

HS-305 : Human Resource Management

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- What's Management?
- What's Management as an academic discipline?
- Misconceptions & Myths?
- A Journey in the history of Management Education?

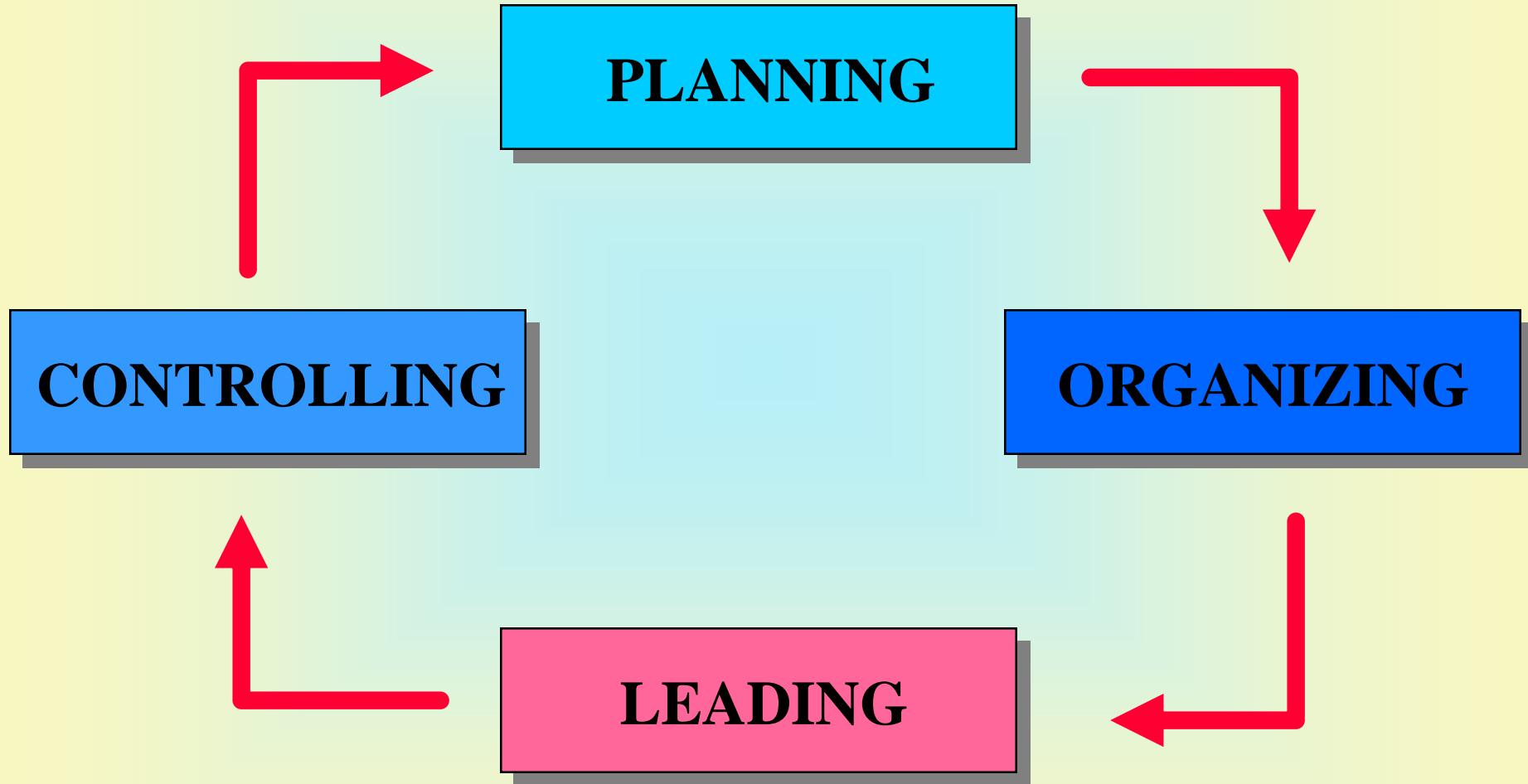
What is Management?

The process of coordinating work activities so that they are completed efficiently and effectively with and through people.

Efficiency – doing things right (means)

Effectiveness – doing right things (ends)

FOUR FUNCTIONS OF THE MANAGERIAL PROCESS



The Planning Process

Planning is the process of deciding what objectives to pursue during a future time period and what to do to achieve those objectives.

Formal Plan : Written, documented plan developed through an identifiable process.

Functional Plans: Originate from the functional areas of organization as production, marketing, finance, and personnel.

