

HUMAN RELATIONS APPROACH

- Various streams of classical approach – scientific management, administrative management, weber's theory of bureaucracy
- Classical approach – structural aspects of organization; human relations approach – human aspects of the organization
- HR movt – began in 1930s as outgrowth of scientific mgmt movt.; sources – psychologists, sociologists and anthropologists who were critical of narrow concept of organization given by classical theory. They were against de-humanization of organization and treating humans as cogs in the machine
- Major influence – Hawthorne experiments: Elton Mayo and others during 1920s
 - o Posed challenge to physical or engineering approach to motivation
 - o First major assault on purely structural, hierarchical approach to organization

GEORGE ELTON MAYO AND HIS RESEARCH FINDINGS

George Elton Mayo – one of the pioneers of HR approach; main hypothesis – relationship b/n employer and employee should be humanistic not mechanistic; employees should be treated with dignity, self respect not as mere factors of production or interchangeable elements of the production system. Industrial organizations: psychosocial systems with primary emphasis on human resources, their behavior and welfare. CLINICAL METHOD – GEM focused attention on behavior of workers and production capacity keeping in view physical, economic and psychological aspects

1920s – HBS led by GEM and others – Hawthorne plant of Western Electric Company - landmark. Findings – “Management and the Worker”. 4 studies undertaken

FIRST ENQUIRY (before hawthorne study)- Philadelphia textile mill – model mill, enlightened management, generally 5% absenteeism (labour turnover). But mule spinning unit – 250% turnover. GEM suggested rest periods as he identified fatigue as the problem. Turnover improved. GEM also introduced bonus for production above certain threshold – labour motivation and happiness improved. Mgmt gave control of rest periods to workers – they learnt collective decision making, social awakening, interaction set in motion. RABBLE HYPOTHESIS proved wrong (it said that mankind is a horde of unorganized individuals actuated by self interest)

HAWTHORNE STUDIES

- Feeling – cause effect relationship b/n physical work environ and productivity
- NRC and NAS under leadership of George Pennock – examine relationship b/n illumination and efficiency at Hawthorne plant of WEC
- Why WEC? Chicago based, telephone apparatus manufacturing, 30000 employees from 60 nationalities – typical cross section of American population; wide variety of skills within each national group

Great Illumination Experiment (1924-27)

- 2 groups of girls – test group, control group
- Control group – constant illumination
- Conditions of work changed gradually output recorded; accurate records of production maintained

- Finding – regardless of illumination, production in both groups increased → illumination hypothesis abandoned
- Began manipulating wage payments, rest periods, work hours; individual piece rate plan instead of group incentive plan, refreshments → production increased
- All privileges except incentive wage plan withdrawn → production fell a little and then increased to highest → researchers puzzled
- 1927 Pennock invited GEM. GEM collaborated with Fritz Jules Roethlisberger → Mayo: girls became social unit and developed sense of participation due to attention of research team;
- 2 out of initial 5 (material conditions and methods of work, rest, monotony being the first three—all rejected in this exp) hypotheses hold true –
 - o Individual wage payment incentive → increased output (4th hypothesis)
 - o Changes in supervisory techniques → improved attitudes and output (5th hypothesis)

To test these two hypotheses – RELAY ASSEMBLY TEST ROOM EXPERIMENT (1927-32)

- 2 new groups – 5 girls each – all on individual incentive plan on piece work basis
- 2nd group – variation in rest periods, duration → output increased over 14 months → 4th hypothesis also rejected as it was not wages but something else that led to greater output
- To test 2nd hypothesis – atmosphere made congenial, relaxed, free interaction b/n fellow workers and supervisors, change in managerial practices – workers consulted about changes → workers felt part of the team not cogs in machine, free to air grievances, new interpersonal relationships → satisfaction improved → production increased. Mayo felt work satisfaction depends on informal social pattern of working group. Therefore – **change in style of supervision → improved morale → increased production** : cornerstone of HR approach

HUMAN ATTITUDES AND SENTIMENTS (1928-31)

- More than 20000 workers interviewed, given an opportunity to express freely and frankly – likes and dislikes on policies of mgmt, working conditions, boss, etc.
- No correlation found b/n nature of complaints and facts.
- Although no reforms introduced....workers thought things had improved, wages were better!
- It appeared that opportunity to “let off steam” made workers feel better although there was no material change in the environ
- Mayo and Roethlisberger inferred –
 - o Workers felt important, their comments valuable, appreciated method of collecting their views, felt satisfied, happy at being given equal status as the mgmt
 - o Change in attitude of supervisors – they knew they were being **observed by research team** and the workers were allowed to comment freely about them
- Conclusion : informal social forces at work in the organization. Personal history, position in org → feelings and sentiments → behavior at work. Organization not simply an economic and technological structure but also a

social structure – “an intricate web of human relations bound together by system of sentiments”

SOCIAL ORGANIZATION (1931-32)

- Last study at WEC
- 3 groups of workmen – interrelated work
- Bank Wiring Experiment – wages – group incentive basis
- Findings – workers – evolved own norm of standard output < mgmt target
- Members not allowed to increase or decrease output
- Uniform rate of output maintained
- Deviant members set right through informal pressure, highly integrated group
- Code of conduct –
 - o Too much – Rate Buster
 - o Too Little – Chesler
 - o Complaint to supervisor – Squealer
 - o Don't act officious or maintain social distance
- Behavior of workers not related to mgmt or general economic conditions of the plant
- Extra departmental personnel viewed as interference
- Experts follow logic of efficiency- constraint on group activity
- Supervisors represented authority
- Efficiency doesn't mix with sentiments
- Conclusion – human aspect of org not to be missed; new mix of managerial skills- technical + human; overemphasis on technical+material at cost of social+human not good; Mayo suggested – concept of authority should be based on social skills in securing cooperation rather than expertise.

