01 b. Management Theory

Approaches to Management

- **Classical**
- **Neo-classical**
- **Modern**

Approaches to Management

- **CLASSICAL ORGANIZATION THEORY**
  - **Scientific Management approach by F. W. Taylor**
  - **Administrative theory by Henri Fayol**
  - Bureaucratic approach by Max Weber

Approaches to Management

- **NEO-CLASSICAL THEORY**
  - Behavioural school

    - Hawthorne experiments by Elton Mayo

  - Human relations school

    - Hierarchy of Needs by Abraham H. Maslow

    - E-R-G Theory by Clayton Alderfer

    - Motivator-Hygiene theory by Frederick Herzberg

    - Theory X and Theory Y by Douglas McGregor

Approaches to Management

- **MODERN ORGANIZATION THEORY**

    · Systems approach
    · Socio-technical approach
    · Contingency or Situational approach

- **Peter Drucker** - management by objectives (MBO) and a process called SMART

CLASSICAL APPROACH OF MANAGEMENT

- Classical approach to management is a set of homogeneous ideas on the management of organizations that evolved in the late 19th century and early 20th century (till 1930).

- The classical approach to management was the product of the first concentrated effort to develop a body of management thought.

- In fact, the management writers who participated in this effort are considered the pioneers of management study.

- The classical approach recommends that managers continually strive to increase organizational efficiency in order to increase production.

CLASSICAL APPROACH OF MANAGEMENT

- This perspective emerges from the industrial revolution and centres on theories of efficiency.

- As at the end of the 19th century, when factory production became pervasive and large scale organizations were set-up, people have been looking for ways to motivate employees and improve productivity.

- A need for management ideas came to pass which directed to classical contributors such as Frederick Taylor Henri Fayol and Max Weber generating management theories such as Taylor's Scientific Management, Fayol's Administrative Management and Weber's Bureaucratic management.

CLASSICAL APPROACH OF MANAGEMENT

- The classical writers viewed organisation as a machine and human beings as components of that machine.

- They were of the view that efficiency of the organisation can be increased by making human beings efficient.

- Their emphasis was on specialization and co-ordination of activities.

CLASSICAL APPROACH OF MANAGEMENT

- The classical approach to management can be divided into mainly three distinct areas.

    a) Lower level management analysis or scientific management

    b) Comprehensive analysis of management or administrative management

    c) Bureaucratic management

Scientific management theory:

- Scientific management concentrates on the "one best way to perform a task; that is, it investigates how a task situation can be structured to get the highest production from workers.

- The process of finding this "one best way" has become known as scientific management.

- The scientific management group was mainly concerned with the tasks to be performed at operative levels.

Scientific management theory:

- Although the techniques of scientific management could conceivably be applied to management at all levels, the research, research applications and illustrations relate mostly to lower-level managers.

- Therefore, the theory is also referred to as lower level management analysis.

Scientific management theory:

- Scientific management consists primarily of the work of Frederick W. Taylor, Frank and Lilian Gilbreth, and Henry L. Gantt.

- Henry Fayol studied for the first time the principles and functions of management.

Principles of Scientific Management - F. W. Taylor

- Frederick W Taylor (1856-1915) is commonly called the '**father of scientific management**' because of the significance of his contribution.

- He started his career as an apprentice in a small shop in Philadelphia (USA) in 1875.

Principles of Scientific Management - F. W. Taylor

- Taylor witnessed much inefficiency.
- He sought to create a mental revolution among both workers and managers by defining clear guidelines for improving production efficiency.
- The scientific management approach is based on the concept of planning of work to achieve efficiency, standardization, specialization and simplification.
- The approach to increased productivity is through mutual trust between management and workers.

Principles of Scientific Management - F. W. Taylor

- Taylor proposed four principles of scientific management that would result in prosperity for both workers and managers:

  1. **Science, not rule-of-thumb**

  2. **Scientific selection of the worker**

  3. **Management and labour cooperation**

  4. **Scientific training of workers**

Principles of Scientific Management - F. W. Taylor

1. **Science, not rule-of-thumb**:

- Develop a science for each element of an individual's work to replace the old rule of thumb method.

2. **Scientific selection of the worker**:

- Scientifically select and then train, teach, and develop the worker.

Principles of Scientific Management - F. W. Taylor

3. **Management and labour cooperation** rather than conflict:

- Heartily cooperate with the workers so as to ensure that all work is done in accordance with the principles of the science that has been developed.

4. **Scientific training of workers**:

- Divide work and responsibility almost equally between management and workers. Management does all work for which it is better suited than the workers.

Frank Gilbreth and Lilian Gilbreth

- Frank Gilbreth (1868-1924) and Lilian Gilbreth (1878-1972) were also significant contributors to the scientific method.

- As a point of interest, the Gilbreths focused on handicapped as well as normal workers.

Frank Gilbreth and Lilian Gilbreth

- Like other contributors to the scientific method, they subscribed to the idea of finding and using the best way to perform a job.