The planning horizon: Short Range, Intermediate, and Long Range

Operational Vs Strategic Plans

Strategic Planning: Analogous to top-level long-range planning; covers a relatively long period; affects many parts of the organization.

Operations or tactical planning: Short-range planning; done primarily by middle to lower-level managers, it concentrates on the formulation of functional plans.

Strategy: Outlines the basic steps management plans to take to reach an objective or a set of objectives; outlines how management intends to achieve its objectives.

Grand or Corporate Strategies: Address which business an organization will be in and how resources will be allocated among those businesses.

Growth Strategy: Used when the organization tries to expand, as measured by sales, product line, number of employees, or similar measures.

Stability Strategy: Used when the organization is satisfied with its present course (status quo strategy)

Defensive Strategy: Used when a company wants or needs to reduce its operation.

Strategic Management: Formulation, proper implementation, and continuous evaluation of strategic plans; determines the long-run directions and performance of an organization. The essence of strategic management is developing strategic plans and keeping them current.

IDENTIFYING MISSION:

[A] Defines the basic purpose(s) of an organization: why organization exists.

[B] Identifying past and present strategies.

[C] Diagnosing past and present performance.

Setting Objectives: Statements outlining what the organization is trying to achieve; give an organization and its members direction.

POLICIES: Broad, general guides to action that constrains or directs the attainment of objectives.

PROCEDURES: Series of related steps or tasks expressed in chronological order for a specified purpose.

RULES: Requires specific and definite actions to be taken or not to be taken in a given situation.

ORGANIZING

Grouping activities, assigning activities, and providing the authority necessary to carry out activities.

Span of Management: Number of subordinates a manager can effectively manage; also called *span of control*.

What's Management as an academic discipline

An interdisciplinary field where input comes from various other core disciplines, such as:

Behavioural Sciences (Psychology, Economics, Pol. Sc., Anthropology, Sociology)

Engineering

Mathematics/Statistics	-	DM Models
Computer Science / IT	-	MIS/ERP DSS
Law	-	Legal System
Commerce /Accounting	-	Book writing

Finance

Philosophy	-	Ethics
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Misconceptions & Myths

Some people believe that management is mainly concerned with book keeping (accounting)

It is all about mathematical modeling.

It is primarily concerned with financial analysis.

Unless you have an MBA degree you have nothing to do with Management! 😞

Probably many more!! 😊

A Journey in the history of Management Education

Initially, in India, Management programme started within the commerce department. Even, at one point of time, having an B.Com/M.Com was considered equivalent to MBA.

In the west, it was more focused on quantitative techniques.

What is an Organization??

- Two or more people working together
- Formalized Goals
- Formal Hierarchy
- Social orientation



Environmental Factors affecting Organizations

Social



Economic



Political

Cultural

What Will Work Be Like in the Near Future?

Fortune magazine identifies six trends that will reshape the workplace in the near future. These trends are:

- “The average company will become smaller, employing fewer people.”
- “The traditional hierarchical organization will give way to a variety of organizational forms, the network of specialists foremost among these.”
- “Technicians, ranging from computer repairmen to radiation therapists, will replace manufacturing operatives as the worker elite.”
- “The vertical division of labor will be replaced by a horizontal division.”
- “The paradigm of doing business will shift from making a product to providing a service.”
- “Work itself will be redefined: constant learning, more high-order thinking, less nine-to-five.”

How will these trends affect the nature of managerial work in the future? First, managerial jobs will be changed. Managers will need to develop substantive expertise—a specialty in, say, finance, marketing, or computer systems, etc. Managers must also possess skills at coordinating a team of specialists. Second, managerial jobs will be renamed. Rather than being called managers or facilitators or coaches or mentors, people in these jobs will likely be called coordinators. Third, “tomorrow’s manager-replacements will have to excel at striking all kinds of deals.” Fourth, these new coordinators must be able “to make others feel that they care.”

Management Teaching Methodology

- Business Games
- Simulation Exercises
- Case Study Method
- Emphasis on real life examples

Foundation Competencies for Individual and Managerial Effectiveness

- **Managing self competency.**
- **Managing communications competency.**
- **Managing diversity competency.**
- **Managing ethics competency.**
- **Managing across cultures competency.**
- **Managing teams competency.**
- **Managing change competency.**

Preview Case: Cynthia Danaher

Questions:

1. Why a Change was needed for Cynthia in her leadership style? Was she right?
2. Was there any alternative way for Cynthia?
3. Learning lessons from the case.

