RESEARCH ARTICLE

WORKERS' SUBORDINATION, LOYALTY AND PRODUCTIVITY WHEN WORKING FOR ENTREPRENEURS

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Abstract

Managerial control plays an essential role in any organisation or entrepreneurial endeavour achieving its goals. Such control enables managers to generate appropriate levels of subordination and loyalty within their workforce, which produces knock-on benefits in terms of increasing productivity. However, these simple assertions leave many questions unanswered. Foremost amongst those questions are issues relating to identifying the sources of the so-called "right to manage", evaluating the best philosophies and techniques that can be applied to achieve managers' goals regarding their workforce, and investigating the constraints under which managers operate. This paper addresses those issues by reviewing relevant literature on the theory and practice of workforce management. It commences with a discussion of the basis of managerial authority that reviews the philosophical underpinnings of such authority and the legal principles that have been claimed to be its sources, tracing its roots to antiquated notions of property. The paper then outlines four management philosophies (dictatorial, paternalistic, constitutional and democratic) and describes traditional and modern labour management techniques, highlighting some of their strengths and weaknesses. Finally, it introduces some of the constraints that must be considered by any managers looking to wield their "right to manage" effectively. The paper concludes by emphasising the importance of entrepreneurs meeting the needs of their staff as a way of helping to ensure their subordination, loyalty and productivity. In that context, contemporary human resource management techniques such as team working and task participation are identified as effective means to alleviate the pressures that modern managers operate under, such as globalisation, government legislation and the demands of trade unions. The findings of this paper will be of interest to scholars engaged in the study of management theory and practitioners aiming to increase productivity and achieve entrepreneurial goals whilst dealing with the challenges of modern workforce management.

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Introduction:-

"The methods of leadership, the structure of an organization, and the art of delegation of authority are crucial to successful industrial development" (Harbison and Myers, 1959).

In any agency, company or entrepreneurial endeavour, managers play a crucial role in accelerating the process of achieving organisational goals. One of the ways in which they do this is by solving labour problems, which includes motivating their employees. To achieve that, managers must be in a position to exercise control through regulations that enable them to ensure the welfare of their staff. Managers employ a range of methods and techniques that can help them to create a workforce characterised by what Harbison and Myers (1959) described as "subordination, loyalty and productivity". Obviously, such a workforce can play a crucial role in overcoming the problems that any organisation faces, both in terms of labour issues and wider challenges. This article explores those issues by focusing primarily on three areas. First, it discusses the basis of managerial authority by looking at relevant philosophies and approaches. Second, it describes the different labour management techniques, which can be categorised as traditional or modern. Finally, the constraints that bind managers' "right to manage" are briefly explained.

Throughout the paper, emphasis is placed on the ways in which entrepreneurs, in particular, can benefit from using managerial techniques to improve the subordination, loyalty and productivity of their staff. Clarity about who is an entrepreneur, obviously, requires a definition of entrepreneurship, a concept that has been the subject of considerable academic debate. For the purposes of this paper, entrepreneurship is defined as "an activity that involves the discovery, evaluation and exploitation of opportunities to introduce new goods and services, ways of organizing, markets, processes, and raw materials through organizing efforts that had previously not existed (Shane, 2004, p.4)." This definition was chosen both because of its comprehensiveness and because it emphasises the novelty that is the defining characteristic of entrepreneurial activity. In that context of creating something new, it can easily be understood why entrepreneurs have to pay particular attention to the subordination and loyalty of their staff and to rapidly increasing productivity to enable their new ventures to survive, thrive and challenge established businesses. This paper aims to help such entrepreneurs by highlighting the lessons that they can learn from understanding key concepts related to the right to manage, managerial techniques, and the constraints that managers face.

The philosophical basis of entrepreneurs' "right to manage"

The philosophical basis upon which an entrepreneur has a "right to manage" their staff has been linked by some authorities (e.g. Storey, 1983) to the historical legal foundation dating from the 18th and 19th centuries that has been referred to as the "master and slave" relationship. The proponents of this supposed "right" originally justified it with reference to the legal aspects of the property rights of owners (Storey, 1983). According to Selznick (1969), the notion of property rights is one that is both abstract and flexible, capable of being bent to serve the needs of the owner. He also explained that the traditional view of property is both possession-orientated and "thing-centred" and went beyond those concepts to further illustrate that it is both individual- and domination-centred. Based on these notions, Selznick (1969) contended that the concept of property was not a suitable basis for authority. Nevertheless, Storey (1983) argued that modern managerial prerogatives mainly stress the control that managers can exercise over their employees, which is indicative of the fact that control is considered to be one of the most significant elements of the managerial function.