- The primary investigative tools in the Gilbreths research were motion study, which consist of reducing each job to the most basic movements possible.

- Motion analysis is used today primarily to establish job performance standards.

Henry L. Gantt

- Henry L. Gantt (1861-1919) too, was interested in increasing worker efficiency.

- Gantt attributed unsatisfactory or ineffective tasks and piece rates (incentive pay for each product piece an individual produces) primarily to the fact that these tasks rate were set according to what had been done by workers in the past or on somebody's opinion of what workers could do.

Administrative management

- Whereas scientific managers emphasize job design approaching the study of management, managers who embrace the comprehensive view – the second area of classical approach - are concerned with the entire range of managerial performance.

- Administrative management focuses on organizational efficiency.

Administrative management

- This approach is also called comprehensive analysis of management.

- Among the well-known contributors to the comprehensive view are Henri Fayol, Chester I Barnard, Alvin Brown, Henry Dennision, Luther Gulick and Lyndall Urwick, J Mooney and A C Reily, and Oliver Sheldon.

Administrative theory by Henri Fayol

- The most notable contributor of Administrative management was Henri Fayol (1841-1925).

- Henri Fayol, also known as 'father of modern management theory', gave a new perception of the concept of management.

- His book General and Industrial management presents a management philosophy that still guides many modern managers.

- Because of his writings on elements and general principles of management, Henri Fayol is usually regarded as the pioneer of administrative theory.

Administrative theory by Henri Fayol

- In the early 1900s, organizations already had to deal with management in practice.

- Large organizations, such as production factories, had to be managed too.

- At the time there were only few (external) management tools, models and methods available.

- Thanks to scientists like Henri Fayol the first foundations were laid for modern scientific management.

Administrative theory by Henri Fayol

- These first concepts, also called principles of management are the underlying factors for successful management.

- Henri Fayol explored this comprehensively and, as a result, he synthesized the 14 principles of management.

- Henry Fayol 's principles of management and research were published in the book 'General and Industrial Management' (1916).

Administrative theory by Henri Fayol

- Henri Fayol's management theory is a simple model of how management interacts with personnel.

- Fayol's management theory covers concepts in a broad way, so almost any business can apply his theory of management.

- Today the business community considers Fayol's classical management theory as a relevant guide to productively managing staff.

Administrative theory by Henri Fayol

- The management theory of Henri Fayol includes 14 principles of management.

- From these principles, Fayol concluded that management should interact with personnel in five basic ways in order to control and plan production.

- The elements of management he outlined – planning, organizing, commanding, coordinating and controlling are still considered worthwhile divisions under which to study, analyze and affect the management process.

Administrative theory by Henri Fayol

1. **Planning**: Management must plan and schedule every part of industrial processes.

2. **Organizing**: In addition to planning a manufacturing process, management must also make certain all of the necessary resources (personnel, raw materials, etc.) came together at the appropriate time of production.

3. **Commanding**: Management must encourage and direct personnel activity.

4. **Coordinating**: Management must make certain that personnel work together in a cooperative fashion.

5. **Controlling**: Manager has to evaluate and ensure that personnel follow management's commands.

14 Principles of Management - Henri Fayol

- 14 general principles of management suggested by Fayol are still considered useful in contemporary management practices.

- These 14 principles of management are used to manage an organization and are beneficial for prediction, planning, decision-making, organization and process management, control, and coordination.

14 Principles of Management - Henri Fayol

1. Division of Work
2. Authority and Responsibility.
3. Discipline
4. Unity of Command
5. Unity of Direction
6. Subordination of Individual Interest
7. Remuneration of personnel
8. The Degree of Centralization
9. Scalar Chain
10. Order
11. Equity
12. Stability of Tenure of Personnel
13. Initiative
14. Esprit de Corps

14 Principles of Management - Henri Fayol

1. Division of Work (specialization):

- This is the principle of specialization, a necessary factor for efficiency in the utilization of labour.

- Segregating work amongst the worker will enhance the quality of the product.

- Division of work improves the productivity, efficiency, accuracy, and speed of the workers.

- This principle is appropriate for both the managerial as well as a technical work level.

14 Principles of Management - Henri Fayol

2. Authority and Responsibility:

- These are the two key aspects of management.

- Authority facilitates the management to work efficiently.

- Authority is a combination of official authority deriving from a manager's official position and personal authority, which is compounded of intelligence, experience, moral worth, past services etc.

- Responsibility makes them responsible for the work done under their guidance or leadership.

14 Principles of Management - Henri Fayol

3. Discipline:

- Without discipline, nothing can be accomplished.
- It is the core value for any project or any management.
- Good performance and sensible interrelation make the management job easy and comprehensive.
- Employees' good behaviour also helps them smoothly build and progress in their professional careers.
- Discipline is 'respect for agreements which are directed as achieving obedience, application, energy and the outward marks of respect'.
- Discipline requires good superiors at all levels, clear and fair agreements and judicious application of penalties.

