Evolution of Management Thoughts

INTRODUCTION

The origin of management in the organized way can be traced as back as the origin of human beings. They earned their livelihood by hunting that was carried out in groups. Later possession of land mass became important hence there arose conflict between the groups. Local conflicts were resolved by power using primitive weapon system. Management practices were undertaken in a scientific way early 18th century when industrial revolution took place. World War I saw a marked development in evolution of management concepts. In India management practices were in existence in Ramayana and Mahabharata periods. People were administered by the state and their needs fulfilled. The king was considered to be the master. Proper executive, judicial, and state affairs were managed in a very disciplined way. Every individual was morally responsible to the master (king/ruler) for the task assigned to him. Chanakya was a pioneer in evolving principles of economics and warfare in particular and efficient administration of the state in general. Various systems evolved in those days can be seen even today. Water supply system to Aurangabad introduced by King Aurangazeb is even visible today. Management of education, eradication of social evils and various religious systems are evidence of existence of proper management. Management as a field of study was considered early 20th century. Management principles like delegation of authority, empowerment, leadership, scalar chain, unity of command and motivation were clearly demonstrated in Roman Umpire and their ability to organize can be seen from its expansion. Shivaji demonstrated above principles in 17th century.

People have displayed tremendous amount of ability and skill in planning, organising, and directing people as to what is to be done, how it is to be done and anticipating future plans. They also evolved various models of controlling the planned work being executed properly. Various wars have been fought where use of human resources, heavy weapon system, its procurement and use and shifting it to various theatres of war based on threat perceptions are the examples of management. Great war of Mahabharata between Pandavas and Kauravas is an example of managing power, confllict situations, human resource training and development and an art of generalship had been practiced in the most scientific manner. Egyptian piramids, Great Wall of China are the tangible examples where hundreds

of thousand of people were involved in construction activity over a protracted period of time. Every individual had a chain of command. He knew as to what is to be done, how it is to be done and the time frame within which it is to be completed. These examples indicate that organizations have been in exixtence for thousands of years and management was being practiced ever since. However, in the past several years, the management has undergone systematic investigation, acquired common body of knowledge, formulated various models to deal with various phenomenon like handling conflict or managing stress and thus became a formal discipline for study. Two landmarks are most important in the management study. ***One***, publication of classical economic doctrines by Adam Smith in 1776 tittled "Wealth of Nations" in which Smith has argued that the economic advantages the organizations and societies would gain from the concepts are: 1) division of labour that promoted 2) skill development. 3) specialised task allotment. 4) time measurement in relation to the quantum of work performed. Smith concluded that, division of work would benefit in higher quality of work and higher productivity. ***Two***. Indudtrisl revolution of eighteenth century, advent of machine power and subsequent development of infrastructural facilities of rail road transportation, communication network, formation of corporations worldwide promoted requirement of people having increased manegerial skills and formalised management practices, which gave birth to the formal theories of management in early 1900s. The concept of management was not clear till about mid of 20th century. There was a contrast between the thinkers. However, Classical approach of management which propogated Scientific Management and General Administrative Theory was a fabulous development. This followed an intensive research work undertaken by Elton Mayo which is known as Howthrone studies. It was followed by more recent concepts of Operatons Research, process management, systems approach, total quality management and last but not the least the contingency approach. In this chapter let us study various theories as the management progressed.

Approaches to Management

As a consequence of industrial revolution in England during 18th and 19th centuries important inventions like lathe machine, power looms and spinning etc. were invented and used
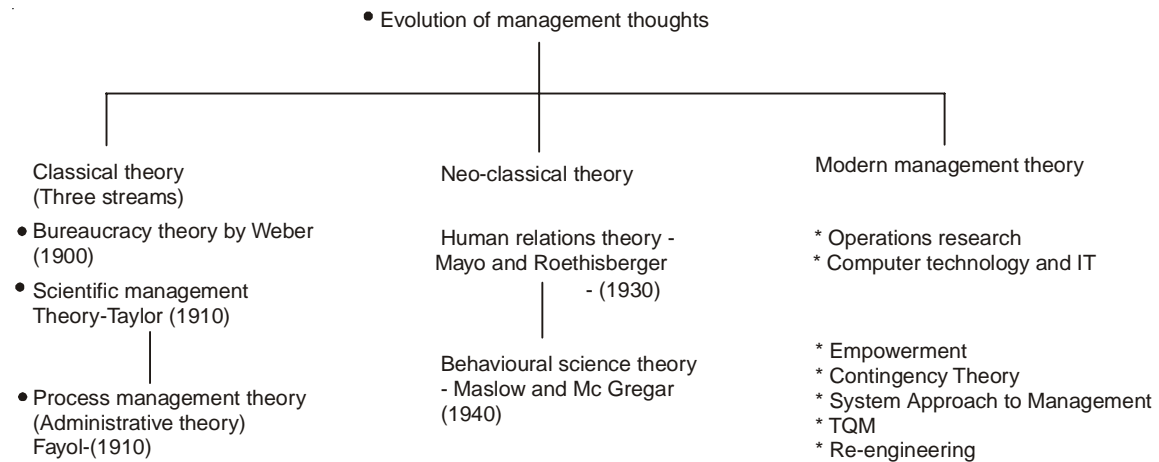

Fig. 2.1. Classification of management thoughts

extensively. Therefore to manage the affairs of large industrial houses, modern management came into existence. This development has led to emergence of various schools of thoughts. Koonz called it as 'management *theory jungle*. The diagrammatic layout of management thoughts is given in Figure 2.1 above.

CLASSICAL THEORIES OF MANAGEMENT

BUREAUCRACY

Max Weber (1864-1920) a German sociologist introduced the theory of **Bureaucracy.** His major contribution to the theory is the concept of authority, structure and its inter-se relationship. Weber in his model of bureaucracy stated that there are three types of authority in any organization. First, *legal authority* indicating that a person holds authority based on legal position or a rank within the hierarchy. For example, a production manager in the industry or a battalion commander in the military organization. Secondly, *Traditional authority*, employees obey a person because he comes from a traditionally recognized power holding family or a person belonging to a royal family. Lastly, *charismatic authority,* which indicates special power or an appeal that a leader possesses.

1. Elements of Bureaucracy

Bureaucracy plays a vital role in business, government, education or any other large organization. Though the bureaucratic model was suggested about 80 years ago but it still holds good. For ease of understanding, the structure of bureaucratic model is given in Figure 2.2 below.
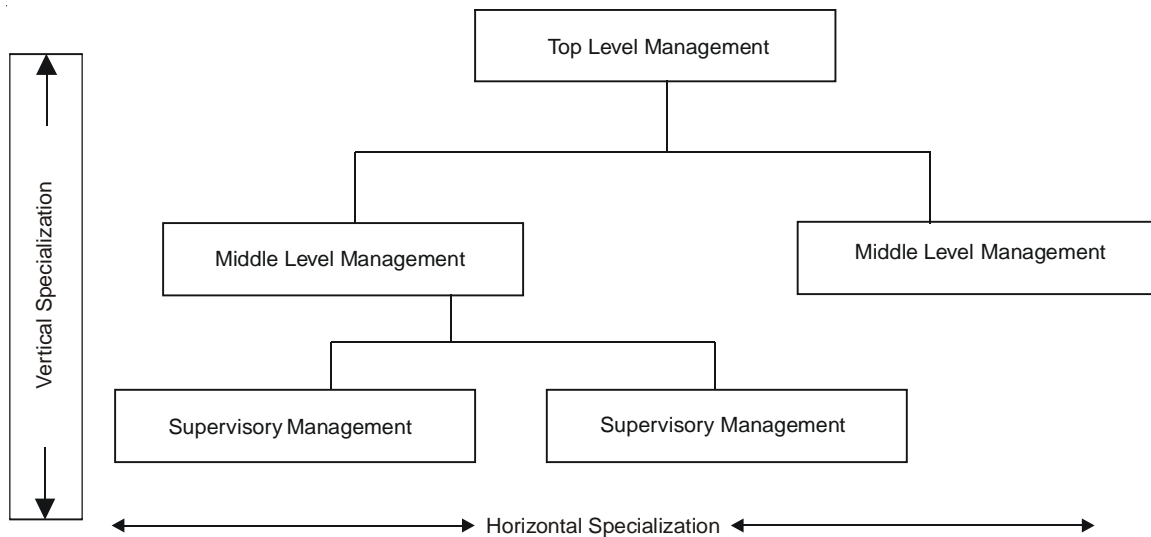

Fig 2.2 Structure of bureaucracy

2. Features of Bureaucracy

Salient points of the Bureaucratic model are as under:

(*a*) Hierarchy of authority exists in the organization, which involves superior-subordinate relationship and chain of command.

