ORGANIZATIONAL BEHAVIOUR

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SYLLABUS:

Fundamentals of OB: Definition, Scope and importance of OB, Relationship between OB and individual, Evolution of OB, Theoretical framework (Cognitive, Behavioristic and Social cognitive), Limitations of OB

DEFINITIONS:

 "Organizational behaviour is a field of study that investigates the impact that individuals, groups and organizational structure have on behaviour within the organization, for the purpose of applying such knowledge towards improving an organizational effectiveness".

The above definition has three main elements:
First: organizational behaviour is an investigative study of individuals and groups, **Second**: the impact of organizational structure on human behaviour.
Third: the application of knowledge to achieve organizational effectiveness.
These factors are interactive in nature and the impact of such behaviour is applied to various systems so that the goals are achieved. The nature of study of organizational behaviour is investigative to establish cause and affect relationship.
    OB involves integration of studies undertaken relating to behavioral sciences like psychology, sociology, anthropology, economics, social psychology and political science. Therefore, organizational behaviour is a comprehensive field of study in which individual, group and organizational structure is studied in relation to organizational growth and organizational culture, in an environment where impact of modern technology is great. The aim of the study is to ensure that the human behaviour contributes towards growth of the organization and greater efficiency is achieved.
Organizational behaviour can be defined as;

T**he study and application of knowledge about human behaviour related to other elements of an organization such as structure, technology and social systems** (LM Prasad**)**.

Organizational behaviour is a systematic study of the actions and attitudes that people exhibit within organizations." (Stephen P. Robins)

Organizational behaviour is an academic discipline concerned with understanding and describing human behaviour in an organizational environment. (Keith Davis)

Organizational behaviour is a systematic study of the nature of the organizations: how they begin, grow and develop, and their effect on individual members, constituent groups, other organizations and larger institutions (Joe Kelly)
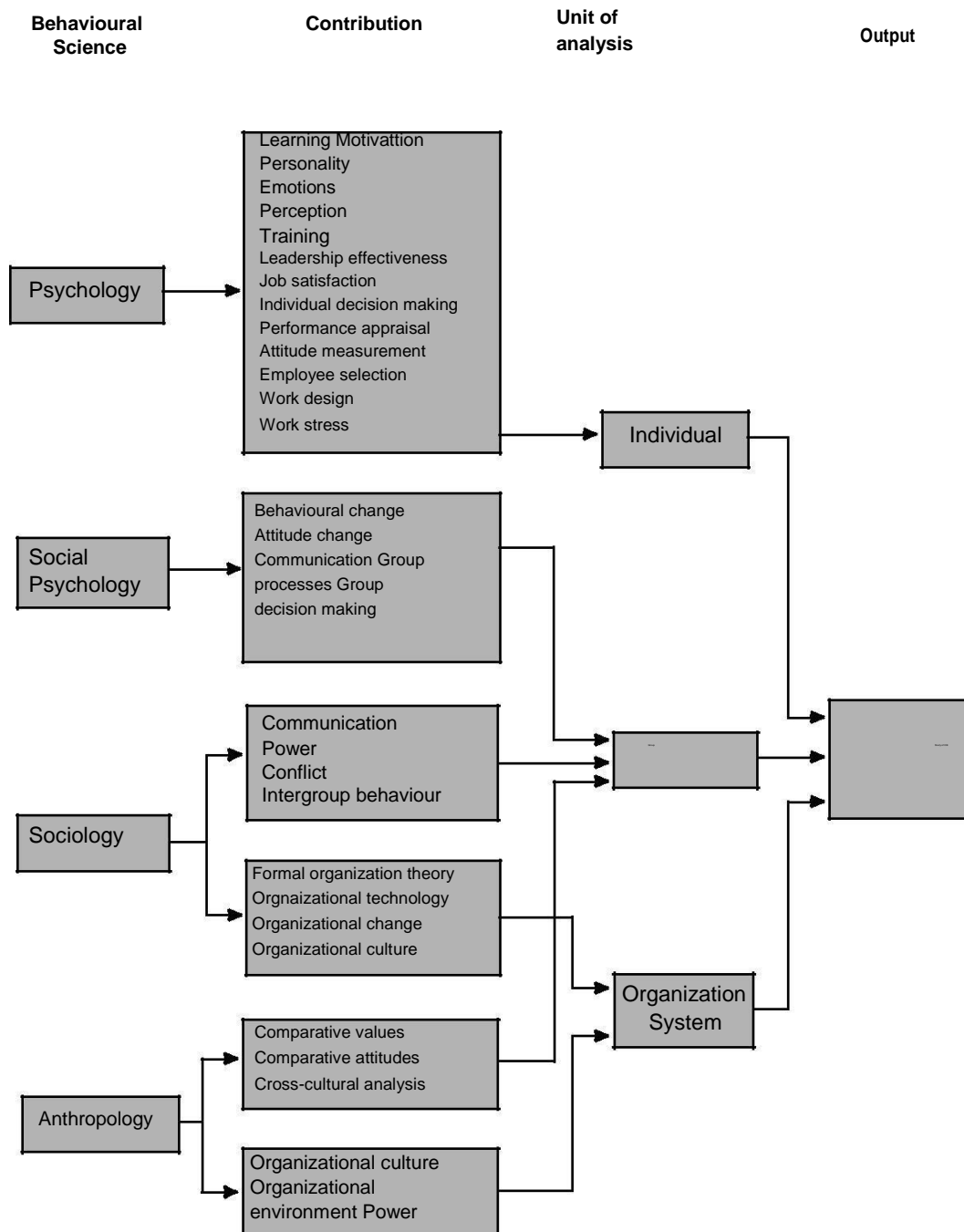
Organizational behaviour is the utilization of theory and methods of academic discipline for understanding and influencing behaviour of people in an organization (James Lau)