14 Principles of Management - Henri Fayol

4. Unity of Command:

- An employee should receive orders from one superior only.

- This means an employee should have only one boss and follow his command.

- If an employee has to follow more than one boss, there begins a conflict of interest and can create confusion.

14 Principles of Management - Henri Fayol

5. Unity of Direction:

- Each group of activities having some objectives must have one head and one plan.

- As distinguished from the principle of unity of command, this is related to the functioning of personnel.

- Whoever is engaged in the same activity should have a unified goal.

- This means all the person working in a company should have one goal and motive which will make the work easier and achieve the set goal easily.

14 Principles of Management - Henri Fayol

6. Subordination of Individual Interest (to general interests):

- In any group, the interest of the group should supersede that of the individual.

- When the interests differ, it is the function of the management to reconcile them.

- A company should work in unity towards the interest of a company rather than personal interest.

- This refers to the whole chain of command in a company.

14 Principles of Management - Henri Fayol

7. Remuneration of personnel:

- Remuneration and methods of payment should be fair and also should be able to afford the maximum satisfaction to employee and employer.

- This plays an important role in motivating the workers of a company.

- Remuneration can be monetary or non-monetary, however, it should be according to an individual's efforts they have made..

14 Principles of Management - Henri Fayol

8. The Degree of Centralization:

- The extent to which authority is concentrated or dispersed in an enterprise.

- Individual circumstances determine the degree of centralization that gives the best overall yields.

- There should be a balance between the hierarchy and division of power.

14 Principles of Management - Henri Fayol

9. Scalar Chain:

- A line of authority, a chain of superiors from the highest to the lowest ranks.

- The hierarchy steps should be from top to the lowest.

- This is necessary so that every employee knows there immediate senior also they should be able to contact any if needed.

14 Principles of Management - Henri Fayol

10. Order:

- Material order and social order is a simple edge for everything.

- This refers to the arrangement of things and persons in an organization.

- A company should maintain a well-defined work order to have a favourable work culture.

- The positive atmosphere in the workplace will boost more positive productivity.

14 Principles of Management - Henri Fayol

11. Equity:

- All the employees should be treated equally and respectfully.

- It's the responsibility of a manager that no employees face discrimination.

- Fayol perceives this principle as one of eliciting loyalty and devotion from personnel with a combination of kindliness and justice in managers while dealing with subordinates.

14 Principles of Management - Henri Fayol

12. Stability of Tenure of Personnel:

- An employee delivers the best if they feel secure in their job.

- It is the duty of the management to offer job security to their employees.

- Instability is both the cause and effect of bad management.

- There are dangers and costs of unnecessary turnover.

14 Principles of Management - Henri Fayol

13. Initiative:

- Initiative is conceived as the process of thinking out and executing a plan.

- Since it is one of the keenest satisfactions for an intelligent man to experience, managers should sacrifice personal vanity in order to permit subordinates to exercise it.

- The management should support and encourage the employees to take initiatives in an organization.

- It will help them to increase their interest.

14 Principles of Management - Henri Fayol

14. Esprit de Corps:

- A feeling of pride and mutual loyalty shared by the members of a group.

- There is a need for teamwork and the importance of communication in obtaining it.

- It is the responsibility of the management to regularly motivate their employees and be supportive of each other.

- Developing trust and mutual understanding will lead to a positive outcome and work environment.

Bureaucratic Management by Max Weber

- Max Weber (1864-1924) was the first of management theorists who developed a theory of authority structures and relations based on an ideal type of organization he called a bureaucracy – a form of organization characterized by division of labour, a clearly defined hierarchy, detailed rules and regulations, and impersonal relationships.

- Bureaucratic management is a stream of classical theory of management.

- It is "a formal system of organization that is based on clearly defined hierarchical levels and roles in order to maintain efficiency and effectiveness".

Bureaucratic Management by Max Weber

- This theory is widely used in the management of both public and private sector organizations.

- According to the bureaucratic management approach, organizations are usually divided into hierarchies.

- These divisions help in creating "strong lines of authority and control within the organization.

- Max Weber presents the ideal organization structure.

Bureaucratic Management by Max Weber

- According to Weber the bureaucratic management approach is based on four principles
    - hierarchical positions,
    - rules of system,
    - division of labour for specialization, and
    - impersonal relationship.

Bureaucratic Management by Max Weber

- There are Six Rules of a Bureaucracy:

    – **Hierarchical Management Structure**

    – **Division of Labour**

    – **Formal Selection Process**

    – **Career Orientation**

    – **Formal Rules and Regulations**

    – **Impersonality**

Bureaucratic Management by Max Weber

Hierarchical Management Structure:

- Each level controls the levels below and is controlled by the level above.

- Authority and responsibilities are clearly defined for each position.

Division of Labour:

- Tasks are clearly defined and employees become skilled by specializing in doing one thing.

