

THE NEXT DEFINITION OF MANAGEMENT

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ABSTRACT

The author looks at the management process at the nuclear level with the particles of management being information and decisions. This view of the management process looks at management behavior as a subset of organizational behavior. Knowledge comes from information and feedback from our experience. Decisions come from knowledge and the tools to analyze problems. Getting information, making decisions and communicating information combine in an open system to produce the management process. It is the developments of the information age that have combined to make a new definition of management desirable and beneficial. A definition is only the starting point. A clearer understanding and sense of priorities of the management process is the benefit sought in this article.

INTRODUCTION

56 The discussion of "management" and "the management of....." has long generated an explosion of dialogue, much like a supernova, shooting in all directions, e.g. knowledge management, human resources management, management by objectives, scientific management, etc. At the same time, there has been a weak underlying force of gravitational pull trying to unify management thinking, i.e. what is management, what is a good manager, etc. In the preliminary research for this article, I went to the Internet to find the latest definition of management. Using the advanced search features of Fastsearch (<http://www.alltheweb.com>), I used the keyword "management" and the must have filter "definition of management". I got back 173 hits. Most of these were the management of something or a phrase in some university's course syllabus. One site asked for me to input my definition of management. In the end, less than ten sites had any reference to a general definition of management.

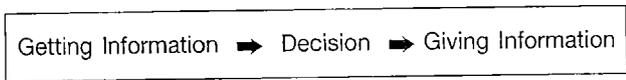
Why would there be so little discussion of a definition of a topic so widely published in a diversity of contexts. Perhaps, it is because the definition is

already so widely understood and accepted that it is not necessary to re-invent the wheel. Plan, organize, control, motivate, etc. has been one popular definition that reads like a job description. By understanding the basic elements of the job; you can then develop general or situational criteria on how to do the job well. Other definitions have centered on the theme of using people to accomplish objectives. Dialogue here tends to focus on situations and how to effectively and efficiently to accomplish goals and objectives. It is also possible and more likely that despite the decades and decades of discussion on management, there remains no clear consensus on what management is. This has not been a bothersome constraint in any way on the discussion of how to do it well. As a consequence, it would appear that a definition of management may not be needed to help progress on the matter itself. On the other hand, a definition is the starting point for comprehension. As such, it will always be important.

Another perspective is that despite the progress in management science (decision making) and information and related technologies, management itself has

remained a "black art". If management was a well understood technology, its benefits would be more consistently produced with less risk and error. However, witness the recent rise and fall of the fortunes of E-commerce. This situation may arise from our constant preoccupation of thinking about management at the galactic level. Perhaps, we could benefit from developing a perspective of management at the nuclear level, instead.

What are the fundamental particles of management? The answer, I believe, is information and decisions. The process of management can be defined as:



We can look at management as a process of discovering the truth. In a perfect world, we have enough information to discover the truth and the decision is self-evident. While the truth may not change, the path to discover it is always being altered as the world is changing. If the truth were easy to discover, we would all be rich, self-fulfilled, etc. and the world would be living in peace and harmony. Why do we fail?

1. Wrong information
2. Incomplete information
3. Incorrect analysis of information
4. Inability to analyze information

Obviously, we will also fail because of someone's evil or selfish intentions and direct subversion of the management process. There is also a cost/benefit trade-off to gaining more information (which is also part of the info/decision process). Errors in this process abound. Also, if it is not already obvious, let me state that my view of management is that it is fundamentally a communications process. The decision part of the process is wholly an internal function, whether that is taking place inside a person or a machine. Also, the management process is an open system; getting

information is part of the feedback loop. The system is scalar; it operates from the individual to the entity level.

The next question is there any empirical observations that would suggest this definition may be both valid and beneficial.

IN THE BEGINNING.....

Our knowledge is the sum of our life's dialogue and decisions. Knowledge is transmitted by dialogue, both written and spoken. It is packaged in language for us individually to retain. Everything we think is in language, and everything we dialogue has meaning to us. The more we dialogue, the more our knowledge is enhanced. (Barrett, Thomas and Hocevar, 1995). Our decisions result in outcomes and feedback. Our knowledge is further enhanced from this information. Knowledge is both dynamic and recursive (Barrett, et. al.). Dialogue is a communications process. Feedback is a communications process. It should not be surprising that the dynamics of the management process are mirrored in our own knowledge management system of the brain, at least on the conceptual level. Management behavior is simply a subset of human behavior. Errors in management behavior are also a subset of errors in human behavior. Yogesh Malhotra (2001) points out that "knowledge and information are, however, distinct entities". He further states "While information... is not a very rich carrier of human interpretation for potential action, knowledge resides in the user's subjective context of action based on that information". In other words, knowledge is part of the decision process but is based from information, including the information gained from experience.

Fishbein and Aitzen (1971) developed variations on Reward/Expectancy Theory. In their model, organizational behavior was defined as follows:

$$\text{Behavior} = \text{Task} + \text{Sum}(\text{Value of reward} * \text{Effort-reward probability}) + \text{Sum}(\text{Normative belief} * \text{Motivation to comply})$$

Clearly, the task provides the overall constrain on behavior options. Strategies reflect choices based on the benefits of various outcomes with their associated likelihood and the interaction of law, culture, ethics and the need to conform. This is again an iterative process of gathering information, making decisions, communicating strategies and monitoring feedback.

