



Aalto University
School of Science

How do humans become a part of economic activity?

TU-A1300 - Introduction to Industrial Engineering and Management
Lecture 21.9.2020

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- **Topic: Leadership, agency and framing**

Coach at Filosofian Akatemia Oy

Focus on relationships

- **Relationality, context**
- **Positive organizational scholarship**



Orientation

Who has a job at the moment?

Who is or has been a manager?

Who aspires to be a manager some day?

Who is afraid that they cannot avoid being a manager some day?

Who is an entrepreneur or aspires to be one?



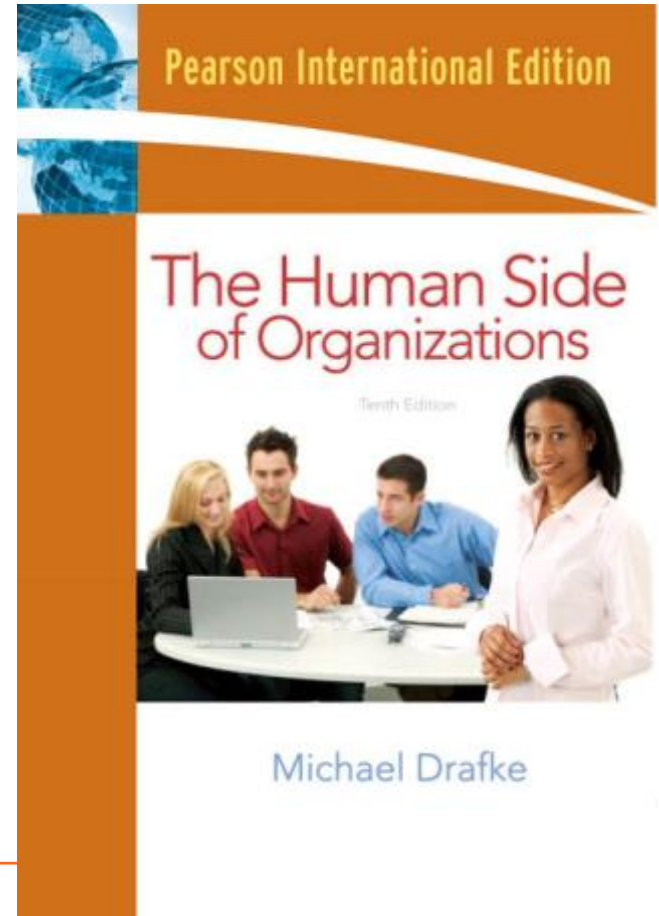
The bottom line

Organizations are about people.

Hawthorne studies in the 1920s

- social aspects more important than environmental ones.
- Surprisingly, people are not machines. Nor even monkeys.

If organizations are about people, how does it concern you?



Organizations 1on1

The organization

In a very simplified form, **an organization** is a structure through which we can achieve things that we would be unable to achieve alone.

Organization refers to those **structures and processes**, which determine and maintain people's job division: **roles and responsibilities**

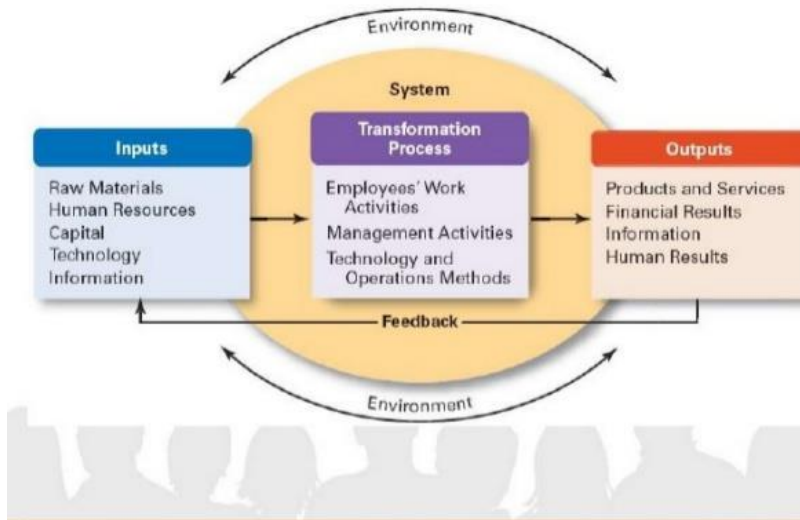
An organization takes **resources** from its environment and through **a transformation process** returns **products** back into its environment.

- These products produce **value** if they are worth more than the cost of the sum of resources and the conversion process.