Organizational behaviour is directly concerned with the understanding, prediction, and control of human behaviour in organizations. (Fred Luthans)

Psychology: Psychology is an applied science, which attempts to explain human behaviour in a particular situation and predicts actions of individuals. Psychologists have been able to modify individual behaviour largely with the help of various studies. It has contributed towards various theories on learning, motivation, personality, training and development, theories on individual decision making, leadership, job satisfaction, performance appraisal, attitude, ego state, job design, work stress and conflict management. Studies of these theories can improve personal skills, bring change in attitude and develop positive approach to organizational systems. Various psychological tests are conducted in the organizations for selection of employees, measuring personality attributes and aptitude. Various other dimensions of human personality are also measured. These instruments are scientific in nature and have been finalized after a great deal of research. Field of psychology continues to explore new areas applicable to the field of organizational behaviour. Contribution of psychology has enriched the organizational behaviour field.

Toward an OB Discipline

Behavioural Science	Contribution	Unit of analysis	Output
Psychology	Learning Motivattion, Personality, Emotions, Perception, Training, Leadership effectiveness, Job satisfaction, Individual decision making, Performance appraisal, Attitude measurement, Employee selection, Work design, Work stress	Individual	
Social Psychology	Behavioural change, Attitude change, Communication Group processes Group decision making		
Sociology	Communication, Power, Conflict, Intergroup behaviour		
	Formal organization theory, Orgnaizational technology, Organizational change, Organizational culture		
Anthropology	Comparative values, Comparative attitudes, Cross-cultural analysis	Organization System	
	Organizational culture, Organizational environment Power		

Sociology:

Science of Sociology studies the impact of culture on group behaviour and has contributed to a large extent to the field of group-dynamics, roles that individual plays in the organization, communication, norms, status, power, conflict management, formal organization theory, group processes and group decision-making.

Political science:

Political science has contributed to the field of Organizational behaviour. Stability of government at national level is one major factor for promotion of international business, financial investments, expansion and employment. Various government rules and regulations play a very decisive role in growth of the organization. All organizations have to abide by the rules of the government of the day.

Social psychology:

Working organizations are formal assembly of people who are assigned specific jobs and play a vital role in formulating human behaviour. It is a subject where concept of psychology and sociology are blend to achieve better human behaviour in organization. The field has contributed to manage change, group decision-making, communication and ability of people in the organization, to maintain social norms.

Anthropology:

It is a field of study relating to human activities in various cultural and environmental frameworks. It understands difference in behaviour based on value system of different cultures of various countries. The study is more relevant to organizational behaviour today due to globalization, mergers and acquisitions of various industries. The advent of the 21 st century has created a situation wherein cross-cultural people will have to work in one particular industry. Managers will have to deal with individuals and groups belonging to different ethnic cultures and exercise adequate control or even channelize behaviour in the desired direction by appropriately manipulating various cultural factors. Organization behaviour has used the studies on comparative attitudes and cross-cultural transactions. Environment studies conducted by the field of anthropology aims to understand organizational human behaviour so that acquisitions and mergers are smooth. Organizations are bound by its culture that is formed by human beings.

The scope of the organizational behaviour:

1. Impact of personality on performance
2. Employee motivation
3. Leadership
4. How to create effective teams and groups
5. Study of different organizational structures
6. Individual behaviour, attitude and learning
7. Perception
8. Design and development of effective organization
9. Job design
10. Impact of culture on organizational behaviour
11. Management of change
12. Management of conflict and stress
13. Organizational development
14. Organizational culture
15. Transactional analysis
16. Group behaviour, power and politics
17. Job design
18. Study of emotions.

Importance of OB:

1. Understanding human behaviour
   a. Individual level
   b. Interpersonal level
   c. Group level
   d. Intergroup level
   e. Organization level
2. Predicting human behaviour
3. Controlling and directing behaviour
4. Organizational effectiveness
5. Human tool for human benefit

6. Personal growth
7. Motivation
8. Effective communication
9. Improving leadership style
10. Energizing the system
11. Good human relation
12. Change and adaption

EVOLUTION OF ORGANIZATIONAL BEHAVIOUR:

The evolution of organizational behaviour can be categorized in to different parts:

Pre-Scientific Era (before 1880),
Classical Era (1880-1930),
Neo-classical Era (1930-1950),
Modern Era (1950-on word).

Classical era includes Scientific Management School, Administration Management School, and Bureaucracy Management.
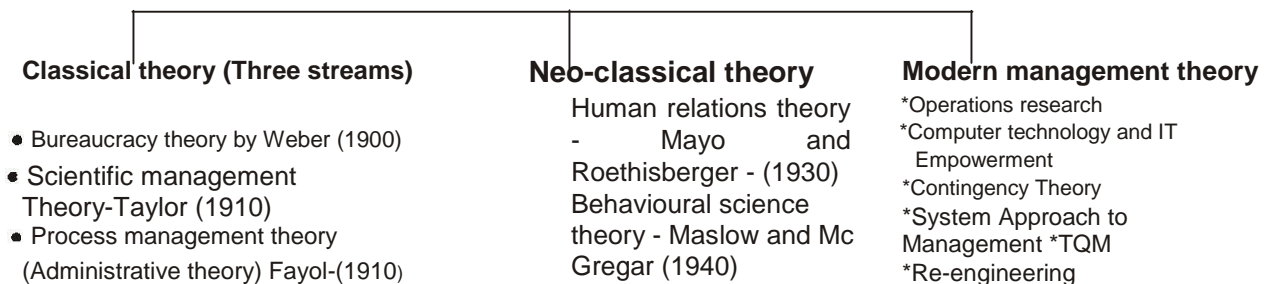
Neo- classical era includes Human relation school and Behavioural Management School.