- There is clear definition of authority and responsibility.

Bureaucratic Management by Max Weber

Formal Selection Process:

- Employee selection and promotion are based on experience, competence, and technical qualification demonstrated by examinations, education, or training.

- There is no nepotism.

Career Orientation:

- Management is separate from ownership, and managers are career employees.

- Protection from arbitrary dismissal is guaranteed.

Bureaucratic Management by Max Weber

Formal Rules and Regulations:

- Rules and regulations are documented to ensure reliable and predictable behavior.

- Managers must depend on formal organizational rules in employee relations.

Impersonality:

- Rules are applied uniformly to everyone.

- There is no preferential treatment or favoritism.

NEO-CLASSICAL APPROACH OF MANAGEMENT

- The Neoclassical approach began with the Hawthorne studies in the 1920s.

- It grew out of the limitations of the classical theory.

- Under classical approach, attention was focused on jobs and machines.

- After some time workers resisted this approach as it did not provide the social and psychological satisfaction.

NEO-CLASSICAL APPROACH OF MANAGEMENT

- Therefore, attention shifted towards the human side of management.

- George Elton Mayo (1890- 1949) is considered to be the founder to the neoclassical theory.

- He was the leader of the team which conducted the famous Hawthorne Experiments at the Western Electric Company (USA) during 1927-1932.

NEO-CLASSICAL APPROACH OF MANAGEMENT

- As a reaction to approaches of classical theory which over-emphasized the mechanical and physiological characters of management, came up the schools of neoclassical theory with a more human-oriented approach and emphasis on time needs, drives, behaviours and attitudes of individuals.

- Two important groups, namely, human relations school and behavioural schools emerged during 1920s and 1930s under the neoclassical theory.

NEO-CLASSICAL APPROACH OF MANAGEMENT

- In the late 1920's and early 1930's the Hawthorne experiments were conducted by Elton Mayo led to the Behavioural viewpoint.

- This brought about a Human Relations movement which included Douglas McGregor's Theory X and Theory Y approach.

NEO-CLASSICAL APPROACH OF MANAGEMENT

- These studies discovered that real cause of human behaviour was somewhat more than mere physiological variables and they focussed attention on human beings in the organisation.

- Neoclassical theory emphasizes individual or group behaviour and human relations in determining productivity.

- The main features of the neoclassical approach are **individual**, **work group** and **participatory management**.

NEO-CLASSICAL APPROACH OF MANAGEMENT

- New-classical approach is contained in two points:

  (i) Organisational situation should be viewed in social, economic and technical terms, and

  (ii) The social process of group behaviour can be understood in terms of clinical method just like the doctor's diagnosis of human organism.

NEO-CLASSICAL APPROACH OF MANAGEMENT

- The main propositions of neo-classical theory are:

    1. The organisation in general is a social system composed of numerous interacting parts.

    2. Informal organisations exist within the formal organisation. Both are affected by and affect each other.

    3. Human being is independent and his behaviour can be predicted in terms of social factors at work.

    4. Motivation is a complex process. Many socio-psychological factors operate to motivate human beings at work.

NEO-CLASSICAL APPROACH OF MANAGEMENT

5. Conflict between organisational and individual goals often exists. There is a need to reconcile the individual goals with those of the organisation.

6. Team-work is essential for higher productivity.

7. Man's approach is not always rational. Often, he behaves non- logically in terms of rewards which he seeks from his work.

8. Communication is necessary as it carries information for the functioning of the organisation and the feelings of the people at work.

NEO-CLASSICAL APPROACH OF MANAGEMENT

- Improvements over Classical Theory:
  - Neo-classical theory offers modifications and improvements over classical theory in some aspects such as:

    (i) Flat structure,

    (ii) Decentralisation, and

    (iii) Informal organisations.

NEO-CLASSICAL APPROACH OF MANAGEMENT

- Improvements over Classical Theory:

(i) Flat Structure:

- The classical theory suggested tall structure whereas neo-classical theory suggested flat structure.
- In tall structure there is a problem of communication because of differentiation between decision makers and implementers, the levels of management are too many and motivation of people is difficult.
- In case of flat structure the wide span of control helps in motivation, chain of communication is shorter and it is free from hierarchical control.

NEO-CLASSICAL APPROACH OF MANAGEMENT

- Improvements over Classical Theory:

  (ii) **Decentralisation**:

  - Neo-classical theory advocates decentralised organisation which is close to flat structure because of wider span of control.

  - It allows autonomy and initiative at the lower level. It also develops people to occupy higher positions in future.

NEO-CLASSICAL APPROACH OF MANAGEMENT

- Improvements over Classical Theory:

  (iii) **Informal Organisation**:

  - The neo-classical theorists advocated the need for both formal and informal organisations.

  - Formal organisation represents the intentions of top management for the purpose of interactions among the people.

  - Informal organisation is necessary to plug the loop holes of formal organisation and to satisfy the social and psychological needs of people.