Organizing: structure and culture

INPUT-OUTPUT MODEL



The universal problems of organizing

Division of labour

- Identifying and allocating tasks

Motivation

- Rewarding wanted behaviour
- Eliminating freeriding

Information

- Ensuring the right direction
- Coordination of interdependent work



Organizational structures

Line organization

Functional organization

Matrix organization

Project organization

Process organization

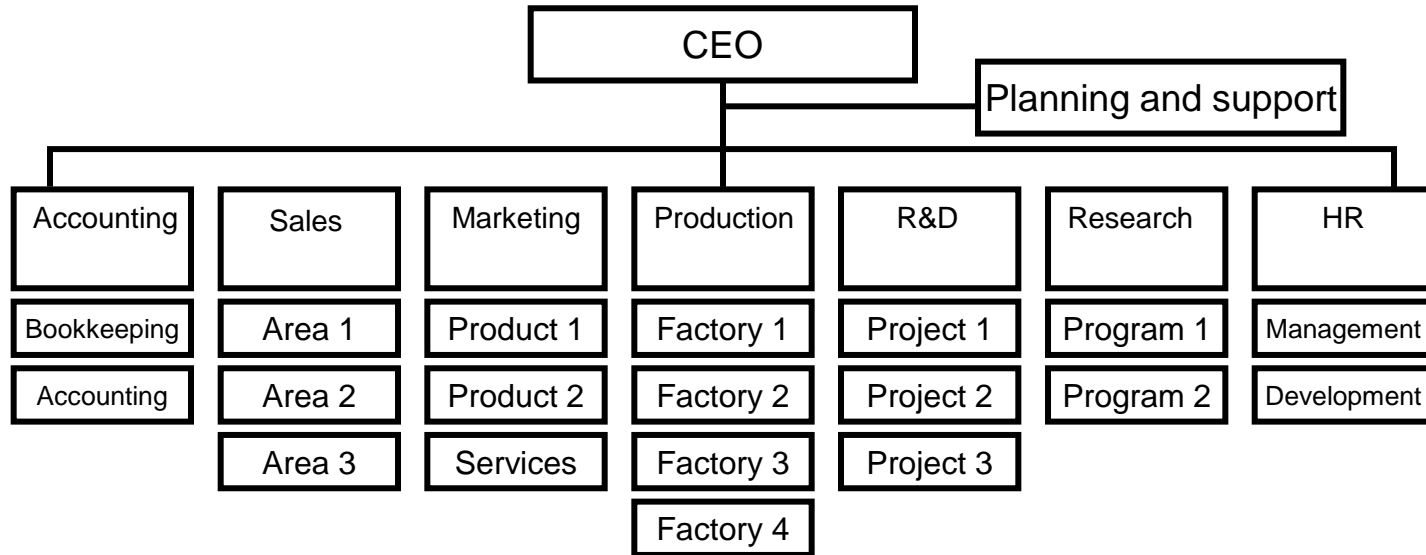
Network organization

Virtual organization

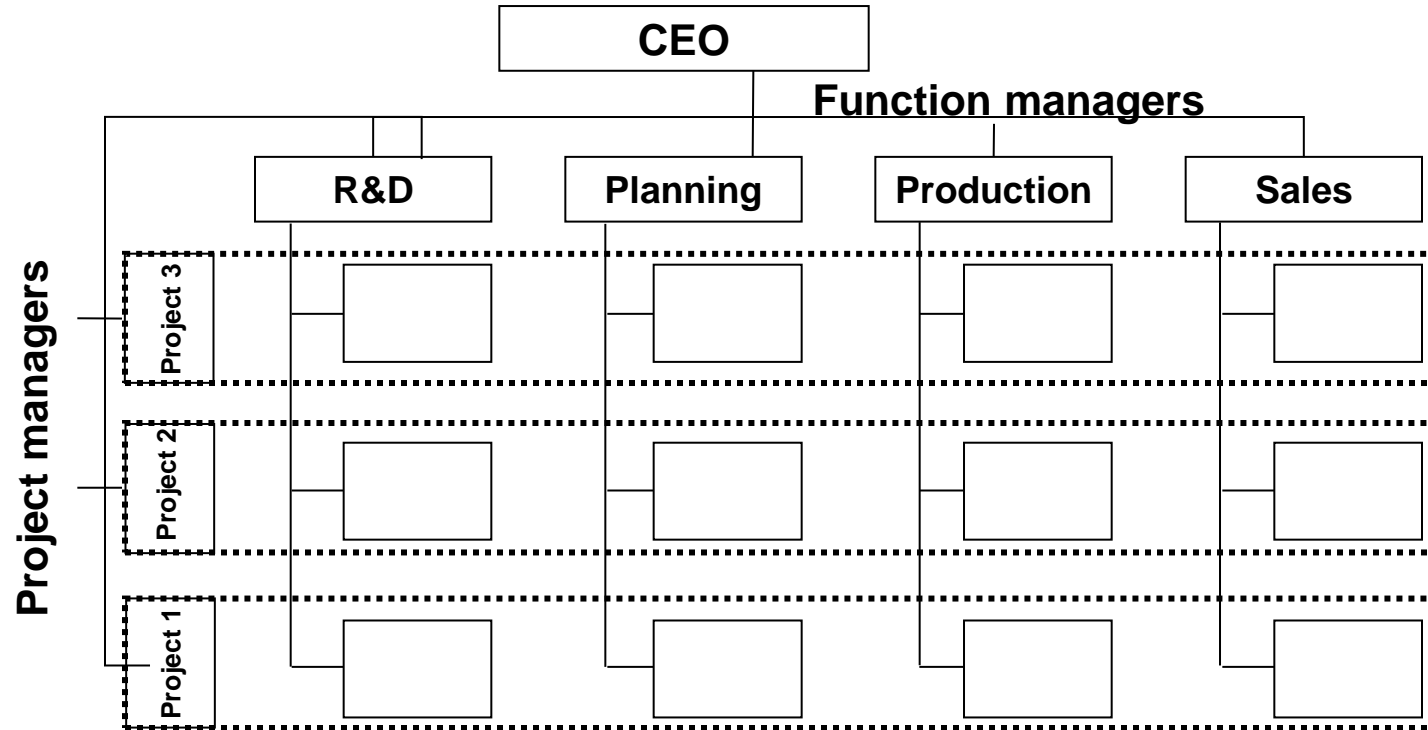
Each has its own virtues
and drawbacks



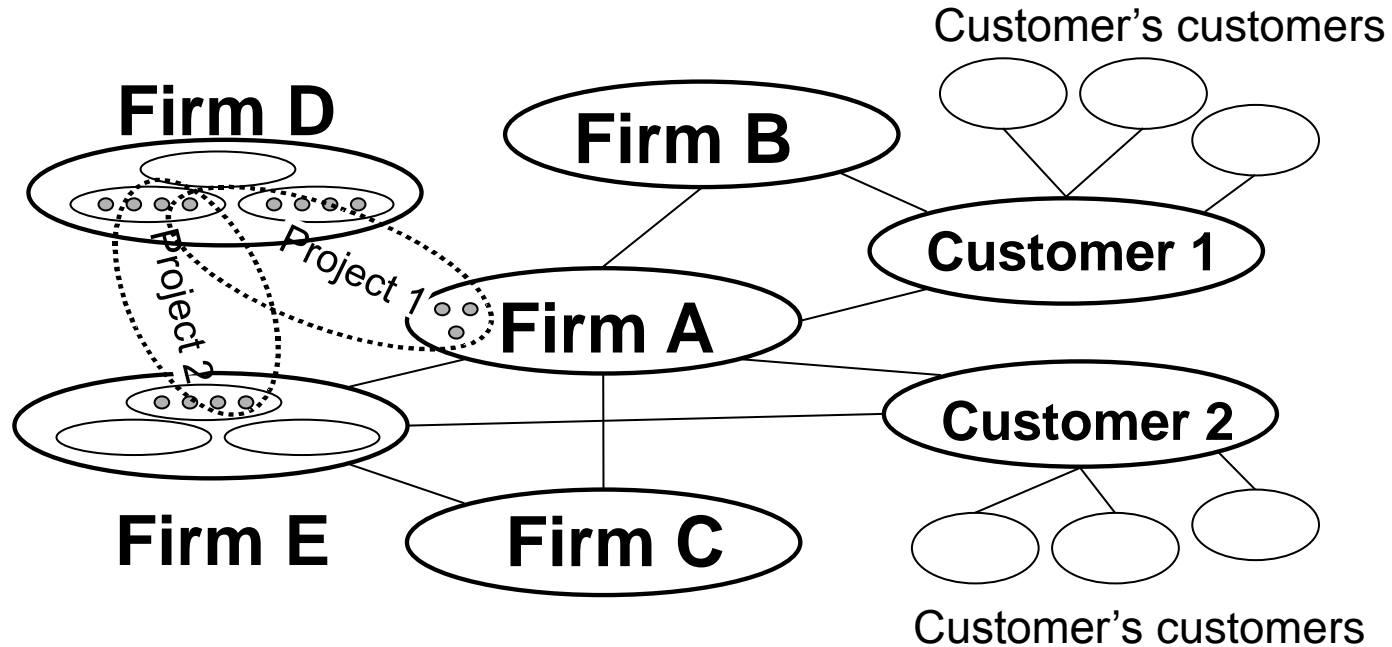