Modern era includes Social system school, Decision theory school, Quantitative Management School, System Management School, and Contingency Management School.

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 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.

Evolution of management thoughts

Classical theory (Three streams)

- Bureaucracy theory by Weber (1900)
- Scientific management Theory-Taylor (1910)
- Process management theory (Administrative theory) Fayol-(1910)

Neo-classical theory

Human relations theory - Mayo and Roethisberger - (1930) Behavioural science theory - Maslow and Mc Gregar (1940)

Modern management theory

*Operations research
*Computer technology and IT Empowerment
*Contingency Theory
*System Approach to Management *TQM
*Re-engineering

Industrial Revolution: It has only been since the Industrial Revolution of the nineteenth century that relatively large number of individuals has been required to work together in manager- subordinate relationships. Prior to this many of the large organisations that did exist, were military ones in which the authority of the leader was supreme and practically unquestioned, since membership was not voluntary. Behavioural problems were relatively easy to deal with under these conditions. It is certainly no accident that much of our current knowledge about human behavior has been derived from organisations in which influencing behaviour consists of more than just giving orders.

Famous industrialist like William C Durant, Henry Ford, Andrew Carnegie, and John D Rock feller were men of brilliant managerial qualities. They possessed the managerial qualities necessary for the initial stages if industrialization. However, when the industrial revolution began to mature and become stabilized, this approach was no longer appropriate.

The Classical Era:

The classical approach is the earliest thought of management .The classical approach was associated with the ways to manage work and organizations more efficiently. The classical approach are categorized into three groups namely, *scientific management, administrative management, and bureaucratic management*.

I. Scientific Management: Scientific management which is also referred to Taylorism or the Taylor system is a theory of management that evaluates and synthesizes workflows, with the aim of improving labour productivity. In other words, conventional rules of thumb are substituted by accurate procedures developed after careful study of an individual at work.

Universal approaches of Scientific management are developed for Efficiency of workers, Standardization of job roles/activities and Discipline - the role of managers and the business hierarchy.

Among famous theorist, Taylor's contribution in the area of scientific management is invaluable. The components of scientific management are *determination of the task, planning, proper selection and training of workers, improvement in methods, modification of organization and mental revolution such as 'job specialization'*. As a result, it became more concerned with physical things than towards the people even though increased the output.

Scientific Management focuses on worker and machine relationships. Organizational productivity can be increased by enhancing the competence of production processes. The competence viewpoint is concerned with creating job that economizes on time, human energy, and other productive resources. Jobs are planned so that each worker has a specified, well controlled task that can be performed as instructed.

Principle of scientific management are replacement of old rule of thumb method, scientific selecting and training, labour management co-operation, maximizes output, equal division of responsibility.

There are four scientific management systems such as

Develop a science for each element of the job to replace old rule of thumb method,

Scientifically select employees and then train them to do the job as described in step,

Supervise employees to make sure they follow the prescribed method for performing their job, and Continue to plan the work but use worker to actually get the work done.

Taylor's Scientific Management: Academic records indicated that F.W. Taylor and his colleagues developed the first systematic study in management. He initiated an innovative movement in 1910 which is identified as scientific management. Frederick Taylor is known as the *father of Scientific Management* and he published *Principals of Scientific Management* in which he proposed work methods designed to boost worker productivity. Taylor asserted that to succeed in these principles, it is necessary to transform completely the part of management and labour.

His philosophy was based on some basic principles.

The first principle is *separation of planning and doing*. In the pre-Taylor era, an employee himself used to choose or plan how he had to do his work and what machines and equipment would be necessary to

perform the work. But *Taylor divided the two functions of planning and doing*, he stressed that planning should be delegated to specialists.

Second principle of Taylor's management approach is *functional foremanship*. Taylor launched functional foremanship for administration and direction. Under *eight-boss-scheme of functional foremanship,* four persons like route clerk, instruction card clerk, time and cost clerk and disciplinarian are associated with *planning function,* and the remaining four speed boss, inspector, maintenance foreman, and gang boss are concerned with *operating function*.

Third principle is *elements of scientific management*. The main constituents of scientific management are *work study* involving work important and work measurement using method and time study, standardization of tools and equipment for workmen and improving working conditions, scientific Selection, placement and training of workers by a centralized personal department.

Fourth principle is *bilateral mental revolution*. Scientific management involves a complete mental change of employees towards their work, toward their fellow-men and toward their employers. Mental revolution is also necessary on the part of management's side, the foreman, the superintendent, the owners and board of directions.

Fifth principle is *financial incentives*. In order to encourage workers to give better performance, Taylor *introduced differential piece-rate system*. According to Taylor, the wage should be based on individual performance and on the position which a worker occupies.

Economy is other principle of management devised by Taylor. According to him, maximum output is achieved through division of labour and specialization. Scientific Management concentrates on technical aspects as well as on profit and economy. For this purpose, techniques of cost estimates and control should be adopted.

Taylor concluded that science, not rule of thumb, Harmony, not discord, Cooperation and not individualism, Maximum output, in place of restricted output.

II. Administrative Management: Administrative Management emphasizes the manager and the functions of management. The main objective of Administrative management is to describe the management process and philosophy of management. In contradiction of scientific management, which deals mainly with jobs and work at individual level of scrutiny, administrative management gives a more universal theory of management.

