

information & the organization

Concepts of Information

Feb 23, 2012



up ahead

objectivity exercise (March 1)

Do a search in either Google News or JSTOR/Google Scholar on the following string:

"lacking in objectivity" OR "lacking objective" OR "Lack of objectivity" OR "absence of objectivity" OR "without objectivity" OR "not objective" OR "failure to be objective"

If in the latter, pick an article from a discipline you are interested or engaged in.

Discuss what it is that the article, position, or approach in question lacks: i.e, how is "objectivity" being construed by the writer? (It may very well be either vague or include more than one criterion). Is to say that someone lacks it invariably a criticism?

ahead

surveillance and storage

(i) public information, the state -- *today*

(ii) private information, the firm -- *Thursday*

prisons or factories

cp Peter Burke,

"Controlling Knowledge: Churches & States"

cp Chandler & Cortada

A Nation Transformed by Information

background assumptions

Salter

"The economic system works itself"

Hayek

market or planning?

"bounds on rationality"

"an organism not an organization"

enter the corporation

"be he private person, or be it corporation" -1611

the original black box?

unsettling questions

Coase

"in place of the .. market structure ...
the entrepreneur co-ordinator, who directs
production"

"transaction costs" -- costs of using the
market

Stigler

information costs

settled answers

Williamson

three problems

"asset specificity"

"bounded rationality"

"opportunism - principal/agent problems"

information asymmetry

information impactedness

what are firms?

information systems

surveillance, monitoring

storage

direction

information flows

within vs between

going public

controlling the agent

Taylorism

"Scientific Management"; "time and motion"

"soldiering"; "making out" ...

"One great advantage which we may derive from machinery is from the check which it affords against the inattention, the idleness, or the dishonesty of human agents."

--Charles Babbage, *On the Economy of*

Machinery and Manufactures, 1835

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the Troubridge rule

"Human behavior disrupts the best laid organizational plans and thwarts the cleanness of the logical relationships found in the structure"

--William Scott,

"Organization Theory" 1951

"Whenever I see a fellow look as if he was thinking, I say that's mutiny".



technological solutions

"Machines do as they are told. They never shirk. They never cheat. They never pursue their own interests."

--Raff & Temin, *Inside the Business Enterprise: Historical Perspectives on the Use of Information*, 1991

visible hand

replacing the price system

"administrative coordination"

"managerial hierarchy"

"scale makes market inefficient"

"permanent hierarchy"

"technical and professional"

"management distinct from ownership"

"long-term stability"

"large firms alter economy"

information management

from price system

to Goodhart's law

to work to rule

does father know best?

Julian Orr & the "tech reps"



disobedient agents

saving the principal?

working for the man

the new entrepreneur

"The term entrepreneur, which most people recognize as meaning someone who organizes and assumes the risk of a business in return for the profits ... all economists who have written about it agree that at its core entrepreneurship involves judgment. But if people have perfect information, there is no need for judgment. ... senior management in the modern corporation requires not only entrepreneurial skills, but also leadership skills—which means the ability to inspire trust and affection."

Mark Casson, "Entrepreneur"

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conditions for entrepreneurship

old style / new style

"A modern corporation that wishes to build up a family spirit must do so within its individual business units. These units can then be bonded together by a unifying corporate culture—the modern equivalent of the founder's system of values. The dissemination of corporate culture may be assisted by the charisma of the chairman or chief executive."

building an information system

"A huge wood, canvas, and papier-mâché 'Melting Pot'...a procession [of] men from the foreign nationalities...wearing their various native costumes, singing their national songs, and dancing folk songs,...the principal of Mr. Ford's School, Clinton C. De.Witt, dressed up as Uncle Sam...led the group into the [pot]...one by one he called the men out again .. Now they were dressed in derby hats, coats, pants, vests, stiff collars, polka dot ties...singing the 'Star Spangled banner' and wearing the distinctive Ford Motor Company badges on their Lapel"

--Neil Baldwin, *Henry Ford and the Jews*, 2001

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no exit?

raising our voices

Hirschman, *Exit, Voice, & Loyalty: Responses to Declines in Firms, Organizations, and States*, 1970

"many complaints about quality and service ... have been prominently published for years in the Soviet press. With exit-competition playing a much smaller role it was found necessary to give voice a more prominent role."

song of experience

the manager's role in hierarchy is not to ordering and patrolling, but "creating, monitoring, and when need be, modifying a system of working relations. ... A chief executive can scarcely do more harm than by spending all his time telling people what to do."

G.B. Richardson, "The Organization of
Industry"

"information technology"

typewriter

carbon paper

filing cabinets

Enterprise Resource Planning

Business Process Reengineering

Knowledge management

the organization and information

23 Feb: Information and the Organization

Reading

- Kline, Ronald, R. 2006. "Cybernetics, Management Science, and Technology Policy, The Emergence of 'Information Technology' as a Keyword, 1948-1985." *Technology and Culture* 74: 513-535

Background

- Raff, Daniel & Peter Temin. 1991. "Business History and Recent Economic Theory: Imperfect Information, Incentives and the Internal Organization of Firms" pp: 7-41 in Peter Temin, ed., *Inside the Business Enterprise: Historical Perspectives on the Use of Information*. Chicago: Chicago University Press.