(*b*) Division of work based on competence and functional foremanship.

(*c*) System of policy, rules, and regulations is necessary to regulate subordinate behaviour and to ensure rationality, objectivity, discipline and control.

(*d*) In bureaucratic model, rule of law exists that leads to impersonal behaviour of employees. Relations are based on position in the hierarchy.

(*e*) Weber suggests standardization of methods, systems, processes, job contents and tools for smooth operation.

(*f*) Selection and promotion of employees should be based on competence.

(*g*) Bureaucracy recognizes legal power derived from the official position held by an individual.

3. Evaluation of Bureaucratic Theory

The theory is based on rigid rules and regulations having no consideration for interpersonal relationship based on emotions and human qualities. Power has been considered as the dominant factor to administer the organization leading to self-perpetuation. There are glaring drawbacks in the bureaucratic model namely rigidity, impersonal and mechanistic relationship, higher cost of control and umpire building. Lack of co-ordination and interpersonal communication and lastly existence of blind faith in rules and regulations. The system may work in large government organizations or the organization where there is no change anticipated. The theory does not promote fulfillment of human needs and does not exploit full potential of employees.

SCIENTIFIC MANAGEMENT - TAYLOR

Fredrick Winslow Taylor (1856-1915), Frank Gilberth his wife Lillan Gilberth and Henry Gantt have done pioneering work in the field of management They evolved methods and techniques and transformed the field of management in which all works were to be done in the scientific way. ***Taylor's work was so unique that he eventually came to be known as the father of scientific management.*** Taylor joined Midvale steel company as a worker and later he was promoted as supervisor. While working, he completed post graduation in industrial engineering and subsequently joined *Bethlehem Steel Company.* Salient points of scientific management propagated by Taylor are given as under:

(*i*) Effective use of human beings in industrial organizations particularly at the shop floor. He introduced various systems to improve the efficiency of workers.

(*ii*) Taylor stated that managing workforce is an art. He further defined managing as ***'knowing exactly what you want men to do and then see that they do it the best and cheapest way'***

(*iii*) He standardized the work and introduced better methods of doing it.

(*iv*) Time and motion study

(*v*) Introduction of differential piece- rate system of payment offering additional reward for production beyond the standard laid down.

(*vi*) Functional foremanship, creating supervisor having direct authority over the workers

Features of Scientific Management

1. Separation **of Planning and doing.** Earlier entire work was done by workers. There were no separate teams for planning and executing the work. Taylor divided the entire work into two parts namely **planning** and **doing**. It was the responsibility of supervisors to plan the work that an individual worker is required to do and ensure that the tools required by them are made available to them.

2. **Functional foremanship.** Separation of planning from doing resulted in introduction of **supervisory** staff system, which could undertake planning work separately. This has led to introduction of **functional foremanship** though it went against the principle of unity of command. The entire work was divided into two parts i.e. planning and doing. Supervisors headed these departments. Each of the departments was further divided into four functional parts. Planning department therefore consisted of route clerk, instrument card clerk, time and cost clerk and disciplinarian. Supervisor "doing" department had under him speed boss, inspector, maintenance foreman and gang boss. The concept of functional foremanship is shown in figure 2.3 below.
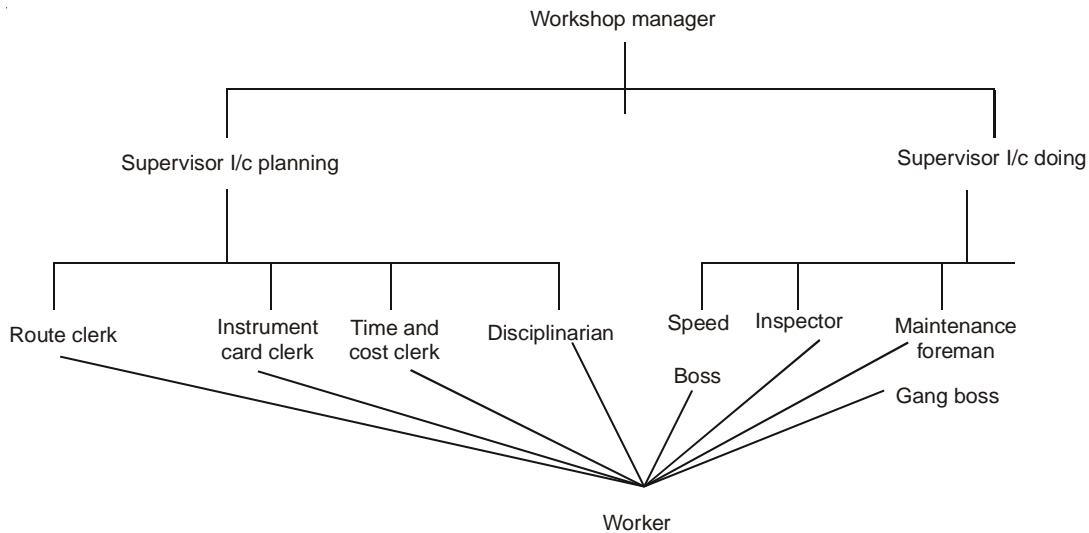
Fig. 2.3. Functional foremanship

3. **Job Analysis.** Taylor carried out intensive studies on **time and motion** about each job and incorporated such layout in the operations that involved least movement to the workers, minimum operation time and therefore less cost of production. He also carried out studies pertaining to fatigue and incorporated rest periods so that efficiency of the worker is increased.

4. **Standardisation.** Taylor carried out job analysis and based on the analysis he standardised tools, instruments, period of work, amount of work each worker has to undertake, working conditions and cost of production. This type of improved work culture and working conditions brought revolution in the production units.

5. ***Scientific selection and training of workers.*** Workers selection should be carried out on scientific basis. Taylor suggested that workers should be given adequate training and work allotted based on their physical and technical aptitude.

6. ***Financial incentives.*** Taylor was a visionary in his approach. He always balanced organizational responsibilities and worker's responsibilities towards the organization. In his approach he tried to introduce scientific way of doing a job and went in details as to how it could be improved at the same time keeping interests of the workers in mind. He introduced various methods to motivate workers by introducing differential piece- rate of payment system. He fixed targets for each work and they were paid based on efficiency. Anybody who worked beyond the laid down target were paid higher rate of wages and any employee who could not meet allotted target was paid below the laid down rate. He also introduced various incentive systems in the organization so that higher productivity was achieved.