Functional organization



Matrix organization



Network organization



On self-managing organizations

Self-management is all the rage in organizations

- Away from (managerial) hierarchy and towards (individual) autonomy



On being human

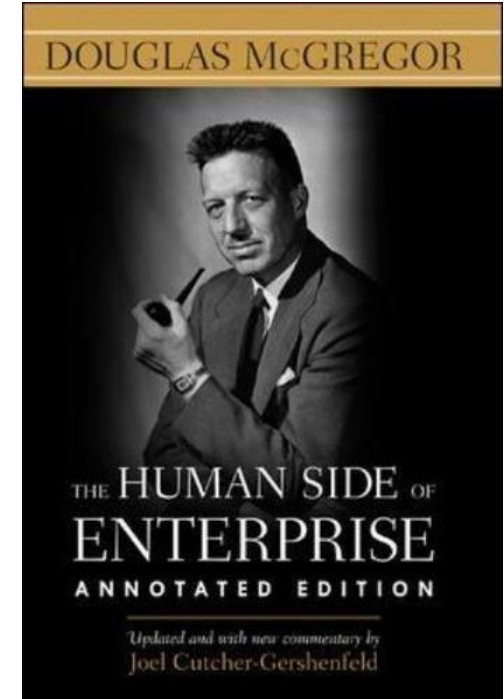
The human side of enterprise

Studying, or understanding, humans is qualitatively different from natural sciences

Dostojevski, on the possibility of "computing" the human existence:

"...I believe a man would *purposely* become a lunatic, in order to become devoid of reason, and therefore able to insist upon himself."