  - Managements use informal organisation for overcoming resistance to change on the part of workers and also for fast communication process. Both formal and informal organisations are interdependent upon each other.

NEO-CLASSICAL APPROACH OF MANAGEMENT

- There are mainly three elements of neoclassical theory of management.
  - Hawthorne Experiment
  - Human Relation Movement and
  - Organizational Behaviour

NEO-CLASSICAL APPROACH OF MANAGEMENT

Hawthorne experiments:

- The Hawthorne studies were a series of experiments conducted at the Western Electric Company (USA) between 1927 and 1932 that provided new insights into individual and group behaviour.

- The research, originally sponsored by General Electric, was conducted by Elton Mayo and his associates.

- The studies focused on behaviour in the workplace.

NEO-CLASSICAL APPROACH OF MANAGEMENT

Hawthorne experiments:

- In one experiment involving this group of workers, for example, researchers monitored how productivity changed as a result of changes in working conditions.

- The Hawthorne studies and subsequent experiments lead scientists to the conclusion that the human element is very important in the workplace.

- The Hawthorne experiments may classified into four stages: Illumination experiments, Relay assembly test room experiments, Mass interviewing programme, Bank wiring observation room study.

NEO-CLASSICAL APPROACH OF MANAGEMENT

Human relation movement:

- Taking a clue from the Hawthorne Experiments several theorists conducted research in the field of interpersonal and social relations among the members of the organization.

- These relations are known as human relations.

NEO-CLASSICAL APPROACH OF MANAGEMENT

Human relation movement:

- A series of studies by Abraham H. Maslow, Douglas Mc Gregor, Frederick Herzberg, Keth Davis, Rensis Likert and others led to what is human relation movement.

- Human relation movement argued that workers respond primarily to the social context of the workplace, including social conditioning, group norms and interpersonal dynamics.

NEO-CLASSICAL APPROACH OF MANAGEMENT

Organizational behaviour:

- Several psychologists and sociologists began the study of group dynamics.

- Chris Argyris, Homans Kurt Lewin, R.L. Katz, kahn and others developed the field of organizational behaviour.

- It involves the study of attitudes, behaviour and performance of individuals and groups in organizational settings.

NEO-CLASSICAL APPROACH OF MANAGEMENT

Organizational behaviour:

- It is extended and improved version of human relations movement.

- It is multidimensional and interdisciplinary – the application of knowledge drawn from behavioural sciences (Psychology, sociology, anthropology, etc) to the management problems.

- Therefore, this approach is also called behavioural science approach.

The Content Theories of Work Motivation

- The content theories of work motivation attempt to determine what it is that motivates people at work.

- The content theorists are concerned with identifying the needs/drives that people have and how these are prioritized.

- At first, money was felt to be the only incentive (Scientific Management).
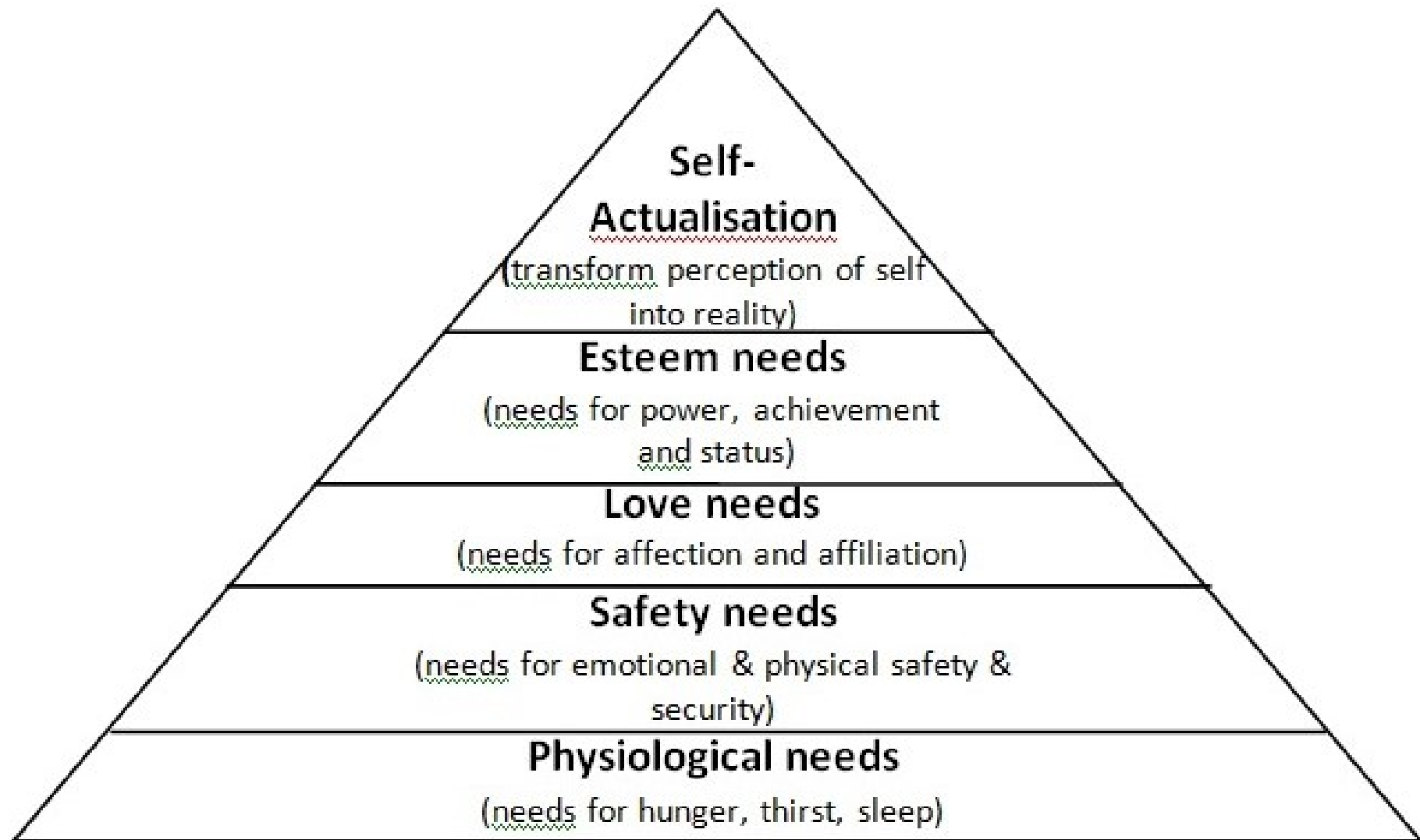
The Content Theories of Work Motivation