ABSENTEEISM IN THE INDUSTRIES

- WW-II – widespread dislocation, uncertainty
- Foundry shops – 3 industrial undertakings – aircraft component manufacturers – 70% turnover in two, chronic absenteeism, situation better in 3rd – Mayo called to study and recommend remedy – 1943
- 3rd industry – better situation because – group wage scheme, uniform cut in case of shortfall in shift, workers formed informal group chose a natural leader who consolidated group solidarity; supervisors and assistants too busy – natural leader was incharge; Other two factories – no informal groups or natural leaders → heavy turnover and absenteeism; Mayo – mgmt should encourage informal groups, humane understanding, conducive situation.

→ Significance of Hawthorne studies – discovering informal organization, understanding of human factors in work situation, importance of communication systems, especially upwards from workers to mgmt.

CRITICISM

- Role of unions in free society not understood – HR oriented supervisors in place of union representation; LOREN BARITZ – Mayoists are anti-union and pro-management. 1949 – United Auto Workers – Hawthorne Researchers – “cow sociologists”
- Sweeping conclusions from few studies
- CAREY – “cooperative” girls chosen in 1st experiment – worthless – sample not representative – generalization not feasible; disparity b/n evidence and conclusions; Lack of scientific base

- PETER DRUCKER – lack of awareness of economic dimension; paternalistic domination of life and thoughts by employers encouraged; no place for conflict – harmony through subordination by elite.
- BENDICS and FISHER – ethical presuppositions of his scientific work not sharply defined. Without them, there is no reason why things that are undervalued in democratic society shouldn't stay that way
- DANIEL SELL – defective methodology
- Conflict inevitable – strive for healthy outlets rather than conflict free utopia
- Lack of total awareness of larger social and technological systems

CONCLUSION

- Great innovation of modern times
- First attempt – industrial problems from a different angle – not the traditional sci mgmt approach
- Hawthorne exp - Historic landmark in administrative thought
- Also useful in state admn, bureaucracy
- Discovering informal org, significance as mentioned above
- Mayo – phenomenal contri, moving spirit, → one of founding fathers of HR approach.

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TFOTE: The functions of the Executive

CHESTER IRVING BARNARD

- ✓ Propounded theories based on personal experience
- ✓ Spiritual father of 'SOCIAL SYSTEM' school
- ✓ Bertram Gross says – one of the few theorists in modern day administrative thought who was highly successful as a man of affairs and also as a theoretician.
- ✓ Harvard drop out, successful career in govt and pvt admn. Inspired by Sheldon, Mayo, Follet etc.
- ✓ Book – "The Functions of the Executive" – classic
- ✓ Analysis from diff angles; drew on philosophy, pol science, eco, sociology, psychology and physics.
- ✓ His book TFOTE – outcome of his failure to understand his own executive experience in classic org or economic theory

ORGANIZATION AS A COOPERATIVE SYSTEM

- ✓ Individual – limited power of choice and limited by factors of total situation – limits are biological, physical or social; to overcome limitations – cooperative social action. Therefore – basic premise – Individuals must cooperate.
- ✓ Organization – system of consciously coordinated activities of ≥ 2 individuals; emphasis not on membership but on social interaction; system held together by common purpose, willingness to contribute and ability to communicate with each other. Whole $>$ sum of parts, each part related to other in some significant way.
- Why should individual contribute?
 - ✓ Barnard rejects economic man concept.
 - ✓ Theory of contri-satisfaction equilibrium: if satisfaction \rightarrow contri possible
- Multiplicity of satisfactions-
 - ✓ Material inducements eg. Money
 - ✓ Personal non material opportunity for distinction, prestige, power
 - ✓ Desirable physical conditions of work
 - ✓ Ideal benefactions – pride, adequacy, altruism, loyalty, patriotism, religion etc.
 - ✓ 4 general incentives – compatibility with associates, adoptability of work conditions to habitual methods and attitudes, enlarged participation, communing with others (comradeship)
- ✓ Economic rewards ineffective beyond subsistence level
- ✓ Arrangement of inducements dynamic process needs experience, imagination
- ✓ Inducements vary – individual, situation and time
- ✓ *Executive's primary job is to handle the economy of incentives within orgn*