The management ideology

Building on arguments regarding the historical basis of the right to manage, Harris (1982) discussed the nature and influence of "the managerial ideology". According to Harris, that ideology is committed to the maximisation of productivity and profits and reliant on managers having faith that their power is based on property rights over their staff. In other words, the ideology maintains that it is both the prerogative and right of employers to exercise managerial control in whichever manner they prefer. While emphasising the fundamental role of management in any organisation, Harris (1982) added that "The main function of managerial ideology was (and is) to justify the continued possession of power and autonomy by the business elite in the pluralistic and democratic society." In support of this argument, Harris (1982) cited Hill who also discussed the traditional position that assumed that managers should act as if they have the full right and power to manage as they see fit.

Storey (1983) pointed out that the terms managerial rights, prerogative and functions can be used interchangeably. He argued that the "right to manage" is an ideological concept that needs managerial prerogative and control and

that "management right" is based upon four foundations or justifications, the first two of which have legal elements. Firstly, it is derived from the common law of property rights. In other words, it is linked to the right to ownership of property which demands the protection of that right and denies a legal role to trade unions. Secondly, it is based on statutory law concerning ownership responsibility, which places certain duties on the shoulders of managers. For instance, managers are held responsible for workplace health and safety and accountable for delivering appropriate measures in line with relevant legislation in that field. Thirdly, the right to manage also stems from a functional basis, which is to say that it depends upon managers having sufficient expertise, education and training to deliver "economic efficiency". It has also been argued that "the right to manage" is a reasonable result of the division of labour that characterises modern societies. The fourth and final justification for the right to manage is based on the assumption that managers are equipped with better qualifications and attributes, which collectively provide them with the advantages required to be called "leaders" and to preside over the labour process from the top (Storey, 1983). It could be argued that the traditional justifications for the right to manage do not work well for entrepreneurs as they seek to establish new and innovative businesses that do not draw upon the weight of tradition, especially as such entrepreneurs may not necessarily have better qualifications or experience than the people that they are leading if they are innovating in a new field.

On the other hand, Harbison and Myers (1959) discussed management from a different perspective, emphasising its role as a system of authority and, consequently, an economic resource. In terms of the relations between managers and employees, it is crucial for management to assert its authority over staff. Such arguments pay little attention to the different perspectives on the origins of the right to manage, stressing instead that there is a practical need to exert authority over the workforce in order to achieve job goals (and to achieve entrepreneurial aims). In that context, Harbison and Myers (1959) argued that managers should seek three things from their employees: subordination, loyalty and productivity. Explaining these three concepts, the authors described how managers seek to exercise their managerial prerogative through certain tasks and duties while also demanding adequate performance. Although management cannot function without a degree of subordination, that subordination can only be positive when it is accompanied by loyalty in terms of accepting managerial authority, regardless of whether such acceptance is voluntary or involuntary. From that perspective, managers perceive loyalty as a crucial element that increases work productivity and performance. However, such productivity is best achieved through increasing efficiency and work quality.

In simple terms, managerial control (which can also be termed managerial prerogative) has been justified according to ownership and property rights that come with the responsibility to protect such property. In addition, management functions play an important role in the justification of managerial controls, which are claimed to deliver improved "economic efficiency" (Storey, 1983). However, from the perspective of trade unions, these rights are seen as duties and managers should be held accountable for successfully discharging their responsibilities, which include making appropriate investments, attracting new equity and growing their businesses (through, for example, the establishment of new plants (Storey, 1983).

Approaches and philosophies underpinning the manager-worker relationship
As discussed above, managers require certain responses from employees. Potential ways to achieve those desirable responses – subordination, loyalty and productivity – can be categorised under the headings of different management philosophies. Harbison and Myers (1959) categorised those philosophies into four distinct "ideal" types: dictatorial (or authoritarian), paternalistic, constitutional, and democratic (or participative). They connected the latter two managerial philosophies with pressures from unions or governments that demand that management should be, at least partly, under their authority. Each of the four "ideal" types is described in more detail below, although it should, of course, be noted that, in reality, the management of any given organisation may deploy a mixture of these approaches.

The first managerial philosophy – dictatorial or authoritarian – has also been called the autocratic approach. According to this philosophy, each worker is a commodity or "labour cost" that should be disposed of by management if they are no longer perceived to be an effective tool (Harbison and Myers, 1959). Such a philosophy clearly has major defects, and it is unsurprising that it has been described as being inhumane and potentially leading to the cruel exploitation of employees. Management under this approach is also viewed as a unilateral process, which consequently makes it difficult to achieve worker loyalty or increase productivity.