Henry Fayol's Administrative Management (1841–1925): Henri Fayol is known as the *father of modern Management*. He was popular industrialist and victorious manager. Fayol considered that good management practice falls into certain patterns that can be recognized and analyzed. From this basic perspective, he devised a blueprint for a consistent policy of managers one that retains much of its force to this day. Fayol provided a broad analytical framework of the process of management. He used the word Administration for Management. Fayol categorized activities of business enterprise into six groups such as

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

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 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*) **Centralization and decentralization:** 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 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 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.
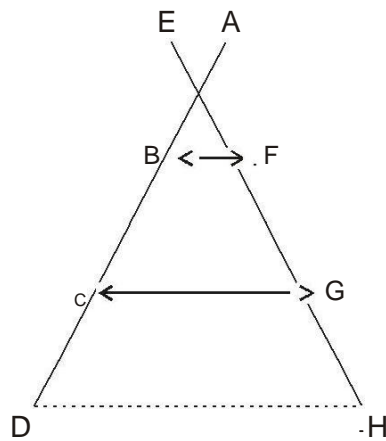
(*x*) **Order:** The principle is concerned with arrangement of things and placement of people. Arrangement of things (material) order and arrangement of people (social order). The people should be assigned specific places of work and that they should be available there and things should be kept at allotted 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.

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. **Organizing:** 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.

III. Bureaucratic Management:

Bureaucratic management denotes to the perfect type of organization. Principal of Bureaucracy include clearly defined and specialized functions, use of legal authority, hierarchical form, written rules and procedures, technically trained bureaucrats, appointment to positions based on technical expertise, promotions based on competence and clearly defined career paths.

The German sociologist, Max Weber (1864-1920) recognized as *father of modern Sociology* who appraised bureaucracy as the most logical and structure for big organization. With his observation in business world, Weber summarized that earlier business firms were unproductively managed, with decisions based on personal relationships and faithfulness.

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.

Features 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.

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.

Neo-Classical Approaches:

Neo- classical era includes Human relation and Behavioural approach of Organizational behaviour..

Human Relations Approach:

The human rationalists which is also denotes to neo-classicists, focused as human aspect of business. These theorists emphasize that organization is a social system and the human factor is the most vital element within it.

There are numerous basic principles of the human relations approach that are mentioned below:

1. **Decentralization:** The concept of hierarchy employed by classical management theorists is replaced with the idea that individual workers and functional areas (i.e., departments) should be given greater autonomy and decision-making power. This needs greater emphasis on lateral communication so that coordination of efforts and resources can occur. This communication occurs via informal communication channels rather than the formal, hierarchical ones.

2. **Participatory Decision-Making:** Decision-making is participatory in the sense that those making decisions on a day-to-day basis include line workers not normally considered to be "management." The greater sovereignty afforded individual employees and the subsequent reduction in "height" and increase in span of control of the organizational structure requires that they have the knowledge and

ability to make their own decisions and the communication skill to coordinate their efforts with others without a nearby supervisor.

3. **Concern for Developing Self-Motivated Employees:** The importance on a system of decentralized and autonomous decision-making by members of the organization necessitates that those members be extremely "self-motivated". Goal of managers in such an organization is to design and implement organizational structures that reward such self-motivation and autonomy. Another is to negotiate working relationships with subordinates that foster effective communication in both directions.

Therefore, the human relations approach implies modifications in the structure of the organization itself, in the nature of work, and in the association between manager and assistant. Each of these changes depends upon assumptions about the individual, the organization, and communication, just like any other theory of organizations. Elton Mayo and others conducted experiments that was known as Hawthorne experiments and explored informal groupings, informal relationships, patterns of communication, and patterns of internal leadership.

Elton Mayo is usually popular as *father of Human Relations School*. The human relationists, advocates the several factors after conducting Hawthorne experiments which are mentioned below.

1. Social system: The organization in general is a social system consists of numerous interacting parts. The social system established individual roles and establishes norms that may differ from those of formal organization.
2. Social environment: The social climate of the job affects the workers and is also affected.
3. Informal organization: The informal organization does also exist within the frame work of formal organization and it affects and is affected by the formal organization.
4. Group dynamics: At the place of work, the workers often do not act or react as individuals but as members of group. The group plays an important role in determining the attitudes and performance of individual workers.
5. Informal leader: There is an appearance of informal leadership as against formal leadership and the informal leader sets and enforces group norms.
6. Non-economic reward: Money is an encouraging element but not the only motivator of human behaviour. Man is diversely motivated and socio psychological factors act as important motivators.

The Human Relations Movement, popularized by Elton Mayo and his famous Hawthorne studies conducted at the Hawthorne Plant of the Western Electric Company, in many ways it remained the foundation of much of our management thinking today. Before the Hawthorne studies officially started, Elton Mayo headed a research team, which was investigating the causes of very high turnover in the mule-spinning department of a Philadelphia textile mill in 1923 and 1924. After interviewing and consulting the workers, the team set up a series of rest pauses, which resulted in greatly reduced turnover and more positive worker attitudes and morale.

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.

Illumination Experiments: The initial experiments reflected strongly the physical orientation of scientific management, since they were designed to explore the relationship between lighting and productivity. The rational approach of scientific management predicted a positive relationship i.e., as lighting increased, productivity would increase up to a point of course. Logically, at some (high) level of illumination productivity should begin to decline, so the original experiment was designed to determine the optimal level of illumination.

The light experiments were conducted on female workers, who were divided into two groups. One group was placed in a test room where the intensity of illumination was varied, and the other group worked in a control room with supposedly constant conditions.

The results were baffling to the researchers. The researchers found no predictable relationship between lighting and output and, because the research results could not be explained by existing knowledge, the researchers were forced to find new explanation.