In practice, an organization is constructed and maintained through **human interaction**: speech, relationships and action



Understanding the human side

A variety of concepts, theories etc.

- Culture, motivation, organizational behavior, communication, co-ordination, leadership, management

In practice, it falls on each and everyone of us to try and understand ourselves and others



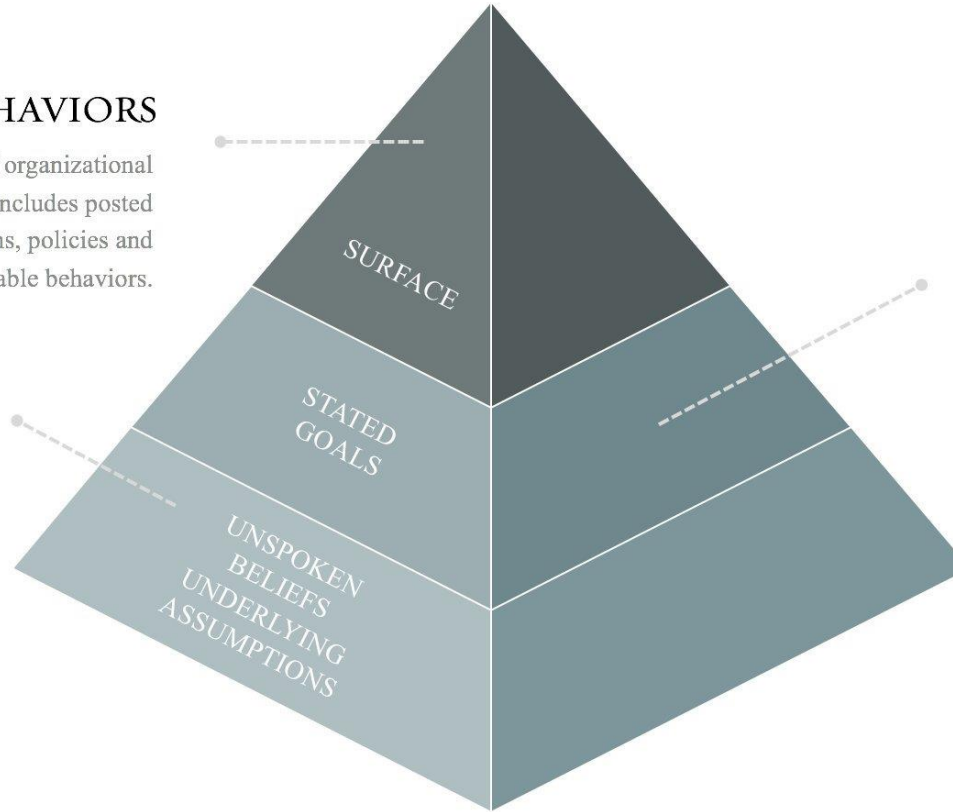
SCHEIN'S CULTURE MODEL

ARTIFACTS & BEHAVIORS

This is the easiest part of organizational culture to see and touch. It includes posted values, office layout, plans, policies and observable behaviors.