Rational System Model

Scientific Management – F.W. Taylor (1911)

*Taylor's scientific management consisted of four principles:
(prescription-action sequence can be a paradigm)*

1. Replace rule-of-thumb work methods with methods based on a scientific study of the tasks.
2. Scientifically select, train, and develop each employee rather than passively leaving them to train themselves.
3. Provide "Detailed instruction and supervision of each worker in the performance of that worker's discrete task".
4. Divide work nearly equally between managers and workers, so that the managers apply scientific management principles to planning the work and the workers actually perform the tasks.

Scientific Management – F.W. Taylor (1911)

Taylor viewed man as one driven by '*fear of hunger*', and '*search for profit*'.

If economic reward is tied up with the efforts put on the job, worker will respond with his maximum physical capability.

Appendage to industrial machine.

Money is prime motivator.

Division of Labour – Adam Smith (1937)

Departmentalization

- Specialization by the purpose of the task
- Specialization by Clientele
- Specialization by process of the task
- Specialization by the Geographical location

Theory of Bureaucracy

Max Weber, 1947

1. “The regular activities required for the purpose of the organization are distributed in a fixed way as official duties”
2. “The organization of offices follows the principles of hierarchy, that is, each lower office is under the control and supervision of higher one”
3. “Control of organizational activities by a consistent system of abstract rules....consist of the application of these rules to particular cases”
4. “The ideal official conducts his office....(in) spirit of formalistic impersonality”
5. “Employment constitutes a career. There is system of promotion according to seniority or number of achievements or both”

Salient Common features

1. Goal specificity
2. Formalization
3. Organizational Rationality
4. Concept of Human Nature

Social System Model

Hawthorne Studies

“The Hawthorne Studies were conducted from 1927-1932 at the Western Electric Hawthorne Works in Chicago, where Harvard Business School Professor Elton Mayo examined productivity and work conditions.”

Hawthorne Studies

Mayo wanted to find out what effect fatigue and monotony had on job productivity and how to control them through such variables as rest breaks, work hours, temperatures and humidity.

Mayo's Experiment

- Five women assembled telephone relays, one supplied the parts.
- Made frequent changes in working conditions with their consent.
- Records were kept of relays made, temperature and humidity of rooms, medical and personal histories, eating and sleeping habits, and bits of conversation on the job.
- No one supervised the girls.
- They were told to work as they felt and at a comfortable pace.

Mayo's Experiment Cont.

- Productive capacity was measured by recording the girls' output for two weeks before the study began.
- First five weeks, no changes were made.
- Third stage, a pay system was ensured allowing the girls' to earn in proportion to their efforts.
- Eight weeks later, two five-minute rest pauses were added.

Mayo's Experiment Cont.

- **Eighth phase, workday ended a half-day early.**
- **Ninth phase, the girls finished an hour earlier than usual.**
- **Five-day week introduced.**
- **Girls went back to no breaks, lunches and a full work week, output declined for those twelve weeks.**

Results

- Researchers found that output rates weren't directly related to the physical conditions of the work.
- Output went up when:
 - They were put on piece-work for eight weeks.
 - Two five minute rest pauses were introduced for five weeks.
 - Rest pauses were lengthened to ten minutes.
 - A hot meal was supplied during first pause.
 - They were dismissed at 4:30 p.m. instead of 5:00 p.m.

Results Cont.

- Output slightly fell when six five minute pauses were added.
- It remained the same when they were dismissed at 4:00 p.m. instead of 4:30 p.m.
- Mayo believes “what actually happened was that six individuals became a team and the team gave itself wholeheartedly and spontaneously to cooperation in the experiment. The consequence was that they felt themselves to be participating freely and without afterthought, and were happy in the knowledge that they were working without coercion from above or limitations from below.”