Further research indicated that the lack of a predictable relationship between lighting and output was related to the mental and emotional side of organisations rather than the physical, mechanistic side recognized by scientific management. Additional studies showed that economic factors, such as incentive systems, were equally poor in predicting behaviour.

Relay Room Experiments: Intrigued with positive changes in productivity some of the engineers and company officials decided to attempt to determine the causes through further studies. Accordingly, a second set of experiments took place between 1927 and 1933 known as the Relay Room experiments. The most famous study involved five girls assembling electrical relays in the Relay Assembly Test Room, a special room away from other workers where the researchers could alter work conditions and evaluate the results. During the experiment, the girls were often consulted and sometimes allowed to express themselves about the changes that took place in the experiment. Apparently, the researchers were concerned about possible negative reactions and resistance from the workers who would be included in the experiment. To lessen potential resistance, the researchers changed the usual supervisory arrangement so that there would be no official supervisor; rather, the workers would operate under the general direction of the experimenter. The workers also were given special privileges such as being able to leave their work station without permission, and they received considerable attention from the experimenters and company officials.

In total, they were treated and recognized as individuals with something to contribute.

The study was aimed at exploring the best combination of work and rest periods, but a number of other factors were also varied, such as pay, length of the workday, and provisions for free lunches. Generally, productivity increased over the period of the study, regardless of how the factors under consideration were manipulated.

The results in the relay room were practically identical with those in the illumination experiment. Each test period yielded higher productivity than the previous one had done.

Even when the girls were subjected to the original conditions of the experiment, productivity increased. The conclusion was that the independent variables (rest pauses and so forth) were not by themselves causing the change in the dependent variable (output).

One outcome of the studies was the identification of a famous concept that ultimately came to be known as the Hawthorne effect. The Hawthorne effect refers to the possibility that individuals singled out for a study may improve their performance simply because of the added attention they receive from the researchers, rather than because of any specific factors being tested in the study. More contemporary investigations now suggest that the Hawthorne effect concept is too simplistic to explain what happened during the Hawthorne studies and that the Hawthorne effect concept itself is defective. In the Hawthorne situation, the workers likely viewed the altered supervision as an important positive change in their work environment, even though that was not what the researchers intended.

Bank Wiring Room Study: The final phase of the research programme was the bank wiring study, which started in November 1931 and lasted until May 1932. Its primary purpose was to make observational analysis of the informal work group. A group of male workers in the study provided knowledge about informal social relations within groups and about group norms that restrict output when such steps sum advantageous to the group. It also included a massive inter viewing programme (1928 - 1931) that was initially aimed at improving supervision but evolved into a means of learning what workers had on their minds and allowing them to let of steam.

The results in the bank wiring room were essentially opposite to those in the relay room. The output was actually restricted by the bank wirers. By scientific management analysis, a standard of 7312 terminal connections per day had been arrived at. This represented 2½ equipments. The workers had a different brand of rationality. They decided that 2 equipments was a "proper" days work.

The researchers determined that the informal group norm of 2 equipments represented restriction of output rather than a lack of ability to produce 2 ½ equipments. The following evidence supports this contention:

1. The observer noted that all the men stopped before quitting time.
2. Most of the men admitted to the interviewer they could easily turn out more work.
3. Tests of dexterity and intelligence indicated no relationship between capacity to perform and actual performance.

Assessing the Hawthorne Studies: The Hawthorne studies have been severely criticized mainly because the studies often had major flaws (such as changing several factors at the same time) and because important data were sometimes ignored in drawing conclusions (especially in discounting the potential importance of pay).

The Human Relations Movement, like Scientific Management, is not without its short comings. Because of the nature of its findings and the resulting lessons for managers, it has been criticised as "cow Sociology" (so called because happy cows presumably give more milk). This simplistic view of the relationship between morale and productivity is something that existing research has not been able to verify.

Yet, despite their short comings, the effects of these pioneering studies were far-reaching. In strong contrast to the impersonality that characterized the classical approach, the Hawthorne studies pointed to the impact that social aspects of the job had on productivity, particularly the effect of personal attention from supervisors and relationship among group members. As a result, the focus of the field of management was drastically altered. A common interpretation of the Human Relations Movement is that managers need only treat their employees well to generate maximum productivity. This conclusion is unfortunate for two reasons.

1. It is over simplified and therefore often inaccurate.
2. Those who do not agree with this conclusion might be labeled advocates of poor treatment of employees - which, of course, is also false.

Quite possibly the positive but simplistic philosophy of human relations has actually hindered needed research into organizational behaviour. This does not necessarily mean that an understanding of human relations is not useful; it may have a pay off in areas other than performance, such as absenteeism, turnover etc. The influence of the human relations philosophy can be seen in many management training programmes today.

Topics such as communication, counseling, understanding people, and leadership are common ingredients in many training programmes and reflect the findings of the original Hawthorne studies. Often participants are taught that improved communications, etc., will increase morale. Unfortunately, these topics can erroneously be seen as the totality of the manager's job, thereby increasing the probability that employee morale may increase and productivity may decrease

Behavioural Approach:

Numerous theorists developed the behavioural approach of management thought as they observed weaknesses in the assumptions of the classical approach.

The classical approach emphasized efficiency, process, and principles. Some management scholars considered that this thought ignored important aspects of organizational life, particularly as it related to human behaviour.

Therefore the behavioural approach concentrated on the *understanding of the factors that affect human behaviour at work*. This is an improved and more matured description of human relations approach. The various theorists who have great contribution in developing principles of management in this are *Douglas Mc Gregor, Abraham Maslow, Curt Levin, Mary Porker Follelt, and Rensis Liker*t. Behavioural Scientists hold the classical approach as highly mechanistic, which finds to degrade the human spirit. They choose more flexible organization structures and jobs built around the capabilities and talent of average employees. The behavioural approach has based the numerous principles.