- More recently, the content of motivation has been deemed to be the so called 'higher level' needs or motives, such as

  - esteem and self actualization (Maslow);

  - responsibility, recognition, achievement and advancement (Herzberg); and

  - growth and personality development (Alderfer).

Maslow's Hierarchy of Needs

- Abraham Maslow, in a classic paper, outlined the elements of an overall theory of motivation.

- He thought that a person's motivational needs could be arranged in a hierarchical manner.

- He believed that once a given level of need is satisfied, it no longer serves to motivate.

- The next higher level of need has to be activated in order to motivate the individual.

- Maslow identified five levels in his need hierarchy.

Maslow's Hierarchy of Needs

Self-Actualisation

(transform perception of self into reality)

Esteem needs

(needs for power, achievement and status)

Love needs

(needs for affection and affiliation)

Safety needs

(needs for emotional & physical safety & security)

Physiological needs

(needs for hunger, thirst, sleep)

Maslow's hierarchy of needs

Maslow's Hierarchy of Needs

Physiological needs:

- The most basic level in the hierarchy, the physiological needs, generally corresponds to the unlearned primary needs.

- The needs for hunger, thirst, sleep are some examples.

Maslow's Hierarchy of Needs

Safety needs:

- The second level of needs is roughly equivalent to the security motive.

- Maslow stressed emotional as well as physical safety.

Love needs:

- The third level of needs loosely corresponds to the affection and affiliation needs.

- Perhaps a more appropriate word describing this level would be 'belongingness' or 'social'.

Maslow's Hierarchy of Needs

Esteem needs:

- This level represents the higher needs of humans.

- The needs for power, achievement and status can be considered part of this level.

- It contains both self esteem and esteem from others.

Maslow's Hierarchy of Needs

Need for self-actualization:

- This level represents the culmination of all lower, intermediate & higher needs of humans.

- It's a person's motivation to transform perception of self into reality.