In contrast, paternalistic management characterises the manager-worker relationship in the labour hierarchy as something akin to "father-son" or perhaps "master-servant". Enacting this philosophy sometimes involves providing benefits such as food, housing or medical services to ensure employees' welfare.In order for this style of philosophy to be successful in terms of achieving subordination, loyalty and productivity, the social structure of the industrial society within which it is being applied needs to be stable. In other words, managers' decisions have to be free from undue pressure from trade unions or governments (Harbison and Myers, 1959).

As highlighted above, when managers face significant pressure from trade unions, governmental labour legislation, work organisations, individual workers or the common values of the society in which they operate, they will find themselves forced to share their unilateral authority in decision making. This often sees them adopting the constitutional management style when dealing with the workforce. Under that type of management,"The rule-making power of employers is shared in a 'constitutional manner' with other agencies (Harbison and Myers, 1959, p.61)."

Entrepreneurs in particular do not generally prefer to follow that type of managerial philosophy because entrepreneurship is often characterised by the desire, and indeed the need, to move quickly to innovate and take advantage of new opportunities (Shane, 2004). However, entrepreneurs often do not have other alternatives but to accept agreed policies and procedures when dealing with employees under "constitutional management" arrangements. Importantly, although that approach to management is common in pluralist societies where employees have loyalty to a wide range of organisations, including unions and business agencies, it still represents management as the "boss".

The fourth managerial philosophy, democratic or participative management, also emerged in response to the pressures faced by managers. According to Harbison and Myers (1959, p.64), "The essence of democratic-participative management is the assumption that people are not lazy, do not have to be motivated or pushed to do a good day's work, and are not simply after more money". Consequently, such a style can involve modifying an organisation's structure or assigning more responsibilities to workers. However, Harbison and Myers (1959) claimed that that style of management is not common because it requires a complete reorientation of the managerial philosophy being applied to employees. As with the constitutional management style described above, democratic management may not be seen as suitable by entrepreneurs who wish to move quickly to take advantage of emerging opportunities.

Scientific management
Fredrick Winslow Taylor (1911) established the theory of scientific management and the subsequent movement that considered management to be a pure science that serves both managers and employees. Accordingly, Taylor emphasised that the relationships between management and the workforce should be characterised by cooperation, which he believed should replace the old system of management with its semi-hostile attitude which demands collective bargaining. Taylor (1911) argued that such scientific management would reduce collective bargaining to a thing of "trifling importance".

Scientific management is based upon four principles.The first is that knowledge rooted in science should replace the old "rule of thumb" assumptions that guided managerial practice. The second is that management should study employees' characters and limitations in order to improve their abilities to produce better work. The third principle is that organisational cooperation should bring together scientific approaches to improve production. Finally, the fourth principle is that vacancies should be filled by suitably trained workers, who should have responsibilities delegated to them in line with their capabilities (Taylor, 2007).

However, Braverman (1998) argued against some of these notions, claiming that Taylorism itself is not a "true science". He was also critical of "scientific management" as a capitalist notion that does not truly consider the needs of labour but rather prioritises the adaption of the workforce to the needs of capital (Braverman, 1998). Most importantly, Braverman (1998), highlighted the fact that Taylor's theory of scientific management has played a vital role in shaping the concepts that currently inform the labour processes of major corporations (Braverman, 1998).

Human relations and neo-human relations
According to McGivering (1970), the transformation of traditional management techniques into contemporary ones took place over different stages in industrial societies, starting with the emergence of a new form of working

relations in the wake of the UK's Factories Act of 1833. From that date forward, unions and collective bargaining developed as means of representing the interests of workers whose voices were otherwise not heard in the political process (McGivering, 1970). Consequently, any significant disagreements between labour and management would result in industrial action. By the end of the First World War, welfare and social secretaries were engaged to bridge the gap between employers and workers; this was a significant step forward toward employees being perceived as human beings rather than just being mere cogs within the industrial machine. However, this movement of welfare workers was subsequently ended because such workers were considered to be informers for management. That same period also saw the emergence of Taylor's scientific management. With the beginning of the Second World War, managers and employees were pressured to increase productivity in line with the availability of resources and overcome any limitations that they faced.Therefore, "personal management" emerged as a necessity that was accepted by the trade union movement as a means of establishing labour rights. In that context, McGivering (1970, p.188) stated that "Personal management is that part of the management function which is primarily concerned with the human relations within an organization".

"Human relations" is a social-psychological paradigm that focuses upon an understanding of employees and their work environment in order to enable better management practices. This paradigm first emerged in the 1920s with the Hawthorne experiment, which showed that productivity can be increased through improved social relations (Hollway, 1991). The experiment, thus, highlighted the importance of human relations and their positive impact on productivity. However, that style of management is different from the above-mentioned Taylorism or "scientific management" in that the human element is absent from the latter approach (Hollway, 1991).