7. ***Economies.*** Taylor insisted that internal economy must be ensured by each worker ensuring that there was no wastage in time and material while carrying out the job. Adequate care must be taken at all levels that the work was carried out as per the planning done by the supervisors. Organizations must ensure adequate profitability, which was necessary for survival, he maintained.

8. ***Mental revolution.*** Taylor was a firm believer that there must be sound relations between the management and the workers. All disputes should be resolved by mutual discussion within the organization. Close supervision therefore was a part of supervisors job. Gang boss was responsible for the smooth flow of the work. Workers were provided necessary tools, instructions pertaining to the job, perfect work environment and advise when necessary.

Principles of Scientific Management

1. ***Replacing* Rule of Thumb with Science:** Taylor introduced standardization, differential piece-rate of payment and carried out detailed work-study about each job in industry. He was the first engineer who separated planning and execution of work in the scientific way and allotted specific responsibilities to each of the persons involved in planning and doing.

2. **Harmony in Group Action:** All work groups should work in harmony. They must develop the spirit of give and take.

3. **Co-operation:** Taylor recommended **"co-operation among workers as against chaotic individualism. He insisted peace for war; replace suspicion to mutual confidence, friends for enemy".** From this principles one can find out and imagine that there was a shadow of world war I prevailing at the time he carried out his work. He carried out tremendous work to put the organizations on scientific footing and evolved methods to develop harmonious relations among workers.

4. **Maximum Output and development of workers:** Taylor was of the opinion that development of workers was central to improvement of productivity. He incorporated Gantt graphics in industrial operations. He disliked estimation and insisted precision in measuring the job. Work of Taylor brought near revolution in management and therefore was called the ***"father of Scientific Management"***

ANALYSIS

Scientific management propagated by Taylor made contributions at the production level. It created a near revolution in the field of engineering, production and work performance. It contributed towards efficiency, standardisation, specialisation and simplification of work. Optimum use of men and material was carried out in scientific way. Taylor emphasized five basic concepts to improve theory of management. These are research, standardisation, planning, cooperation and control. He assumed that industrial efficiency could be improved through the application of methods of science. Higher wages were related to higher productivity. He firmly believed that standardisation of working conditions, work methods, time and motion study and lastly the planning of daily tasks as important components of industrial efficiency. Taylor failed to appreciate human potential and treated human beings as yet another source. Indeed, he considered human recourse as component of large productive system. Man was literally equated with machine and his motives and desires had no place in the scientific management. The theory was not people oriented. Man was considered a rational being and not the emotional being. This led to exploitation of the human resources by introducing piece- rate of payment and enhanced payment based on units of production. Scientific management advocated fragmentation of work into small units that led to allocation of small part of a whole job to each individual who was controlled mechanically. It induced in the minds of workers to work more and earn more that reduced them to the level of machines. Very little attention was paid to the welfare, security and health of the employees, if any. A centralized controlled system and excessive rules and regulations were required to be implemented by managers. Taylor's scientific management brought revolution in higher productivity, savings in time, optimum utilisation of machines, expertise, higher rate of payment and materialistic approach in the field of management. The theory was work oriented rather than people oriented.

Taylor described scientific management as under:

"Science not rule of thumb. Harmony not discord. Co-operation, not individualism. Maximum output, in place of restricted out put. The development of each man to his greatest efficiency and prosperity."

PROCESS MANAGEMENT THEORY – FAYOL

The real father of modern management theory is the French industrialist Henry Fayol. His contribution is generally termed as process management and administrative management. Fayol looked at the problems from the top management point of view. He has used the term *'administration'* instead of management emphasising that there is unity of science of administration. This administrative science can be applied equally well to public and private affairs. Therefore, management is a universal phenomenon. However he has emphasised that principles of management are flexible and not absolute and are usable regardless of changing and special conditions.

Industrial Activities

Fayol found that activities of an industrial organization could be divided into six groups

1. Technical – relating to production and maintenance
2. Commercial – buying, selling and exchange.

3. Financial – search for capital and its optimum utilization.
4. Security – protection of property and human beings
5. Accounting – accounting of stores and equipment. Statistics is also covered under accounting.
6. Managerial – activities include planning, organizing, commanding, coordinating and control.

Fayol divided his approach of studying management into three parts.

1. Managerial Qualities

Fayol Considered that manager must have following qualities

(*a*) **Physical ability:** relating to health, vigour and ability to effectively addresses the people.
(*b*) **Mental ability:** to understand and learn, judgment, mental vigour and adaptability.
(*c*) **Moral ability:** energy, firmness, initiative, loyalty, tact and dignity
(*d*) **Educational ability:** General acquaintance with matter not belonging exclusively to the function performed
(*e*) **Technical ability:** Particular to function being performed
(*f*) **Experience:** Arising out of work

2. General Principles of Management

In order to develop managerial knowledge, he developed principles of management. These are given below

(*i*) **Division of Labour:** Fayol recommended that work of all types must be sub-divided and allotted to number of persons. Sub-division makes each task simpler and results in greater efficiency.
(*ii*) **Parity of authority and responsibility:** Authority refers to the right of a superior to give orders to subordinates, take decisions on specified matter, use the sources of organization. Responsibility on the other hand includes obligation with respect to the performance and achieving goals in a satisfactory manner. This principle suggests that giving authority without corresponding responsibility leads to arbitrary and unmindful use of authority. Authority relates to the power an individual acquire by virtue of his official position. Personal authority can also be derived from intelligence, moral worth and past experience of an individual.
(*iii*) **Discipline:** In the context of management means obedience, proper conduct in relation to others and complying with the rules and regulations of the organization. Smooth functioning needs discipline. Discipline is also self-imposed in relation to the work environment. If an individual does not display adequate self-discipline and if it has an adverse impact on the work then he should be warned, suspended, demoted or even dismissed depending upon the gravity of the indiscipline.
(*iv*) **Unity of command:** This principle states that subordinate should receive orders and be accountable to one and only one superior. It is necessary for stability, orderly functioning of the organization and accountability
(*v*) **Unity of direction:** According to this principle, the efforts of all the members of the organization should be directed towards common goals. The principle seeks to

ensure unity of action, coordination of strength and focusing of effects. Eg – Production department should have a single plane and all must work to achieve specified goals in terms of quality and quantity.

(*vi*) **Subordination of individual to general interest:** What is in the interest of the organization as a whole must take precedence over the interest of individuals. The efforts should be to bring about convergence of general and individual interest. Organizational interests are common to all employees. These should be above the individual interests. All the employees must set an example and be fair in their dealings. Supervisory staff must be vigilant and carry out supervision of assigned job religiously.

(*vii*) **Fair remuneration to employee:** Remuneration of employee should be fair and reasonable. It should be decided on the basis of work assigned, cost of living, financial and position of business He recommends profit sharing by managers and not by workers. Fayol recommends non-financial incentives for workers.

(*viii*) **Centralisation and decentralisation:** Centralization means the concentration of all powers at the top level of management and decentralization means the authority or the power is shared by middle as well as low level of management. Degree of centralization and decentralization depends upon the size of the organization, experience of the superiors and ability of subordinates.

(*ix*) **Scalar chain:** Fayol defines scalar chain as the chain of superiors ranging from the top management to the lowest rank. The chain also determines the line of authority. The principle suggests that there should be a clear line of authority from top to bottom linking managers at all levels. It is a chain of command as well as communication. An employee (C) could speak to his counterpart (G) by cutting across the formal chain. Same way B could speak to F. This communication was necessary for organizational efficiency.
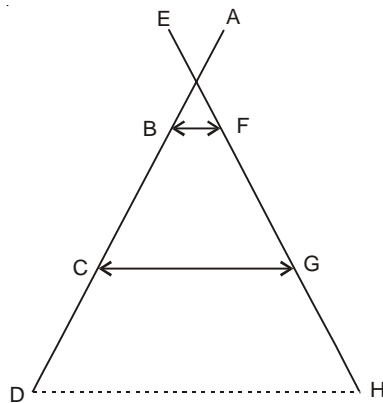
(*x*) **Order:** The principle is concerned with arrangement of things and placement of people. Arrangement of things—material order and and arrangement of people—social order. The people should be assigned specific places of work and that they should be available there and things should be kept at allotted places.

