As technology improves, it's tempting for company executives to slash jobs that are "standard" and "routine", making them easy to automate. But research shows focusing on improving management practices will do more to improve companies' bottom lines.

In a study of 32,000 manufacturing firms, American researchers showed firms using certain management practices had 20% better productivity than firms that neglected to use them.

At the same time, integrating technology into business practices was found to only improve firm productivity by 10%.

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The firms studied varied widely in how much they used structured management practices - targets, performance monitoring and incentives. Targets and monitoring make it clear what employees need to do and whether they are doing it. The right incentives give them a reason to make the necessary effort.

This suggests organisations such as Optus, Telstra, the big four banks, CSIRO and the ABC, who have all cut jobs citing the possibility of new technology, may be pursuing the least effective option.

What's good management in practice?

To avoid over-relying on technology while keeping up with change, managers must have the cr

eativity and persuasiveness of an artist as well as the objectivity of a scientist
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While standard, routine problems can be automated, others require managers to invent a range of options, choose among these alternatives, and then persuade other people to follow that choice.

In " The Art of Rhetoric " Aristotle described the skills necessary:

- *ethos*: an understanding of human character and goodness. To change a situation, managers need credibility and authenticity
- *logos*: the capacity to reason logically. Managers must put forward a rigorous case for converting a firm's problems into ideas, then options, then actions
- *pathos*: the ability to understand emotions. To persuade people, especially in large numbers, managers must understand their audience.

Managers shedding staff in the interests of organisational survival face a severe test of all three persuasion skills. In terms of *ethos* (credibility and authenticity), managers need to admit they cannot offer loyalty to employees and so should not expect it.

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Rather than shedding jobs in favour of technology , and at a minimum, organisations should offer training to prepare people for the time they will no longer be needed. And, respecting *pathos*
(emotional understanding), treat departing employees with care and respect.

A drop in share price is a sign shareholders lack confidence in the *logos* (reasoned logic) of an organisation's strategy. But there are other, more subtle signals an organisation has

over-played its digital capabilities.

An example is the reputational damage to organisations that use cybervetting - seeking information about job applicants from social media and search engines. Studies of cybervetting show some employers use technology to better their business at potentially the expense of good management.

Employers see cybervetting as a digital extension of background checking that increases organisational efficiency. Some even see it as the beginning of an employment relationship. But applicants disagree with this logic, perceiving the practice as unfair.

Cybervetting reduces applicants' trust and identification with the organisation because they perceive it as lacking *ethos* (credibility and autheniticity). Its reputation is damaged in their eyes so they are less likely to accept a job offer.

Framing a solution

Applying technology to organisational processes is part of working smarter, not harder. Careful management is the other part. But as organisations' technological capacities grow, managers need to ask themselves what is possible and desirable when using technology.

Logos (reasoned logic) and *ethos* (credibility and authenticity) will be useful as they do this. Then, using *pathos* (emotional understanding), they must try to understand how others are likely to frame their answers to similar questions.

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Applicants, unlike employers, don’t see cybervetting as a more efficient replacement for personal interaction during the early stages of an employment relationship. To use Karl Weick’s term, job applicants and employers make sense of the same situation differently.

Aristotle’s ancient typology of management skills promises to remain useful as digital solutions - and dilemmas - increase.

Mary Barrett does not work for, consult, own shares in or receive funding from any company or organisation that would benefit from this article, and has disclosed no relevant affiliations beyond their academic appointment.

Authors: Mary Barrett, Professor of Management, University of Wollongong

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