SO WHAT!

The important question is what are the benefits to this approach to the management process. The answer lies in management priorities and strategies. The answer lies in choosing and prioritizing strategies that achieve better rewards with more likelihood of success and acceptance. More focus will be on information collection and dissemination. More focus will be on decision making technologies. Management will be doing more of what they are already in the process of doing. The concepts of "knowledge economy" and "knowledge society" are recognition of the importance of information and decision making ability in our world today. Globalization is producing incredible stress on the process because of the language (and as a result, the cultural) complexity it causes to the management process. Time to market advantages add further pressure on the information gathering/dissemination and decision making. The capital markets are an extreme example of the importance of the functioning of the management process.

There can be little doubt of the impact on management of the PC and the Internet. These technologies have revolutionized information flows and decision making. The ability to unify and shorten information flows and decentralize decision making has restructured organizations with incredible productivity gains as a result. This, in turn, has created wealth benefits for all stakeholders of the organization.

The technologies of Knowledge Management (KM) are focused on increasing and assuring the

timeliness, accuracy and consistency of information available to an organization for decision making. They are also focused on better decision making. Malhotra's (2000) definition is:

I have proposed a definition that moves the thinking of corporate executives toward the strategic, nonlinear, and systematic view of knowledge management. Knowledge management caters to the critical issues of organizational adaption, survival, and competence in face of increasingly discontinuous environmental change. Essentially, it embodies organizational processes that seek synergistic combination of data and information-processing capacity of information technologies, and the creative and innovative capacity of human beings.

You can see this definition broadens the scope of KM well beyond the technologies of information storage and retrieval and decision support. We must recognize that technologies are developed to solve problems and meet our needs. The nature of problems often cut across the boundaries of many technologies. Problem solving creates convergence as we move to more fundamental levels. KM deals with how organization's learn as well as act.

Another management tool that increases information flow and accuracy and reduces cycle time and decision error is Concurrent Engineering and the associated House of Quality. These are tools of product development. It takes sequential processes that used to occur in different parts of the organization, creating both information timing and content gaps, and reorganizes and integrates these processes into a seamless system. The idea is to build the right product the customer wants the first time that has important advantages over the competition. It integrates market research, product engineering and finance into one business process. The information flows from customer needs and wants to customer functional specifications

into technical specifications into design specifications into product comparisons into production specifications. How does the customer perceive the quality of an automobile? Is it in the width of the gap of the door jam? Is it in the zero to one-hundred kilometers per hour acceleration time? The reality is customers will perceive quality in many ways. Knowing the customer's rank-order of perceptions is very important in making any design/cost tradeoffs. Knowing the advantages of your product over the competition in customer perceptions is very important also.

Perhaps one of the most difficult subdivisions of the management process is leadership. The question is how does the proposed definition of the management process apply to leadership. First all, what is leadership? Getting any agreement on a precise definition is impossible. I will use a definition I came across from aitp.tech.purdue.edu/leadership.htm. "Leadership is the capacity to integrate the goals of the organization with the aspirations of the people through a shared vision and committed action." In other words, a leader has knowledge of the organization's goals and the people's aspirations through acquired information. A leader can integrate these goals and aspirations through knowledge and decisions, and align and motivate the organization through effective communications to the people.

We tend to think of decisions in terms of final outcomes, but the management process is really a series of small, incremental decisions, i.e. what question to ask, is there more information needed, or should I quit now and start again tomorrow because I'm tired. The outcome of each decision is still based on the behavior model. However, sometimes we are faced with decisions whose characteristics are difficult to manage on a timely basis or whose complexity leaves many mutually exclusive choices available. Management science or the science of decision making has evolved to provide tools to assist in the analytical process or a substitute for humans in the decision process. Long

ago, the tools of queuing theory and linear programming were developed to help make optimum decisions when resources are scarce. More recently, Artificial Intelligence has developed to provide decision support over a wide range of situations, i.e. where information flows and decision intervals are too fast, or to set up a structured, logical process for decisions. They all have the same goal of reducing error. Fuzzy logic has emerged in recognition that characteristics of things are possessed in degrees, rather than have and have not.

In the end, management decisions come from knowledge and tools. However, the best decisions, in many circumstances, come from wisdom. Wisdom is a hard word to define. I believe a person possesses wisdom when they are able to sort through the myriad of cause and effect possibilities to identify root problems and develop solutions that are beneficial to all concerned. It goes beyond the understanding contemplated in knowledge. It represents the ability to get closer to the truth. Expert Systems are an attempt to incorporate wisdom (heuristics) into the logic of software. Many companies get resumes submitted on-line and is able to use expert systems to not only identify qualified candidates but also those candidates that possess characteristics that have historically led to success in the company (Milkovich and Boudreau, 1997).

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SUMMATION

As stated in the beginning, a definition is no more than a starting point for comprehension. Definitions of management in the past have generated useful dialogue over how the functions of management are to be performed. I believe the development of the information age has revealed that an open systems approach to the management process can now be achieved and is vastly more productive. The definition proposed is simple for a purpose. It seeks the recognition by managers that every problem can be solved with enough information, knowledge and wisdom; the tools

to accomplish this must be the priority of every manager; and that the process itself is never-ending.

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