(xi) **Equity:** means, similar treatment is assigned to people at similar positions. For example workers performing similar jobs should be paid the same wages. The

performance should be judged on the same basis for the same category of employees. Equity is combination of justice and kindness. Equity is treatment to subordinates by their superiors for an exemplary behaviour. It brings loyalty in the organization. It requires good sense, good nature and devotion to duty.

(xii) **Stability of tenure of personnel:** Employees should not be moved from their positions frequently. Period of service in a position should be fixed. The individual should not be transferred often as it takes time to settle down in the new appointment. It does not mean that when an employee is due for promotion and a vacancy exists at a new place, should not be transferred. Individual interests must have priority over the other aspects of the organization.

(xiii) **Initiative:** Employees at all levels should be allowed to take initiative in work related matters. Initiative means eagerness to initiate action without being asked to do so. However it does not imply freedom to whatever people like to do. Initiative increases zeal and energy.

(xiv) **Esprit de corps:** It refers to team-spirit that is harmony in work group and mutual understanding among workers. Managers must take steps to develop a sense of belonging among the members of the work group. If there is team-spirit then everyone comes forward to help each other. It must be remembered that 'union is strength'. Written explanation from erring member complicates matter and all issues should be resolved verbally.

3. Elements of Management

Fayol has regarded the 'Elements of Management' as principles of management. These elements or functions of management are discussed in brief

1. **Planning:** It is the most important element or function of management and failure to plan leads to hesitation, false step and untimely changes in directions, which causes weakness in the organization.
2. **Organising:** It is the process of bringing together physical, financial and human resources and establishing productive relations among them for the achievement of specific goals.
3. **Commanding:** This function is necessary to execute plans. This function includes the influencing the behaviour and work of others in a group to the realization of specified goals in the given situation.
4. **Coordination:** Co-ordination as a function of management refers to the task of integrating the acts of separate units of an organization to accomplish the organizational goals effectively.
5. **Controlling** Controlling refers to the process of ensuring that acts of subordinates and use of resources is in conformity with the pre determined goals.

Contribution of Fayol has made the real beginning of development of management as a separate field of study.

NEO-CLASSICAL THEORIES

Human Relations Era

Human relations era started in 1927 onwards. It was a movement spearheaded by Elton

Mayo. The essence of the movement was the belief that the key to higher productivity was employee satisfaction. Dale Carnegie, Abraham Maslow and Douglas McGregor also made the contribution to above philosophy. In this section we will briefly study the contributions made by these scientists.

Hawthorne Studies

Hawthorne studies were initially sponsored by National research council at the Western electric company's Hawthorne works in Cicero, Illions in the year 1924 but eventually expanded up to middle of 1930s. Engineers of the company carried out initial research, the object of the study was to "examine the effect of various illumination levels on productivity." The study envisaged formation of ***control group*** and ***experimental group***. Control group members worked under constant illumination intensity while the experiment group was subjected to varying intensity levels. It was expected that the individual output be directly related to intensity of light.

Conduct and Findings of the Study

As the illumination was increased in the experiment group, output increased in both the groups. As the light level was dropped in the experimental group, productivity continued to increase in both the groups. Productivity decrease was observed in the experimental group only when the light intensity had been reduced to that of moonlight. These findings baffled the engineers of the Western electric company, who concluded that illumination levels were not responsible for higher productivity. No reason could be ascribed for this phenomenon.

Further studies were conducted in Western electric company. Elton Mayo who at that time was working at Harvard University as professor, joined the study group along with his team. Following studies were undertaken by him, which started in the year 1927 and lasted up to 1932.

1. Redesign of jobs.
2. Changes in the length of workdays and workweeks.
3. Introduction of rest period.
4. Individual versus group wage plan.
5. Evaluation of effect of group piece incentive pay system

Elton Mayo and his colleagues carried out the studies where number of variables were tested. These were place of work, place and length of rest pause, length of working days, length of work, method of payment, free mid morning lunch etc, in relation to productivity.

Relay Room Experiment 1 and 2

Mayo started relay room experiment in 1927, which may be treated as actual beginning of Hawthorne studies. Two female assemblers were selected for the experiment. They were permitted to choose four other members to join them in test room, which was segregated from rest of the plant. Complete freedom was accorded to the members of the test group. Each test period yielded higher productivity than what was in the previous period. The relay room experiment did not yield the expected result as in normal environment, also the productivity increment was noticed.

Second Relay Room Experiment was related to the impact of wage incentives on output was under investigation. The norms suggested that output should not vary with the wages – There should be "no rate busters,' 'no chisellers, and 'no squealers'. The groups imposed controls through peer pressure, and sometimes through physical means". The study was undertaken where Experiment group and Mica splitting Test Room study group were under investigation. Experiment group was placed on a separate small - group piece rate incentive system while Mica splitting group members worked under their normal individual piece – rate plan. Continuous increase in output in Relay Assembly Test Room may be attributed to the wage incentive factor. The wage incentive factor was so dependent that it was virtually impossible to consider it as an independent factor. Researchers did not succeed in proving the above hypothesis.

Mass Interview & Bank Wiring Experiment

Mayo did not succeed in Relay Room experiment to identify the impact of changes in workdays and workweek and individual versus group wage plan. In the third experiment it was viewed to determine the factors that may be incorporated to improve supervisory training programme, no worthwhile results were achieved. Bank wiring study made an observational analysis of the informal work group objective. Data was collected with the help of the observer and an interviewer. It was concluded that there was no improvement in productivity. It was further observed that all (*i*) men stopped work before Quitting time, (*ii*) Workers were able to turn out more work and (*iii*) Tests of dexterity and intelligence indicated no relationship between capacity to perform and actual performance, fear of raising of slower workers acts have really affected production in Bank wiring experiment.

Mayo Concluded that

1. Individual behaviour and sentiments are closely related.
2. Group influences significantly affected individual behaviour.
3. Group standards established individual output.
4. Money was less a factor in determining output.
5. Group standards, group sentiments and security provided by the group were Responsible for higher productivity.

Elton Mayo made a new beginning on human factor in functioning of the organization and attainment of organizational goals. Hawthorne studies have proved that experiment and behavioral research can play a vital role in management and decision making. Mayo's contribution will ever be remembered for its contribution to the behavioral approach to management.

Sekaran[1] concluded that while the classical theorist subscribed to the notion that appropriate changes made in the work setting with regard to the job will automatically result in increased performance if the workers are trained and rewarded, the human relations theorist had other ideas. Evolving from the Hawthorne studies, the human relations school recognized that workers respond to appropriate changes made in the work setting with their feelings and sentiments and by what they perceive to be the social norms in the work setting. Thus, the study of management shifted from a stimulus – response notion to understanding the stimulus – the worker's feelings and reactions. Thus, the concept the "Rational Man" to "Social Man".

Dale Carnegie

Dale Carnegie published his work on "How to Win Friends and Win People. The theme of his work was to achieve success through winning the co-operation of others. He proposed four principles.

1. Make others important through a sincere appreciation.
2. Strive to make good first impression.
3. Win people to their way of thinking and by "Never telling a man that he is wrong".
4. Change people by praising their good traits and giving the offender the opportunity to Save face.

