



Course information 2016–17

MN2177 Core management concepts

The course covers the main areas of general management and the intellectual foundations of management concepts. It is the basis upon which more specialised functional management courses can be taken.

Prerequisite

If taken as part of a BSc degree, courses which must be passed before this course may be attempted:

MN1178 Business and management in a global context or
MN1107 Introduction to Business and Management

Aims and objectives

The aims of this course are:

1. To give students a thorough grounding in the key management sub-disciplines
2. To provide an overview of the development of these disciplines
3. To illustrate the disciplinary anchors of these disciplines in sociology, psychology and economics

Assessment

This course is assessed by a three-hour unseen written examination.

Learning outcomes

At the end of the course and having completed the essential reading and activities students should be able to:

- Demonstrate understanding of core management concepts
- Apply these concepts to specific business situations
- Analyse and evaluate managerial tools such as balance sheets and marketing plans
- Explain the relevance of social science to business practice

Essential reading

For full details please refer to the reading list.

P. Willman *Understanding Management: The Social Scientific Foundations*, (Pearson)

Students should consult the appropriate *EMFSS Programme Regulations*, which are reviewed on an annual basis. The *Regulations* provide information on the availability of a course, where it can be placed on your programme's structure, and details of co-requisites and prerequisites.

Syllabus

This is a description of the material to be examined. On registration, students will receive a detailed subject guide which provides a framework for covering the topics in the syllabus and directions to the essential reading.

Introduction: This chapter introduces the course and its approach. It discusses the pre-industrial roots of thinking about management and leadership, and shows the longevity of certain management practices. The industrial revolution prompted major developments in social theory and political economy—in particular in Europe and USA—which in turn have influenced the analysis of management in business. The chapter traces the roots of modern management technique in the developing disciplines of the social sciences and offers a framework for a critical understanding of the corpus of business knowledge.

Management and the Firm: The chapter looks at the growth of large firms in historical context and examines the major explanations for the growth of firms, specifically technological indivisibility and market failure. It specifically examines the work of Chandler. It describes the separation of ownership and control and introduces the problem of agency. It introduces the 'varieties of capitalism' debate and covers the varieties of institutional arrangements for firm governance that have emerged in advanced economies. The relationship between the factory system and the creation of an industrial workforce is discussed.

Taylorism, Motivation, and Performance: This chapter looks at the emergence of two important schools in the history of management science that attempt to systematically analyze human behaviour at work: 1. Taylorism and scientific management; and 2. the development in psychology and the human relations movement. It offers an overview of the background, principles, as well as limitations and problems of the two schools. Performance appraisal systems and reward systems in organisations are examined as well.

The Rise and Decline of Labour : This chapter looks at the historical root of industrial and labour relations and explores the linkage between workplace control and the broader economic and political context of work organisations. The evolution of internal labour market, the logic of collective action, and wage determination and rent-sharing in collective bargaining are examined. The chapter also introduces the markets for trade unionism and the mechanisms that unions grow. It overviews the rise and fall of trade unions with reference to historical and contemporary influences. Alternative voices schemes are explored at the end.

The Rise of Human Resources Management: This chapter looks at the origin and evolution of the field of human resources management (HRM) and introduces key theories and analytical concepts of HRM. The chapter will provide a framework for thinking systematically and strategically about aspects of managing the organisation's human assets. Major approaches to HR strategy—Michigan School, Harvard School, and Resource-based models will be discussed.

Origins of Management Science : This chapter will look at the development, post-Taylorism, of quantitative modelling approaches to operations management. Basic concepts of queueing systems and inventory control, and linear programming will be introduced and placed in context. We will discuss how these concepts have been developed as organisations have become more complex, and more mature in their ability to process data and harness computing power. We will also talk about how these ideas have spread beyond the engineering and manufacturing settings in which they were first introduced, and some of the challenges facing the implementation of these management science concepts in these new environments.

- Ideas of inventory theory like EOQ/newsvendor
- Basic queueing models, M/M/1, M/M/k—focusing on graphical presentation and insights (no proofs)—basic equations and say the real world more complex but the basic insights hold.

Accounting, finance and the firm: The chapter will comprise a review of models of agency provided by principal agent theory, behaviouralism and the theory of the firm provided by Rajan & Zingales (1998). It would also introduce accounting theories that do not utilize such models, such as the critical accounting school. These theoretical perspectives will constitute reference points for case discussion in later weeks. We will be drawing on discussions of principal / agent theory and behaviouralism provided in earlier chapters within the course.

Management Accounting: Costing: This chapter will introduce management accounting as a set of practices relating to the internal control of the corporation and their evolving role in facilitating decision making by managers. Then focus will be placed on costing. We will distinguish between direct and indirect costs, and between standard costing methods and Activity Based Costing. We will place issues relating to costing in historical perspective and drawing on Johnson & Kaplan's Relevance Lost, make comparisons with costing in earlier periods.