1. Decision-making is done in a sub-optimal manner, because of practical and situational constraints on human rationality of decision-making. The behaviorists attach great weight age on participative and group decision-making.

2. Behavioural Scientists promote self-direction and control instead of imposed control.
3. Behavioural Scientists believe the organization as a group of individuals with certain goals.
4. Behavioural scientists perceive that the democratic-participative styles of leadership are enviable, the autocratic, task oriented styles may also be appropriate in certain situation.
5. Behavioural scientists propose that different people react differently to the same situation. No two people are exactly similar and manager should tailor his attempts to influence his people according to their needs.
6. Behavioural scientists identify that organizational variance and change are predictable.

Approach of Mary parker Follett: Mary Parker Follett (1868-1933) developed classic structure of the classical school. However, she initiated many new elements particularly in the area of human relations and organizational structure. In this, she introduced trends that would be further developed by the talented behavioural and management science schools. Follett was persuaded that no one could become a whole person except as a member of a group. Human beings grew through their relationships with others in organizations. In fact, she explained management as "the art of getting things done through people." She took for granted Taylor's statement that labour and management shared a common purpose as members of the same organization, but she considered that the artificial difference between managers and subordinates is vague in this natural partnership. She believed in the power of the group, where individuals could combine their diverse talents into something bigger. Moreover, Follett's "holistic" model of control took into account not just individuals and groups, but the effects of such environmental factors as politics, economics, and biology. Follett's model was significant precursor of the idea that management meant more than just what was happening inside a particular organization.

Maslow's theory of self-actualization: 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 recognize that people's 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 its 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, prerequisites. *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 employees 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 prorogated 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 today as it was 50 years ago.

An influential theorist in behaviour approach of management thought was Likert. His principles based on four System such as supportive relationships between organizational members, multiple overlapping structures, with groups consisting of superiors and their subordinates, group problem solving by consensus within groups and overlapping memberships between groups by members who serve as linking pins.

MODERN MANAGEMENT THEORIES:

Modern era includes Social system school, Decision theory school, Quantitative Management School, System Management School, and Contingency Management School.

Behavioural Science: Behavioural science and the study of organizational behaviour emanated during 1950s and1960s. The behavioural science approach was a natural development of the human relations movement. It concentrated on applying conceptual and analytical tools to the problem of understanding and foresees behaviour in the place of work. The behavioural science approach has contributed to the study of management through its elements of personality, attitudes, values, motivation, group behaviour, leadership, communication, and conflict, among other issues.

Contingency Theory of Management:

Contingency theory of management is an extension of system approach to management. There cannot be 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).

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.

The Quantitative Approach Of Management Thought

The quantitative approach aimed at enhancing the process of decision making through the use of quantitative techniques. It is evolved from the principles of scientific management.

1. **Management Science (Operations Research):** Management science which is also known as operations research utilized mathematical and statistical approaches to resolve management issues. It was developed during World War II as strategists attempted to apply scientific knowledge and methods to the intricate troubles of war. Industry started to apply management science after the war. The introduction of the computer technology made many management science tools and concepts more practical for industry

2. **Production and Operations Management:** This approach emphasizes the operation and control of the production process that changes resources into manufactures goods and services. This approach is emerged from scientific management but became a specific area of management study after World War II. It uses many of the devices of management science. Operations management underlines productivity and quality of both manufacturing and service organizations. W. Edwards Deming exercised a great influence in developing contemporary ideas to improve productivity and quality. Major areas of study within operations management include capacity planning, facilities location, facilities layout, materials requirement planning, scheduling, purchasing and inventory control, quality control, computer integrated manufacturing, just-in-time inventory systems, and flexible manufacturing systems.

Systems Approach Of Management Thought:

Kast and Rosenzwing, "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 supra-system." 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, and phenomenon. Organization's 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 feedback. 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 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 knowhow, 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 behavioral 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.

The systems approach deals with the thoroughly understanding the organization as an open system that converts inputs into outputs. The systems approach has great impact on management thought in the 1960s. During this period, thinking about managing practices allowed managers to relate different specialties and parts of the company to one another, as well as to external environmental factors. The system approach focuses on the organization as a whole, its communication with the environment, and its need to achieve equilibrium.

System approach
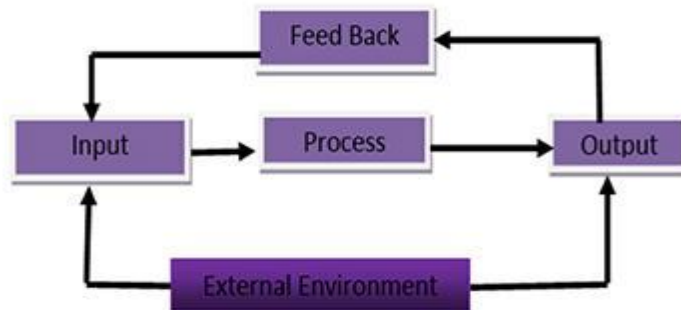
Re-engineering:

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). 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.

<mark>Empowerment</mark>:

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.). 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.*"

W.A. Randolph 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 globalization 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. Organizing flexible production systems rather they 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.

<mark>TOTAL QUALITY IN HUMAN RESOURCES MANAGEMENT:</mark>

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).

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 behavioral 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).

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. Break down 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 vigorous education and self-improvement programmes
14. Put everyday in the company to work to accomplish the transition to total quality

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

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 everyday 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.