Need Hierarcy Theory-Abraham Baslow

Abraham Maslow's original work of needs theories was undertaken with the rehabilitation of people in mind. Today, the need hierarchy theory of Maslow is often quoted and used in management to motivate workers. Maslow's theory generally state five needs of human beings Viz, Physiological, safety, belonging, (Social) esteem and self-actualization. One thing that must be remembered is that the original hierarchy needs theory has six needs Maslow called them "Meta" needs, comprising a range of different needs such as 'cognitive' and 'aesthetic' which exists between esteem and self – actualization needs. Original theory of Maslow did recognized that peoples needs varied at different times, and in hierarchical order. Before a person enters to fulfill higher order needs he must achieve minimum two basic needs (Physiological and Safety). He further stated that needs do not disappear but its potency is reduced and the next higher order need takes precedence, once that is fulfilled the next needs becomes dominating and so on. Needs which are commonly used in the theory and it's meaning is given below.

Physiological Needs – Decoration, Vibration, Temperature, Space, Noise, Gas, and Canteen facilities.

Security Needs – Job description, regularity, role clarity, structure, communication, safety report meetings, agreements, and contracts.

Social Needs – Joint Tasks, appreciation, sharing offices, recognition and team membership.

Self – esteem – Being consulted, rank, success, achievement, encouragement, recognition, pre-requisites.

Self – actualization – Personal or professional growth, autonomy, worthwhile job.

Maslow's hierarchy of needs theory can be applied to the individual's life span. In the early years of life a person is concerned about fulfillment of basic needs. But when a person takes up a job and experience independence, which is marked by crave for autonomy, he feels that he should be consulted and works to achieve recognition. Employees first want physical and job security later a suitable working environment, appreciation, job stability recognition, growth and autonomy. Thus making a full cycle of need beginning with physiological needs to self – actualization needs.

Theory X and Theory Y - McGregor

Theory X and Theory Y were introduced by Douglas McGregor based on two diagonally opposite views of human behaviour.

Theory X

McGregor assumed that average human being dislikes work and will try to avoid it if possible. Employees are lazy, they must be controlled, coerced and even punished to achieve organizational goals. Average employee do not accept responsibility and seek direction from their superiors. They lack ambition. McGregor therefore recommends organizations so structured that enable close supervision, tight control and mangers must exert energy to achieve organizational objective.

After Theory X, there were certain changes in external environment. Entrepreneurs took business seriously and on the scientific manner. There was industrial revolution; management practices were being applied in the business. Because of these changes McGregor proprogated Theory Y.

Theory Y

Theory Y suggests that average human being likes work and takes it as natural as play. Employees can exercise self-direction and self-control and given the proper working conditions, average person seeks responsibilities. McGregor felt that wisdom is widely spread among the employees and they are innovative and can take quality decisions. It therefore assumes that management must appreciate the potential among employees and adopt such management practices like delegation, job enlargement and management by objective. Management must appreciate the individual and organizational goals and create such environment, which is conducive for its attainment. Reward System, recognition and facilities for creativity should be provided.

McGregor in his theory displayed a total recognition of humanistic approach. He laid stress on delegation of authority, setting organizational objectives and leaving it to the employees to attain the same. He carried forward the behaviour approach proposed by Mayo, Maslow in mid 20th century. McGregor's theory Y is as valid to day as it was 50 years ago.

MODERN MANAGEMENT THEORIES

Re-engineering

Michael Hammer has coined the concept of re-engineering. Re-engineering is the fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in critical, contemporary measures of performance, such as cost, quality, service and speed[2]. Re-engineering involves total redesign of the job. The process of re-engineering begins with a clean slate and a job is planned from beginning till end, the objective of re-engineering is to improve efficiency, performance and overall productivity.

Steps in Re-engineering Process

Under the re-engineering process, employees are an important element; they must understand the new way of carrying out the task.

1. **Mission**: The first step of re-engineering is managements rethinking of identifying the basic mission of the organization and deciding what business they are in and what they want to do. This facilitates the desired approach to carry out various processes to attain mission.

2. **Process:** Top management plays an active role in leading the process, thus ensuring the overall co-operation from the personnel.
3. **Creation of Sense of Urgency:** An atmosphere of urgency among the personnel regarding the need for re-engineering is necessary. This will ensure commitment of efforts to the case of re-engineering.
4. **Identification of Customer needs:** Identification of customer needs for re-engineering efforts to be successful is essential. To know the customer needs and wants and then creating an organizational structure and team work providing it.
5. **Organizational Support:** When needs have been identify an organizational support of various departments is essential so that the processes and systems are modified for higher efficiency and increased productivity. Sight of the mission and fulfillment of customer needs is the focus.

There are number of examples of re-engineering efforts i.e. conduct of on line interviews, examinations and declaration of results of various technical institutes, introduction of E-business and transfer of money etc.

Benchmarking

Benchmarking is the process of comparing work and service methods against the best practices and outcomes for the purpose of identifying changes that will result in higher quality output. Benchmarking incorporates the use of human resources techniques such as goal setting to set targets that are identified, pursued, and then used as a basis for future actions. The benchmarking process involves both inside and outside the organization for ways of improving the operation (Fred Luthans)[3]. Benchmarking offers following benefits to the organization.

1. This technique helps organization to compare themselves against the best practices available in the field.
2. Identification of improvement strategies.
3. Assist in learning from others.
4. It helps organsiation create a need for change in work procedure and assignments.

Benchmarking procedures are practically used by most organization to identify cost of production, expenses on research and development activities. Identifying cost of training per individual. At international levels caparison of business is carried out.

Empowerment

Empowerment is defined as "**a process that enhances intrinsic work motivation by positively influencing impact, competence, meaningfulness and choice.**" (Thomas K.W. & Velthouse B.A.)[4]. Empowered people believe that they are competent, and valued, that their jobs have meaning and impact and those they have opportunities to use their talents. Brown and Brown define the process of empowerment as "**the orientation of all forces, values, and beliefs which determine human behavior in organizations so that the support and liberate the individual rather than reduce their range of thought and action**." (Randolph W.A.)[5]. He believes that empowerment is not just "giving people the power to make decisions". He holds that they already have the power to make intelligent decisions to help the company operate more effectively. He defines

"empowerment as recognizing and releasing into the organization the power, which the people already have in their wealth of useful knowledge and internal motivation."

Empowerment is very closely tied to the study of organizational behaviour. "Empowerment is the authority to make decisions within one's area of operations without having to get approval from anyone else. (Luthans) there are two major characteristics of empowerment.

1. Personnel are encouraged to use their initiative.
2. Employees are given not just the authority but resources as well, so that they are able to make a decision and see that it is implemented.

In the highly competitive and rapidly changing environment caused due to globalisation and liberalization of market economy there has been growing concern for empowerment. Those organizations, which liberate themselves by empowering their people, can survive in the present environment. It must be noted that empowerment is most effective tool of managerial effectiveness to obtain the full potential of employees. In bureaucratic form of organizational structure, there is an established hierarchy of command and the higher authority controls the subordinates down the line. But in organizations where empowerment is practiced, performance of individual is achieved. Empowerment envisages participation, innovation access to information and accountability. Maximum productivity is achieved from the front line operators supported by management in creating value. Empowering organization can be designed through the following:

1. Management by trust, Quality of work life and by implementing other organizational development strategies.
2. Organising flexible production systems rather them mass production.
3. By introducing customized product with variations for customer needs.
4. By reducing waste and achieving global competitiveness in price.
5. By enhanced efforts in research and development activities.