TACIT ASSUMPTIONS

These are the norms, assumptions, tacit knowledge that govern the organization and have the biggest impact on decision-making. These are the things most people ignore.



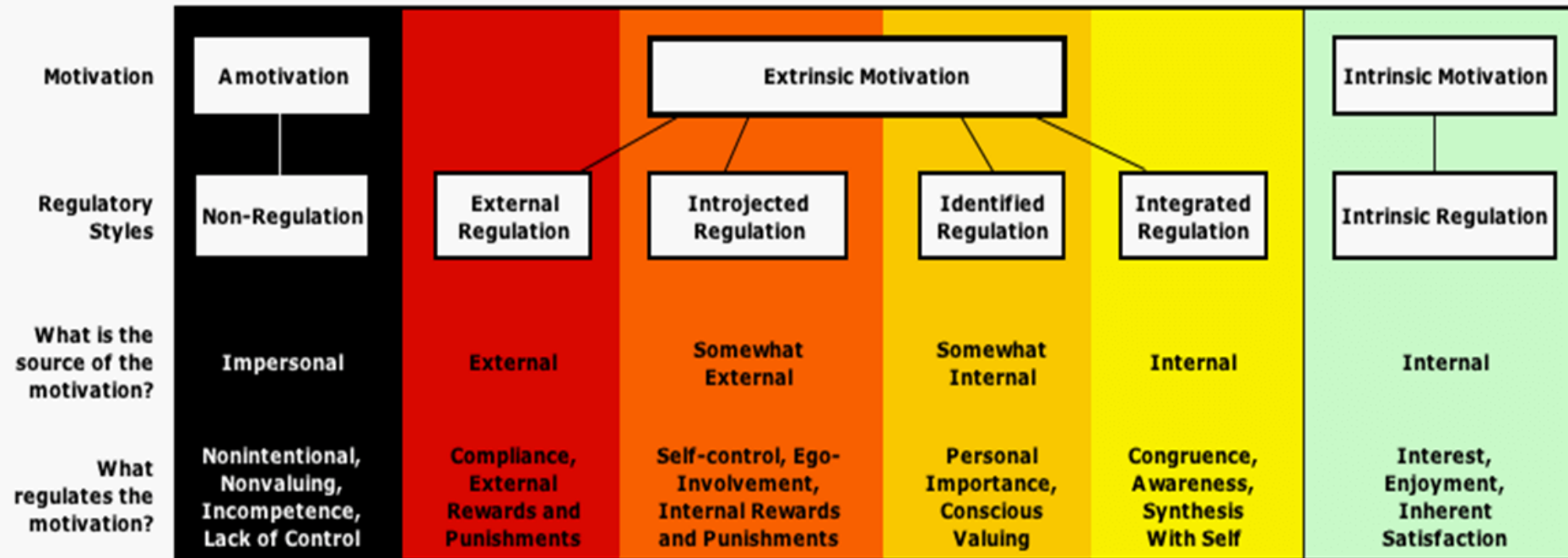
ESPOUSED VALUES

This is what a company says it stands for and claims to value. These are often times completely incongruent with actual behaviors.

The Self-Determination Continuum

Nonself-Determined

Self-Determined



(Based on Ryan, R.M. & Deci, E.L. (2000). Self-Determination Theory and the Facilitation of Intrinsic Motivation, Social Development, and Well-Being. American Psychologist. 55(1), 68-78.)

Management and leadership: Working definitions

Management

- The **handling and organizing of the processes of an organization**: Bringing resources together and transforming them into something with greater value (Mullins)

Leadership

- "The **process of influencing others** to understand and agree about what needs to be done and how to do it, and the process of facilitating individual and collective efforts to accomplish **shared objectives**" (Yukl)

Leadership vs. management (Kotter)

Management

- Planning and budgeting
- Organizing and resource allocation
- Control and supervision
- Problem solving
- Handling of a complex system to produce predictability and order
- Bad management: chaos and ruin

Leadership

- Creating a vision
- Getting people to participate and commit
- Motivating and inspiring
- Producing and handling change
- Bad leadership: no change, no renewal, no survival

Interlude



Have a short chat with a colleague.

What thoughts, insights, questions or comments do you have at this point?

The future of work?



Take-home message

Organizations are about people

Organizations can be understood through

- **Structure**: rules and procedures
- **Culture**: human interaction

Technical know-how is not enough in order to **understand** organizations or to **work efficiently** in them

Everyone can, and should, develop their **interaction skills**

Thank you!