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:* Crosby'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 everyone 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. 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 possess 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 existence since the birth of human race. Only the form and the intensity differed. However management has been recognized 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, standardization, rule of law leading to impersonal behaviour, selection and promotion based on skills and competence and concept of power which is derived 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 recognize 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 output. The development of each man to his greatest efficiency and prosperity."* He is called Father of Scientific Management.

Henri Fayol has developed Administrative management theory, thereby propagating supremacy 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 standardization, 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-actualization 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, don't 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 managerial practices like delegation of authority, job enlargement, and management by objective and creation of such environment that is conducive 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 syndromes were in vogue. Systems approach tried to be practiced by all organizations which envisaged latest technology, process up gradation 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 introduced. The theory caters for managerial actions in various contingencies. Contingency theory suggests organization designs and managerial actions should be specific for a particular situation. Information technology, electronic media and introduction of computers had made a near revolution in the society. Communication efficiency increased tremendously. Managers are in position to acquire information of value that enables them to take fast and quality decisions. This

phenomenon has improved the efficiency of organizations.

ORGANIZATIONAL BEHAVIOR – THEORETICAL FRAMEWORKS:

Initially psychology was developed using the mental thinking expressed by persons interested in developing the subject of psychology. But John B. Watson differed from that approach and he pioneered the approach in which visible behavior and visible environmental stimulus became the subject of study. B.F. Skinner developed this behavioristic framework further by bringing in the contingent environmental consequences.

Behavior is not the outcome of stimulus alone, but it is an outcome determined by the stimulus as well as the contingent environmental consequences of a behavior. This means, there are alternative behaviors for the same stimulus and which behavior is exhibited by a person depends on expected environmental consequences.

Cognitive perspective on psychology have developed by arguing that human beings are capable of thinking and concepts related to thinking must be brought into the subject of psychology whose objective is to explain behavior. Even though, one cannot see or observe thinking, still developing concepts related to thinking and using the concepts to explain behavior is required in psychology. Even though one cannot see or observe gravitation, the concept of gravitation is a useful concept in physics. Similarly, concepts related to thinking or cognition are to be developed and used in psychology was the argument of proponents of cognitive approach to psychology.

The perspectives in psychology have influenced the development of organizational behavior.

Cognitive Framework:

Cognition means a mental process involved in knowing, learning and understanding things. Edward Tolman propounded this theory in 1940s. According to cognitive Framework, cognition precedes response / behaviour and constitute inputs into person's thinking, perception, problem solving and information processing.

The theory may be explained as under:

Stimulus-Cognition-Response

According to Tolman, behaviour of a person is determined by Expectancy, Demand and Intention based on his/her cognition. He developed this theory on the basis of his experiment with white rat. He found that a rat could learn to run through an intricate maze with a purpose and direction towards a goal (food).

He observed that at each choice point in the maze, expectations were established. In other words, the rat learned to expect that certain cognitive cues associated with the choice point might eventually lead to food. If the rat actually received the food, the association between the cue and expectancy was established and learning occurred.

In Organizational Behaviour, Cognitive Framework has been applied mainly in motivation. Expectations, attributions, locus of control and goal-setting are all cognitive concepts that represent purposefulness of the subject.

Behavioristic Framework:

Pioneer behaviorists Ivan Pavlov and Jon B. Watson stressed the importance of studying observable behaviors instead of the elusive mind. They advocated that behavior could be best understood in terms of stimulus and response (S-R). They examined the impact of stimulus and felt that learning occurred when the S-R connection was made. Modern behaviorism, that marks its beginning with B.F. Skinner, advocates that behavior in response to a stimulus is contingent on environmental consequences. Thus, it is important to note that behaviortistic approach is based on observable behavior and environmental variables (which are also observable).

Behaviour can be best explained in terms of Stimulus—Response **(S-R)**. That is, a particular stimulus will lead to a particular response. However, responses can be conditioned or trained by presenting conditioned stimulus/consequences.

Classical Conditioning: Ivan Pavlov and John Watson developed this theory. According to this theory, learning/conditioning takes place when Stimulus-Response connection is established. Classical conditioning may be defined as a process in which a neutral stimulus, when repeatedly paired with an unconditioned stimulus, becomes a conditioned stimulus that elicits a conditioned response.

This may be explained as under:
Unconditioned Stimulus—Unconditioned Response, Conditioned stimulus—Conditioned Response.

Ivan Pavlov developed the theory of classical conditioning on the basis of his famous experiment with dog. Whenever he presented meat powder (Unconditioned Stimulus) to the dog, it salivated (Unconditioned Response). The dog did not salivate when a bell rung (Neutral Stimulus/Conditioned Stimulus). Later, Pavlov rang the bell (Conditioned Stimulus) whenever he presented meat powder (Unconditioned Stimulus) to the dog. He repeated the exercise several times. Afterwards, Pavlov rang the bell (Conditioned Stimulus) without presenting the meat powder (Unconditioned Stimulus) and found that the dog actually salivated (Conditioned Response).

Operant Conditioning: B F Skinner developed Operant Conditioning theory in order to overcome the weaknesses of Classical Conditioning. In Operant Conditioning, responses to a particular stimulus occur on the basis on consequences of that response. Thus there is strong association between consequence and response to a particular stimulus.
This may be explained as under:

Stimulus—Response—Consequences—Future Response on the basis of consequence
Consequences can be any of the following:
Something good can begin or be presented
Something good can end or be taken away
Something bad can begin or be presented
Something bad can end or be taken away
Consequences have to be immediate and clearly linked to the responses.

Behavioural framework debunked the Freudian proposition that behaviour came from unconscious.