Systems Approach to Management

Kast and Rosenzwing[6], "**defines system as an organized, unitary whole composed of two or more interdependent parts, components, or sub – systems and delineated by identifiable boundaries from its environmental suprasystem.**" From the above definition following aspects stand out.

 (*i*) A system has several parts. These are dynamic in nature and therefore interact with each other.
 (*ii*) The parts or systems are interdependent and interrelated.
 (*iii*) The interdependence is required due to specialized nature of job, division of labour, sharing of limited resources and scheduling of activities.
 (*iv*) Creating various departments that carries out the work in the organization, sub-departments and sections.
 (*v*) Work is carried out by teams and groups who performed specialized task to accomplish overall organizational objective.
 (*vi*) Change in one department affect the other departmental work.

A system is therefore composed of several sub system and sub-sub system. Every system or sub-system has its own objective and various processes. Personnel employed to manage the system have to play their roles and work under systems that are open. Katz and Kahn include importation of energy, throughput, output, phenomenon. Organization import resources, energy and information from environment, transform them into product and services and export it to the environment where society uses the same. Organizations do not export all that they produce but retain certain portion for its survival and growth. Organizations carry out modification and improvement based on performance feed back. Organization must also develop the ability to absorb the shocks and influences from the environment by developing inbuilt flexibility and responses.

In order to obtain clarity of this concept, take an example of soft drink bottling plant. The plant is a system. Filling plant, Marketing of bottles, advertisement may be considered as a sub-systems of bottling plant. Collection of empty bottles from the consumers, washing the bottles and making them ready for refilling may be considered as sub-sub system. All the systems, sub-systems and sub-sub systems are interdependent and intertwined. Without the support of each of the sub-system and sub-sub system, soft drink bottling plant cannot function effectively. If empty bottle collection sub-sub system fails, the bottle plant will come to a virtual halt. The plant draws raw material, technical know how, machinery, human resources, land and plant from the environment, transform it into soft drink bottles and export product and services back to the environment, retaining a part of it for survival and growth. A strong bottling plant has to receive shocks from other bottling plants in the form of price war, shortage of raw material and yet ensure survival and growth by using various business strategies. There can be several ways of classifying systems and one may follow any basis. Broadly speaking, Carzo and Yanouzas gave three kinds of sub-systems in an organization as a system – technical, social and power. The technical sub-system represents the formal part of organization and the remaining two, the non-formal one. These are discussed in the following paragraphs:

1. Technical Sub-System

When an organization is formed, there is a technical sub-system, which is nothing but an entire formal organization. Organization is structured based on technology, product and market that one is required to serve. Policies, rules and regulations are framed, span of management is created and authority and responsibilities are delegated based on need. Appropriate engineering, information technology and other considerations are laid down. The organization imports necessary resources from the environment, transform them and export the finished product/services to the environment. In the process, decision making, communication and control measures are implemented. Administrative system ensures balance in the organization, so that no department becomes powerful while carrying out the job. Due care is taken about the status, norms, attitudes and behavioural pattern of employees. The whole arrangements are synchronized, all details are tied up and everybody knows as to what he has to do to achieve the organizational goal. Therefore, this sub-system is called technical sub-system, which exists in all the organizations irrespective of product/ services they produce.

2. Social Sub-System

Social Sub-System provides social security and social satisfaction to its members. Enrolment

of human resources is carried out to match the requirement of job. Individuals have varying degree of interests, capabilities altitudes, beliefs, likes, dislikes. Based on these they join group of like-minded employees to meet their social aspiration even by cutting across hierarchical barriers. It has often been noticed that employees join various social organizations, groups, sports club to enhance their image in the work environment. The employees thus seek a power base to meet the social needs. The process thus leads to emergence of social groups who have their own objectives, structure and role to play. These groups develop a pattern of social norms, image in the society and subsequently exercise immense power in the society. Members of Rotary or a golf club are some of the examples.

3. Power Sub-System

Every job is important in the organization. People have to be, not only dependent on others, but also inter-dependent so that the individual, group and ultimately the organizational objectives are met in given time. Specialization has become an important aspect in organization. Individuals display power behaviour based on the ability, skill, importance of their job, the critical appointment they hold and lastly the proximity to decision making authority. Some people have more influence areas than others while those who do not care for organizational norms engage themselves in politicking and play an opportunistic games. Power sub – system take its firm root based on personality traits, dominant nature, relationship with superiors, ability to influence others, the success story and the like. Therefore the power – holders enjoy extra privileges, status and turn the situation in their own interest.

Technical, social and power sub – systems do not function independently there is an overlap. Infact they are intertwined to a great extent. Individual behaviour is displayed and guided by these sub–systems. On occasions individual may behave in such a way that it is different to make distinction between various sub – systems. These sub – systems are a part of larger system say organization as system. Organization itself can be a sub-system of larger system like society and society a sub–system of environmental system. Since the entire sub – systems /systems are interdependent and must function with great precision and coordination. Each of the systems must contribute positively as they are influenced and get influenced by other sub- systems / systems. What in effect emerges as an outcome of this interaction is called **emergent system**.

The emergent systems remain valid and operative as long as there are no changes in the environment. Once there are changes in environmental factors like technology, marketing variables, social changes etc., the emergent system take a new form. It is a continuous process and therefore we say change is a constant phenomenon.

4. Contingency Theory of Management

Contingency theory of management is an extension of system approach to management. There cannot be a suitable management solutions for all situations. External and internal factors keep changing. Since systems approach cannot appropriately suggest relationship between organization and environment, the gap so created has been fulfilled by contingency approach. The theory suggests:

1. What a manger should do in a particular situation based on the examination of the facts relating to each situation?

2. Contingency theory suggests active inter-relationship between various variables in a situation and managerial action devised. It not only suggests solution to the given situation but also examines various influences of the situation on behaviour pattern of the individual and groups in the organization.

The contingency view of organization may be explained in the words of Kast and Rosenzweing as follows : "The contingency view seeks to understand the inter-relationship within and among sub-systems as well as between the organization and its environment and to define patterns of relationship and configuration of variables. It emphasizes the multivariate nature of organizations and attempts to understand how organizations operate under varying conditions and in specific circumstances. Contingency views are ultimately directed towards suggesting organizational designs and managerial actions most appropriate for specific situations (Ref. Kast, F.E. and J.E. Rosenweing)[6].

Tosi and Hammer states that when a sub -system in an organization behaves in response to another system or sub – system, we say response is contingent on environment. Hence a contingency approach is an approach where the behaviour of one sub- unit is dependent on its environment relationship to other units or sub-units that have control over the consequences desired by that sub-unit.

Features of the Contingency Theory

1. Management action is contingent on certain actions outside the system or the sub system.
2. Organizational action should be based on the behaviour of action outside the system so that organization can be integrated with the environment.
3. Because of the specific organization – environment relationship, no action can be universal. It various from situation to situation.
4. Internal functions of the organization are generally consistent with the technology, demand placed on the organization by the society, external environment and needs of the members of the organization.
5. Contingency approach suggests suitable alternatives for those managerial actions, which are influenced by external and internal environment like organizational design, strategy formulation, decision systems, leadership styles and organization improvement.
6. Organizational systems are not absolute. They have to adjust or modify considering social, political, technical and economic situations.

