture of the workplace: Their compatibility and disharmonies.

25. Industrial Management and Services Management

Emergence of a new paradigm of customer relations and how it impacts management.

26. Guru's of Management Theory: Their role in Paradigm Adjustments
The top 100 Guru's of national and international business. Why they get paid so well.

27. Management Futures
Possible Futures of Management Theory and Practice: Overview and Conclusions.

28. and 29. **Final Projects Presented**

30. Course summary