Social Cognitive Framework:
        Social learning theory takes the position that behavior can best be explained in terms of a continuous reciprocal interaction among cognitive, behavioral, and environmental determinants. The person and the environmental situation do not function as independent units but, in conjunction with behavior itself, reciprocally interact to determine behavior. It means that cognitive variables and environmental variables are relevant, but the experiences generated by previous behavior also partly determine what a person becomes and can do, which, in turn, affects subsequently behavior. A person's cognition or understanding changes according to the experience of consequences of past behavior.

Bandura developed social learning theory into the more comprehensive social cognitive theory (SCT). Stajkovic and Luthans have translated this SCT into the theoretical framework for organizational behavior. Social cognitive theory recognizes the importance of behaviorism's contingent environmental consequences, but also includes cognitive processes of self regulation. The social part acknowledges the social origins of much of human thought and action (what individual learns from society), whereas the cognitive portion recognizes the influential contribution of thought processes to human motivation, attitudes, and action. In social cognitive theoretical framework, organizational participants are at the same time both products and producers of their personality, respective environments, and behaviors. The participants as a group of produce the environment, every individual is a product of the environment and

through his behavior changes the environment for others as well as for himself, every individual is a product of his personality, but also influences his personality as consequence of results of his behavior.

Bandura identified five basic human capabilities as a part of SCT.
1. Symbolizing: People process visual experiences into cognitive models. They help in future action.
2. Forethought: An individual observes others before choosing his/her own responses.
3. Observational: Employees learn by observing the performance of the referent group (peers, supervisors and high performers) and the consequences of their actions.
4. Self-regulatory: Employees self regulate their actions by setting internal standards (aspired level of performance).
5. Self-reflective: Employees reflect back on their actions (how did I do?) and perceptually determine how they believe then can successfully accomplish the task in the future given the context (probability of success between 0 to 100% is estimated)

Relationship between OB and the individual:

Fundamental relationship between the people and Organizational behaviour are revolving around the nature of people and organizations.

The Nature of People:
The six basic concepts relevant to the nature of people are:
Law of individual differences-Each person is substantially different from all others in terms of their personalities, needs, demographic factors and past experiences and/or because they are placed in different physical settings, time periods or social surroundings. This diversity needs to be recognized and viewed as a valuable asset to organizations.
Perception- Perception is the unique way in which each person sees, organizes and interprets things based on their background of individual differences. Each person reacts not to an objective world, but to a world judged in terms of his/her own beliefs, values and expectations. Sometimes it may lead to selective perception in which people tend to pay attention to only those things that are consistent with or reinforce their own expectations. Selective perceptions may lead to misinterpretation of single events at work or create a barrier in the search for new experience. Managers need to recognize the perceptual differences among the employees and manage them accordingly.
A whole person- People function as total human beings. People are physical, mental, social and spiritual beings and the organization actually employs the whole person rather than certain characteristics. There are spillover effects between the work life and life outside work and management's focus should be in developing not only a better employee but also a better person in terms of growth and fulfillment. If the whole person can be developed , then benefits will extend beyond the firm into the larger society in which each employee lives.
Motivated behaviour- Individual's behavior are guided by their needs and the consequences that results from their acts. In case of needs, people are motivated not by what others think they ought to have but by what they themselves want. Motivation of employees is essential to the operation of organizations and the biggest challenge faced by managers.
Desire for Involvement-Many employees actively seeks opportunities at work to become involved in relevant decisions, thereby contributing their talents and ideas to the organization's success. Consequently, organizations need to provide opportunities to the employees for meaningful involvement.
Value of the Person- People wants to be treated with care, dignity and respect and increasingly they are demanding such treatment from their employers. They want to be valued for their skills and abilities and to be provided with opportunities to develop themselves.

The Nature of Organizations:

The three key concepts related to the nature of organizations are:

Social systems- Sociology tells that organizations are social systems. Just have people have psychological needs they also have social roles and status. Their behavior is influenced by their group as well as their by their individual drives. Two types of social systems exist side by side in the organization- the formal (official) social system and the informal social system- each influencing and getting influenced by the other.

Mutual Interest-There is a mutuality of interest between the organization and its employees. Organization needs employees to reach its objectives and people need organizations to help them reach individual objectives. Mutual interest provides a super ordinate goal – one that can be attained only through the integrated efforts of individuals and their employees.

Ethics- Ethics is the use of moral principles and values to affect the behavior of individuals and organizations with regard to choices between what is right and wrong. In order to ensure a higher standard of ethical performance by managers and employees companies have established codes of ethics, publicized statements of ethical values and set up internal procedures to handle misconduct. Since Organizational behavior involves people, ethical philosophy is involved in one way or another in each action they take. When organization's goals and actions are ethical, individual, organizational and social objectives are more likely to be met.

Basic approaches of Organizational behaviour:

The four basic approaches of OB are:

Human Resources (supportive) approach- Employee growth and development toward higher levels of competency, creativity and fulfillment are encouraged and supported because people are the central resource in any organization and society.

Contingency approach-Different managerial behaviours are required by different environments for effectiveness.

Results-oriented approach-Outcomes of organizational behavior programs are assessed in terms of their efficiency.

Systems approach- All parts of an organization interact in a complex relationship. Systems approach takes an across- the board view of people in organizations and analyses issues in terms of total situations and as many factors as possible that may affect people's behaviour.

Limitations of OB:

As per Keith Davis and others the following are the limitations.
1. Not an absolute solution (reduce but cannot abolish conflict)
2. No solution to Un-employment
3. No substitute for deficiencies
4. Behavioral bias
5. Negative result (when over emphasis)
6. Failed to use talents (when autonomy declines)
7. Limiting freedom
8. Manipulative
9. Only a fad
10. Capitalistic ideology
11. Not Prescriptive
12. It is only common sense.