Implications

Contingency approach to management is an important addition to the management theory. It is a very sophisticated approach because it takes into consideration increasing complexity of organization. The approach emphasizes multivariate nature of organization and suggests organizational designs and managerial actions to specific situations. The theory is contingent on environmental factors like politics, technology and economic situation prevailing from time to time. Sharma (1997)[7], explains that contingency views tend to be more concrete and to emphasize more specific characteristics and pattern of inter-relationship among sub-systems. The view recognizes that the environment and internal sub-systems of each organization are somewhat unique and provide a basis for designing and managing specific organizations. Contingency view recognizes the complexity involved in running modern

organizations and uses pattern of relationship and /or configurations of sub-systems in order to search a way out. However there are certain drawbacks in this approach. It is not considered as unified theory of management because there is inadequate literature. It does not suggest any action in a contingency. Management actions depends upon situation is not adequate. The theory is difficult for empirical testing. It is complex because there are large number of variables and large number of managerial actions involved. The theory is not proactive, it is reactive.

TOTAL QUALITY IN HUMAN RESOURCES MANAGEMENT

The concept of Total Quality Management (TQM) essentially revolves around the effective use of the available human resources. Hence emphasis on training and continuous personal improvement is essential. TQM means that an organization's culture is defined by and supports the constant quest for customer satisfaction. This involves continuous improvement of organizational processes, resulting in high quality products and services (Kreithner and Kinicki, 1995)[8].

Deming's Pioneering Work

Pioneering work in TQM was done in Japan through the efforts of Edward Deming. He stressed the need for all the individuals involved to work in a cohesive team, keeping in mind the fulfillment of the given objectives in time. Training in statistical process control techniques is necessary for all, so that quality control of the product being manufactured is maintained in accordance with the standards laid down and corrective measures are taken while the product is being manufactured. In other words TQM is not just a technique that can be turned on when quality improvement is required. TQM is rather a philosophy that requires active participation on the part of both owner and employees. TQM is an on-going process that is to be approached from the standpoint of continuous improvement by incremental stages. The ability to ensure the quality of a product or a service is, therefore, dependent on the quality of the working relationship between the human beings at the work place. It involves the dynamics of the behavioural processes. For the six best companies of Europe, TQM means continuously improving processes and performance by involving people so as to delight customers (Binney, 1992)[9].

Deming's framework of Total Quality Management is aimed at improvement in the quality of the product, reduction in the cost of production, gaining an increased market share, thus ensuring the prosperity of the business. Deming was fully aware of the potential of human beings and knew that TQM could be achieved only by changing the nature of the organization, stressing the importance of leadership and the need to reduce variations in the organizational processes. Deming proposed 14 principles of TQM:

1. Create consistency of objectives and plans
2. Adopt a new philosophy of quality
3. Cease dependence on mass inspections
4. End the practice of choosing supplies based solely on price
5. Improve the system constantly and continuously
6. Institute training on-the-job
7. Strengthen leadership
8. Drive out fear

9. Breakdown barriers between departments and units
10. Stop requesting improved productivity
11. Eliminate work standards that prescribe numerical quotas and quality standards
12. Remove barriers to pride in workmanship
13. Institute vigourous education and self-improvement programmes
14. Put everyday in the company to work to accomplish the transition to total quality

(Shani and Lau, 1996.) TQM is an approach that fosters quality leadership, quality production and full utilization of organizational resources. It can transform an organization's culture.

Based on the above 14 principles, Deming coined the following four practical policies of TQM:

1. Do it right the first time so as to eliminate costly rework
2. Listen to and learn from customers and employees
3. Make continuous improvement an every day matter
4. Build teamwork, trust and mutual respect

Though Deming's Total Quality Management revolved around ensuring quality products and services, he nevertheless paid full attention to developing individuals and the organizational culture. This is evident from the fact that of the 14 factors he enumerated, ten pertain to the human beings in the organization that is involved in providing quality products and services. He laid stress on training and development of subordinates, which he believed, was the key to Total Quality Management, as it relates to the improvement of the human resources. Removing barriers to pride in workmanship and improvement of various systems in the organization were other suggestions given by him.

Juran's Framework of TQM

Joseph Juran, an electrical engineer was Deming's collaborator in Japan. He suggested ten principals of TQM.

1. Build awareness of the need to improve
2. Set goals for improvement
3. Organize so as to reach the goals
4. Provide training
5. Conduct projects to solve problems
6. Report progress
7. Give recognition
8. Communicate results
9. Keep score of progress achieved
10. Maintain the momentum by making annual improvement part of the regular system and processes of the company.

Juran too laid down stress on the human resources of an organization. He firmly believed that human resource development by various techniques could help bring about Total Quality Management in a company. Selection and maintenance of personnel is not the important pre-requisite for any organization. What is important is that all personnel

should keep the company's objectives as the focus of all their activities and identify ways to accomplish them. Further, the objectives or goals for each department or unit and all resources including the personnel should be deployed for their attainment. Efforts to improve human performance should be taken up as an ongoing process.

Training and development, therefore, merit the serious attention of the management. Training must be progressive in nature, realistic and preferably done on the job to be of real value. Freedom of action should be encouraged among the trainees and the bogey of Zero Defects should not be flauted during training. The trainer should encourage discussion and full participation in a free environment, so that contributions from all the participants enrich the contents of training. Once the stage of tutorial discussion is over, the inputs should be tried out by subjecting the trainees to various exercises and later to practical cases. Their reactions should be observed and corrected by the facilitator. No compromise should be allowed. Those found fit should be allowed to go up. Psychological testing, especially of managers, during the recruitment stage is recommended. It should be the endeavour of each head of unit to ensure that all employees are trained in such a way that they are capable of undertaking jobs one step above the existing one, without losing time and without any additional efforts. This will ensure higher performance and job satisfaction for each individual.

Steps must also be taken to relate performance to recognition. Recognition fosters job satisfaction and promotes a sense of belonging in the organization one is serving.

Juran's teachings emphasize the idea of managing for quality and getting it "**right the first time**", rather than inspecting things into finished products (Thiagrarjan and Zairi, 1977).[10]

Philip B Crosby's Approach

If Deming and Juran are credited with jump-starting the quality movement in Japan, Crosby can be credited with the quality awakening in the United States through his 1979 bestseller **Quality is Free: The Art of Making Quality Certain:** Croby's approach to quality is based on management commitment to quality goals, prevention of defects and respect for employees and their efforts. Crosby advocates zero defects as the quality performance standard for every one in the organization. This calls for a change in the culture of the organization.

Crosby lists four new essentials of quality management, which he calls "**the absolutes**".

1. Quality is defined as conformance to requirements
2. Quality is achieved by prevention not by appraisal
3. The quality performance standard is zero defects
4. The cost of lack of quality is measured by the price of non-conformance

The key points which are derived from the absolutes are: The need to understand customer requirements; a management commitment to satisfying the customer; communicating customer requirements to the workforce; training the workforce to produce to customer requirements; prevention of errors by a proper understanding of the process involved in producing products and services; doing things right the first time as a management performance standard; creating an enabling environment to achieve such standards; and measuring and publicizing the cost of rejects, reworks and waste. Crosby talks about the three stages in the evolution of a total quality culture: first, the conviction

that quality is an asset; next a commitment to implement quality as a way of life; and finally, the conversion of the entire organization to this way of life.

Leadership

The top management is the main driver of TQM (Zairi, 1992)[11]. Therefore, the most important factor in TQM is leadership. What is expected of a leader is first to know his subordinates, their social background, their financial status, the number of dependents, and the level of their dependency on the employee. This will enable a leader to judge what job to assign to each individual and how much to expect from him. Secondly the leader must be professionally competent, so that subordinates can look up to him as a person who has solutions to the problems they face. He should display an ability to adjust to changing situations and to different people. A leader should be able to work effectively in adverse circumstances and not show signs of creaking up. He should display professional honesty and be known for integrity. This is essential to obtain the willing obedience of subordinates and to accomplish his mission. Hence a leader should adopt a code of conduct for him and for the organization.