- People who have become self-actualized are self-fulfilled & have realized all their potential.
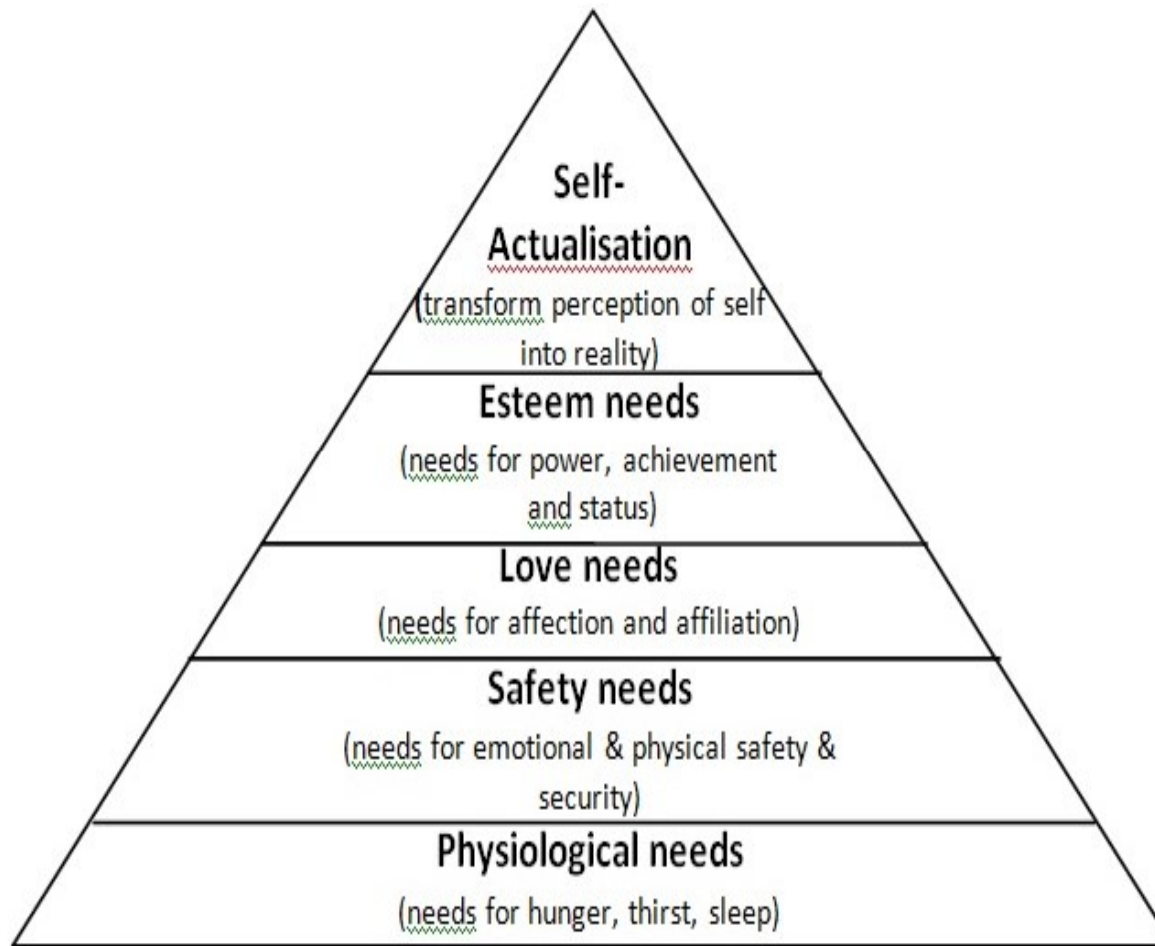
Maslow's Hierarchy of Needs

- Maslow did not intend that his need hierarchy be directly applied to work motivation, but, in a very rough manner, Maslow's need hierarchy theory can be converted into the content model of work motivation.

- The theory does make a significant contribution in terms of making management aware of the diverse needs employees at work.

Maslow's Hierarchy of Needs

- Employees in the workplace have diverse motives, some of which are 'high level'.

- Such needs as esteem needs and self-actualization needs are important to the content of work motivation.

- However, the exact nature of these needs and how they relate to motivation are not clear.
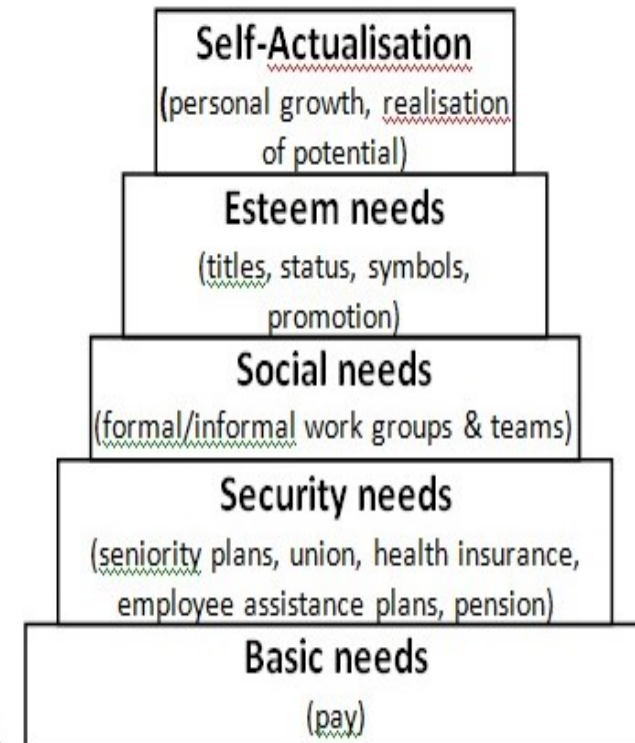
Maslow's Hierarchy of Needs

Maslow's hierarchy of needs

- **Self-Actualisation** (transform perception of self into reality)
- **Esteem needs** (needs for power, achievement and status)
- **Love needs** (needs for affection and affiliation)
- **Safety needs** (needs for emotional & physical safety & security)
- **Physiological needs** (needs for hunger, thirst, sleep)

Maslow's Need Hierarchy Theory Converted into the Content Model of Work Motivation

- **Self-Actualisation** (personal growth, realisation of potential)
- **Esteem needs** (titles, status, symbols, promotion)
- **Social needs** (formal/informal work groups & teams)
- **Security needs** (seniority plans, union, health insurance, employee assistance plans, pension)
- **Basic needs** (pay)

A hierarchy of work motivation

Alderfer's ERG Theory

- To try to overcome some of the problems of the Maslow hierarchy, Clayton Alderfer has proposed the ERG theory, which contains three well known groups of needs.