Management accounting: Decentralization and performance measurement: This chapter would introduce themes in management accounting relating to the collecting, processing and analysis of information regarding the internal functioning of the firm. We will investigate the relationship between performance measurement and decentralized forms of organization. Following a review of different aspects of management accounting, we will cover issues agency and institutionalist perspectives on performance measurement. We will then cover the Balanced Scorecard.

Financial accounting: This chapter will introduce the three elements of the financial report, namely, the balance sheet, the profit and loss statement and the cash flow statement. We will discuss the qualitative requirements of financial accounting for relevance, reliability, comparability and understandability. We will also look at processes for setting financial accounting standards.

Modern Portfolio Theory: This chapter will first introduce the financial framework relating to risk and reward and place this in the context of the characteristics of different asset classes. We discuss issues relating to asset allocation, long term rates of return of different asset classes, the research on the relative returns of asset class selection and security selection.

Security analysis and valuation: We draw on the previous chapter in examining different financial ratios and their application in conducting financial analysis of firms. In the latter part of the chapter we will extend this discussion to revisit issues relating to mergers and acquisitions.

The Origins of Modern Strategy: This chapter will focus on the origins of the strategic management discipline. The chapter will emphasise what differentiates the discipline of strategic management from its sibling and parent disciplines. Particular attention will be paid here to understanding its level and units of analysis, principal questions, primary assumptions, typical research methods and key debates. The early 'pre-theoretic' schools that characterised the youthful strategic management discipline in the 1960s and 1970s will be surveyed. In addition, the influential 'positioning school' work of Michael Porter from the 1980s with its focus on industry analysis will be introduced.

Understanding Organisational Structures: The chapter examines structural options. Beginning with the Weberian concept of bureaucracy, it discusses the development of formal rational hierarchies in business. It covers the work of Mintzberg and Scott. It examines explanations for the rise of m form organisations (Coase, Williamson) and introduces the concept of matrix organisation. Finally, it discusses institutional theories and the pressures of isomorphism.

Analysis of Organisations: This chapter analyses the development of theories of organisation, dealing with both sociological and economic approaches and examining ecological and institutional theories of organisational fields. It looks at the connection between the study of organisational forms and fields, and examines network theories of organisation

Contemporary Strategic Management: This chapter will examine the most prominent theoretical perspective to emerge in the strategic management discipline in recent decades: the Resource-Based view (RBV) of the firm. The emergence of this re-focus on the 'internal' elements of company strategy will be placed in disciplinary context. Major works of both scholarly (e.g. Jay Barney, Kathleen Eisenhardt, and Bruce Kogut) and

practitioner-oriented RBV authors (e.g. Gary Hamel and C.K. Prahalad) will be reviewed to provide a representative picture of the concerns, methods, findings, and debates of the RBV (and associated Knowledge-Based View) theoretical perspectives. The chapter will conclude with a discussion of cutting edge trends in strategic management theory and practice.

Strategy and Decision Making: This chapter will trace the evolution of behavioural decision theories from their origins in the 1950s to the present day. Behavioural theories are normally based on (i) a concept of a "good" or "rational" approach to decision making; (ii) empirical evidence which shows that people do not follow such an approach; (iii) a theoretic account of why such departures from rationality occur, and, sometimes (iv) some suggestions as to how to help people make more rational decisions. In this chapter we centre mostly on the celebrated "heuristics and biases" tradition of Kahnemann and Tversky, showing how the theory which these authors developed can shed light on both economic behaviour and managerial decision making. We also discuss some of the controversies surrounding this theory and some alternative views.

The Origins of Marketing: The Development of the Theory: Marketing theory approaches, like marketing itself have to span both the level of individual behaviour, which tends to be most informed by economics and psychology and aggregate behaviour and organisational relationships where sociological and again economics approaches provide much of the initial theoretical background. On top of this much of the aggregate work also relies to a considerable extent on advanced statistical techniques.

The Origins of Marketing: The Development of the Practice: The practice of Marketing has emerged from a number of different "traditions", including business journalism, advertising, selling and, rather later, market research. We will look in more detail at the historical development of one of these traditions: advertising, to illustrate in more specific terms, the recurrent themes particularly in terms of the issue of practice and professionalisation but also allied issues such as the knowledge base, the questions of standards and the nature of regulation. We will then consider the more recent manifestation of these issues in both a US and a UK context.

Future Challenges for Marketing in the Digital Age and the role of Branding: It is perhaps an inevitable characteristic of the area of marketing that it has to confront questions of change both within the organisational function and also in the wider market environment. We will look at two key areas: the claims and evidence for the changing nature of the communications and promotion activity in responding to the shift from "broadcasting" to "narrow-casting" and the extent to which a more interactive relationship with customers is changing the underlying rationale of many marketing activities. We will finally consider one area of apparent continuity: the inexorable rise of the notion of "The Brand".