People have been concerned about the nature of leadership, so as to identify the difference between leaders and non-leaders, and between successful and unsuccessful leaders. Research suggests the six most important characteristics that a leader should possesses are:

   (*i*) A high level of personal drive
  (*ii*) A desire to lead
 (*iii*) Personal integrity
 (*iv*) Self confidence
   (*v*) Analytical ability
 (*vi*) Knowledge of the job and of the organization

Apart from these factors, charisma, creativity and flexibility are highly desirable qualities in a leader. Finally successful leadership depends more on appropriate behaviour skills and action and less on personal traits. The traits only provide the latent potential and the behaviour is the successful release and expression of this potential. Leadership of this kind is indispensable to build up an organizational culture suitable for Total Quality Management.

Appraisal and Recognition

Performance appraisal has assumed great significance. It is the measure of the effectiveness of an individual, a barometer for furtherance of one's career. An individual's performance must measure up to the objectives assigned to him. He must accomplish his job at least in the given time, since time management is a key factor in any job. The attainment of quality standards is a necessary element in effective performance appraisal. Besides a person displaying innovative ideas should be recognized and facilities should be accorded to him to show his worth. Outstanding performance must be recognized in public. This has a strong motivational effect on all the employees. Remuneration must also be compatible with the job and merit should be the sole consideration for promotion. An award system should be introduced and fairly implemented. All these actions on the part of the leadership are bound to bring about an organizational culture conducive to Total Quality Management.

TQM in human resource management should be looked upon as a central company policy. It should originate at the highest level and percolate down to last person doing his job. It should be treated as a movement. However, this is possible only when autonomy is accorded to leaders at various levels in the performance of their jobs. Mutual trust and respect for each other's ideas is most helpful. If Total Quality Management is undertaken in an organization, then, re-engineering and quality control at various stages becomes outdated as all these factors are at the very core of the TQM concept.

SUMMARY

Management has been in existance since the birth of human race. Only the form and the intensity differred. However management has been recognised as an independent field during 18th century and it made its mark during World War I. At the beginning of 20th century classical theories gave a solid foundation to the field of management. Three streams emerged during that period namely 1)Bureaucracy Theory by Max Weber-1900. 2) Scientific Management Theory by Taylor-1910. and 3) Process Management Theory which is also called Functional management and Administrative Theory by Henry Fayol-1910. Major contribution of this period has been tremendous. Max Weber has been pioneer in putting the business on a correct footing by introducing strict rules and regulation, hierarchy of command and control system, standardisation, rule of law leading to impersonal behaviour, selection and promotion based on skills and competence and concept of power which is derieved from the official position held by the individual. Taylor transformed the industrial floor processes. His major contribution to the field of management is 1) Concept of functional foremanship. 2) Time and motion study. 3) Differential piece-rate system of payment. 4) Concept of supervision. However, Taylor failed to recognise the real potential of human beings and treated them yet another source. Taylor described scientific management as under:

"Science not rule of thumb. Harmony not discord. Co-operation, not individualism. Maximum output, in place of restricted out put. The development of each man to his greatest efficiency and prosperity." He is called Father of Scientific Management.

Henri Fayol has developed Administrative managemet theory, thereby propagating suprimacy of administration over management. He identified 14 principles of management. He proposed that authority and responsibility go hand in hand. Paid special attention to division of work, unity of command, scalar chain, spirit–de corps, justice, and evolved policies that promoted human resource in terms of reward and growth. He was known real father of management by virtue of his extensive work. The principles are still valid even today.

Classical theories failed to appreciate the significance of human element in management. Too much standardisation, rules and regulation and bogie of improving productivity had stalled to recognize the importance of human beings. The study carried out by Elton Mayo envisaged the consideration of human element and adopted a humanistic approach. Following studies were undertaken by Mayo between 1927 to 1936.

(*a*) Effect of illumination on productivity
(*b*) Relay room experiments 1 and 2.
(*c*) Mass interview and bank wiring experiment

The studies established:

1. Individual behaviour and sentiments are closely related.
2. Group influences significantly affected individual behaviour.
3. Group standards established individual output.
4. Money was less a factor in determining output.
5. Group standards, group sentiments and security provided by the group were responsible for higher productivity.

The studies established the need for changes for job design as under:

(*a*) redesign of jobs.
(*b*) Changes in the length of workdays and workweeks.
(*c*) Introduction of rest period.
(*d*) Individual versus group wage plan.
(*e*) Evaluation of effect of group piece incentive pay system

With this the concept of worker shifted from that of the **"rational man to social man"**.

In middle of the 20th century Dale Carnegie published his work on how to win friends. Abraham Maslow introduced Need Hierarchy Theory. In his theory he stated that there are five need of any human being. The needs are in a particular order. Once the lower level needs is satisfied, its intensity reduces and the new need emerges which has higher intensity and therefore individual attempts to satisfy the same. Needs do not disappear but its intensity is reduced. The five needs mentioned by Maslow are 1) Physiological need. 2) Security need. 3) Social need. 4) Esteem need. 5) Self-actualisation need.

Mc Gregor during the same period introduced Theory X and Theory Y. Theory X relates to the assumption Mc Gregor made about human beings. He stated that human beings are basically lazy, donot like work, are irresponsible, lazy and lack ambition. He therefore, recommended that the organization structure should be so designed that should lend itself to close supervision, tight control over the employees. Theory Y, on the contrary suggests employees as ambitious, hard working, responsible, innovative and self directed. He therefore, recommended manegeril practices like delegation of authority, job enlargement, management by objective and creation of such enviornment that is condusive to higher productivity. The Human Relations Era though still continues, but due to technological advancement, and introduction of computer and information technology a need has emerged to fasten the space of production and maintenance of quality. Hence a modern management era began. Processes of re-engineering, bench marking, management by objective and empowerment were introduced. Total quality management concepts of Deming and Juran have created a revolution in Japan and US. These concepts were introduced so that customer satisfaction is achieved, competiveness is maintained and satisfaction of stake holder is achieved. Zero error syndrome was in vogue. Systems apporach tried to be practiced by all organizations which envisaged latest technology, process upgradation and adoption of systems that cut down operation time and were economical to the organization. This did not cater for any contingency and managers had to evolve fresh strategies every time. Hence contingency theory was intoduced. The theory caters for managerial actions in various contingencies. Contingency theory suggests organization designs and manegerial

actions should be specifc for a particular situation. Information technology, electronic media and introduction of computers had made a near revolution in the society. Communication efficiency increased tremendousely. Managers are in position to acquire information of value that enables them to take fast and quality decisions. This phenomenon has improved the effeciency of organizations.

TEXT QUESTIONS

Q. 1. Trace out the evolution of management theories. Identify major landmarks in the process.

Q. 2. Explain in detail the Bureaucracy theory of Max Weber. What were the strong points of this theory? Are they still valid? Discuss the concept in detail with suitable examples.

Q. 3. Explain Scientific management theory of Taylor. What is his contribution to science of management?

Q. 4. "Process management theory was one step ahead of scientific management". Do you agree with this statement. Explain various factors considered by Fayol. Discuss principles of management propagated by him. Are they still valid in the present enviornment?

Q. 5. What are various experiments carried out by Elton Mayo? Explain in detail the illumination experiment carried out at Howthrone. What are its findings?

Q. 6. Explain Systems Theory to manage an organization. What are its drawbacks?

Q. 7. Explain Contingency approach to management.

Q. 8. Explain Need hierarchy theory of Abraham Maslow. Carryout analysis of the theory.

Q. 9. Explain the following concepts
- (*a*) TQM
- (*b*) Re-engineering
- (*c*) Empowerment
- (*d*) Bench marking

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