FORMAL AND INFORMAL ORGANIZATION

- ✓ Formal org - system of consciously coordinated activities of ≥ 2 individuals; 3 elements of formal org – communication, willingness to serve, common purpose
- ✓ Willingness- loyalty, solidarity, strength of org; implies depersonalization of personal conduct
- ✓ Modern society – small minority has positive willingness. Others negative. Commitment fluctuates \rightarrow unstable conditions in orgs
- ✓ Willingness- expression of satisfaction/dissatisfaction. Individual POV – effect of desires, reluctance. Org POV – effect of inducements/ burdens
- ✓ Objective / purpose \rightarrow cooperation
- ✓ Purpose – specific or inferred

- ✓ Cooperative and subjective aspects of purpose – objective purpose → cooperation
- ✓ Individual motive – internal, personal, subjective; org purpose – external, impersonal, objective; exception – when satisfaction is drawn from org achievement
- ✓ Communication → necessary for reaching objective. Dynamic process which translates purpose into action
- ✓ Informal Organizations – aggregate of personal contacts and interactions and associated groupings of people- indefinite, structureless, shapeless mass of varying density
- ✓ Serious impact on members of formal → continuous interaction b/n formal and informal org.
- ✓ One cannot do without another. Society structured by formal, formal vitalized and conditioned by informal. Informal must incorporate formal to be effective and formal must create informal as means of communication to protect individuals from domination of formal. If one fails, other will disintegrate.
- ✓ Functions of informal org – communication, maintenance of cohesiveness and feeling of personal integrity, self respect and independent choice.

THE THEORY OF AUTHORITY

- ✓ Barnard – doesn't agree with traditional concept of authority
- ✓ *Acceptance* as the basis of authority
- ✓ Definition – character of a communication in a formal org by the virtue of which it is accepted by a contributor or member as determining what he does or doesn't do so far as the org is concerned
- ✓ Individuals accept authority when these 4 are satisfied simultaneously –
 - ✓ Communication is understood
 - ✓ Consistency with org purpose
 - ✓ Compatibility with personal interests (explains voluntary resignations)
 - ✓ Physical and mental ability to comply
- ✓ Therefore, determination of authority lies with subordinate individual
- How to ensure enduring cooperation??
 - ✓ Orders in accordance in above 4 conditions
 - ✓ Orders are in *Zone of Indifference (ZoI)*- zone of action in which superior is free to act
 - ✓ Group influences individual → stability of ZoI
- ✓ Good executive conduct – issue only orders that can be obeyed. If unacceptable yet necessary → preliminary education, persuasion, inducements to make acceptable
- ✓ **Acceptance depends on ZoI (orders accepted unmindful of nature of authority)**
- ✓ Order of acceptability: clearly unacceptable < neutral (just acceptable/unacceptable < **clearly acceptable (lie within ZoI)**)
- ✓ ZoI varies with inducements / burdens
- ✓ Executive should be conscious of ZoI and issue orders within it
- ✓ Another reason for acceptance → non acceptance → threat to all who derive benefit from org

THE FUNCTIONS OF THE EXECUTIVE (read pg 146-147 – Prasad/ page 171 MPA012)

- ✓ 1. Maintenance of Org communication – 3 phases – a. defining scheme of org (org positions) b. maintaining personnel system c. securing informal org
 - ✓ 2. Promote securing of essential efforts – bring persons into cooperative relationship with org; elicit services after this has been done through morale, education, training, inducements, deterrants, supervision and control;
 - ✓ 3. Formulate and define the purposes
- ✓ These purposes must be widely accepted by all members of org
 - ✓ Above three functions arise from need for cooperation

CRITICISM & CONCLUSION (pg 149 Prasad – read)

- ✓ K.R. Andrews – abstractness of presentation, paucity and pedestrian quality of examples, difficult style
- ✓ BAKER – absence of practical examples; Barnard gracefully accepts the deficiency;
- ✓ Modern org- size, complexity, scale of ops, dynamic environ → systems approach more appropriate
- ✓ Departure from earlier approaches – emphasis on org as open system
- ✓ How elements interact?

HERBERT SIMON : Decision-making ∈ Behavioural studies

- # Nobel Prize (1978)
- # Operations Research
- # Follet, Mayo, Barnard : influences
- # 'principles' – proverbs
- # admin ≡ decision-making
- # empirical approach
- # subsumes POCCC, POCLORB
- # yawning gulf b/m principles and practice
- # Rational decision making models.
- # org → structure of decision makers
- # decision making = intelligence activity
+
design activity
+
choice activity

- decision = logical combination of facts and value propositions.
- means-end construct
- types of rationality - objective, subjective, conscious, deliberate, organizational, personal
- Bounded Rationality - "satisficing"
- Administrative man
- programmed and non-programmed decisions
- Recentralization
- computers - rationality
- influences - external & internal
- Zone of Acceptance
- Advice & info, training → effective decision making
- CRITICISM - politics-admin dichotomy - revived through change in verbiage, fact based admin theory more relevant to biz ad not pubad, ~~rationality~~ Efficiency can't be only goal of admin, Admin plays diff role in diff societies → American experience ain't universally valid, Role of intuition tradition, faith in dec-making neglected

// SIMON given ^{much} better in IGNOU //
Read it.

Norton
Long
Selznick
Argyris