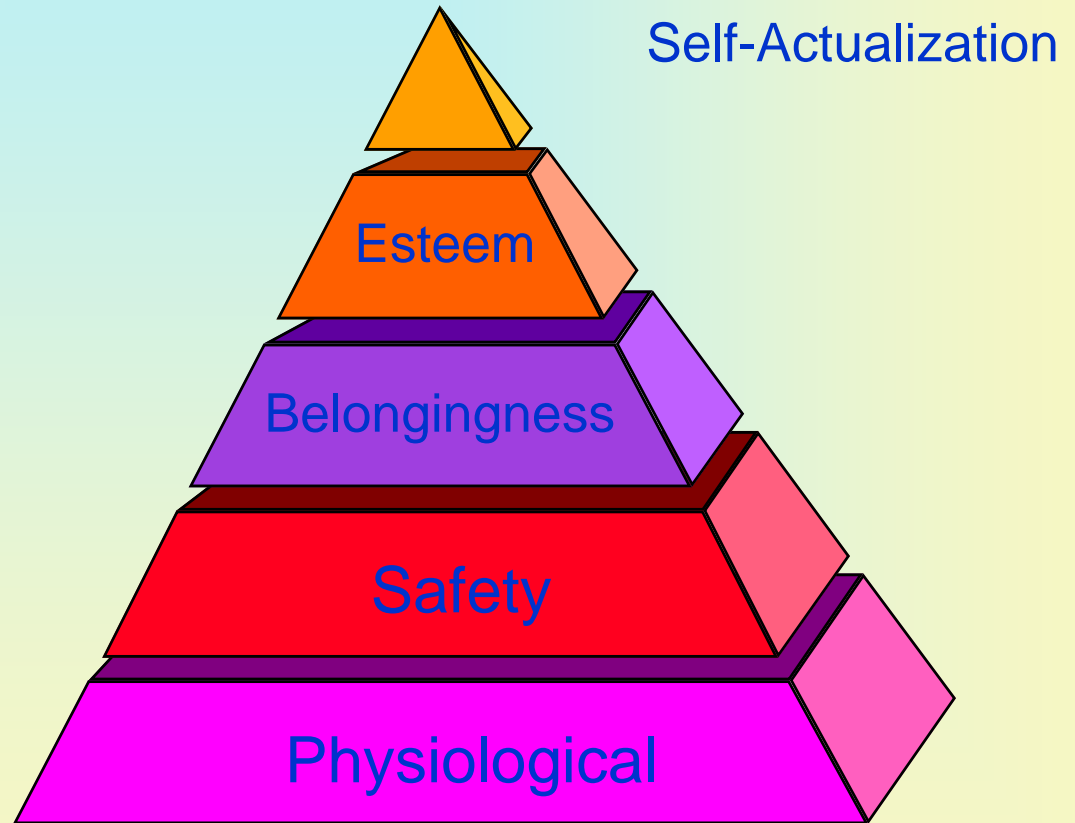
Conclusions

- Work is a group activity.
- Social world for an adult is primarily patterned about work.
- Need for recognition, security and sense of belonging.
- Complaints, commonly a symptom manifesting disturbance of an individual's status position.



Maslow's (1954) Need Hierarchy Model

Maslow believed that each person has an essential nature that “presses” to emerge. In his view, we all have higher-level growth needs – such as self-actualization and understanding of ourselves – but that these higher needs only assume a dominant role in our lives after our more primitive needs are satisfied.



McGregor's (1960) theory X and theory Y

Theory X is based on the following assumptions

1. “The average human being has an inherent dislike of work and will avoid it if he can”.
2. “Because of this human characteristics of dislike of work, most people must be coerced, controlled, directed and threatened with punishment to get them to put forth adequate effort towards the achievement of organizational objectives”.
3. “The average human being prefers to be directed, wishes to avoid responsibility, has relatively little ambition, and wants security above all”.

McGregor's (1960) theory X and theory Y cont...

On the other hand, theory Y puts the burden of motivation on the organization and suggests that human nature is different from what theory X suggests. There are six major assumptions, some of which contradicts those of theory X and some additional ones:

1. “The expenditure of physical or mental efforts in work is as natural as play or rest”.
2. “External control and the threat of punishment are not the only means for bringing about efforts towards organizational objectives. Man will exercise self direction and self control in the service of the objectives to which he is committed”.

McGregor's (1960) theory X and theory Y cont...

3. “Commitment to objective is a function to the reward associated with their achievement”.
4. “The average human being learns under proper conditions, not only to accept but to seek responsibility”.
5. “Capacity to exercise a relatively high degree of imagination, ingenuity and creativity in the solution of organizational problem is widely, not narrowly, distributed in the population”.
6. “Under the conditions of modern industrial life the intellectual potentialities of the average human being are only partially utilized”.

Open System Approach

1. Importation of Energy
2. The Throughput
3. The Output
4. Systems as Cycles of Events
5. Negative Entropy
6. Information Input, Negative feedback, and the coding process
7. The Steady State and Dynamic Homeostatis
8. Differentiation
9. Integration and Coordination
10. Equifinality

Human Resource management has been defined in terms of “planning, organizing, directing, and controlling of the procurement, development, compensation, integration, maintenance, and separation of human resources to the end that individual, organizational, and societal objectives are accomplished.”