Furthermore, Hollway (1991) explained that human relations rely on "irrational responses" to reality that are affected by a complicated mixture of social and interpersonal elements, which are themselves dependent on such things as when and where they take place (e.g. inside or outside the workplace (Hollway, 1991). These concepts also stand in opposition to "scientific management" which is based upon the notion of "rational responses" to reality.

However, having mentioned the differences between the two management approaches, it is equally important to recognise that there are also a number of similarities. Both styles have a unitary perspective, stressing the fact that employees should accept managerial authority and emphasising the significance of leadership in organisations. Moreover, both approaches aim, ultimately, to increase workers' subordination and loyalty and, hence, raise work productivity.

Nevertheless, the neo-human relations management approach permits industrial organisations to become more humane when dealing with various aspects of the labour process. Maslow's well-known "motivation theory" discusses the human "hierarchy of needs", which consists of five elements: psychological, safety, love, esteem and self-actualisation (Maslow, 1992). Modern human resource management techniques must aim to fulfil those needs in order to achieve worker satisfaction. Such satisfaction might also lead to the achievement of subordination and loyalty and, as a consequence, increase the workforce's productivity, hence, achieving management's aims. In addition, such techniques and the satisfaction that might stem from them could also provide solutions to labour problems in ways that could mean that there would no longer be a need for trade unions.

Contemporary labour management techniques
The majority of modern employment relationships take place in the context of hierarchical organisational systems. From a sociological perspective, such systems can be thought of as representing "the actions or privileges of an interest group" (Storey, 1983).

In addition, current uses of the term "management prerogative" can carry different meanings depending on the perspective from which such prerogatives are viewed. For example, in the eyes of a trade union, this term might be understood as an attempt to impose control through the imposition of a "unilateral perspective". On the other hand, the use of such a term from the perspective of an organisation can be explained as a way of projecting and defending the rights claimed by management (Storey, 1983).

The term human resource management is commonly recognised as a contemporary management approach that also has many interchangeable definitions (Heery and Noon, 2001). Indeed, there are many modern management techniques that have resulted from a mixture of both "true" scientific management and the "humanistic" elements of management. Those techniques are total system or partial methods. Management techniques in the former category

include total quality management (TQM) and the "just in time" (JIT) style. Management techniques in the latter category include team working, task participation and quality circles. Under modern management approaches, however, managerial authority has been maintained and the importance of "leadership" and its role have been emphasised. On the other hand, although modern management (especially human resource management) has focused on factors inside the workplace, it has tended not to notice or address other factors related to organisational structures that could influence managerial decisions.

Constraints on the "right to manage"
Even though the desire of entrepreneurs to be rule-makers is strong, all managers and their management prerogative tend to face constraints that force them to adopt management approaches that take account of the limitations that they face (Harbison and Myers, 1959). As mentioned above, these constraints include such things as the values of the society within which they operate and pressure from individual workers, relevant government legalisation, labour organisations and technical factors (Harbison and Myers, 1959).

The nature of problems and difficulties connected to the "right to manage" is also related to an organisation's or the firm's size and the extent of its complexity. Other constraints that can act as obstacles preventingdecisions that may solve labour problems include internationalisation, globalisation, and the inevitably dynamic nature of business. In addition, pressure from government legislation or trade unions can exert control over managerial decisions and, therefore, increase the possibility of labour problems being resolved in ways that are deemed negative (at least from the perspective of management and entrepreneurs).

Conclusion:-
The "right to manage" is a necessity that entrepreneurs (and all managers) require so that their organisational aims and goals can be achieved. However, this essential managerial authority should not be perceived as a form of property right, and consequently, entrepreneurs and managers should not neglect the demands of their staff or the need to maintain positive social relations with the workforce. If entrepreneurs satisfy their employees by meeting both their basic needs (and other needs from Maslow's (1992) hierarchy), they will manage effectively and achieve workers' subordination and loyalty. Doing so will increase labour productivity and provide solutions to work-related and organisational problems. It must also be recognised that modern management suffers from strong pressure from forces such as globalisation and government legislation that could limit entrepreneurs' and managers' abilities to manage. However, they can apply certain techniques that use a range of methods to alleviate such pressures. For example, managers should share work responsibilities with their employees by practising such contemporary management techniques as team working and task participation. This essay has discussed the concept of "right to manage" from different perspectives, outlining the philosophical basis for the concept, the constraints under which entrepreneurs and all managers must operate and the different modern and traditional management techniques that they can use to achieve the goals of subordination, loyalty and productivity.

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