- Alderfer identified three groups of core needs: existence, relatedness and growth (hence ERG theory).

Alderfer's ERG Theory

- Existence needs are concerned with survival (physiological well-being).

- Relatedness needs stress the importance of interpersonal, social relationships.

- Growth needs are concerned with the individual's intrinsic desire for personal development.
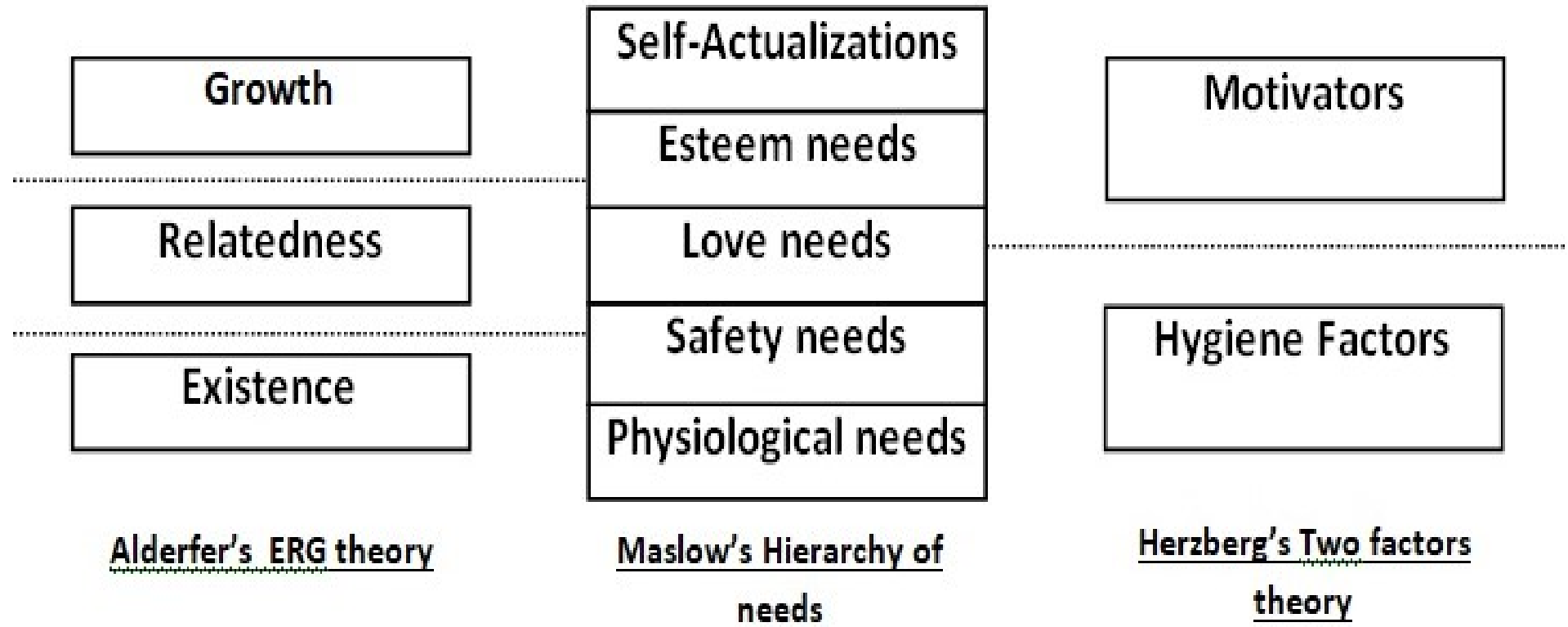
Herzberg's Two-Factor Theory

- Herzberg extended the work of Maslow and developed a specific content theory of work motivation.

- He asked two questions to a large number of professionals:

  1. When did you feel particularly good about your job - What turned you on?

  2. When did you feel exceptionally bad about your job - What turned you off?

Herzberg's Two-Factor Theory

- The responses to these questions showed that the reported good feelings were generally associated with job experiences - job content and the reported bad feelings were associated with the surrounding or peripheral aspects of the job - job context.

- Herzberg labeled the satisfiers related to job content as 'motivators' and the dis-satisfiers allied to job context as 'hygiene factors'.

The Content Theories – Relationship

Growth	Self-Actualizations	Motivators
	Esteem needs	
Relatedness	Love needs	
	Safety needs	Hygiene Factors
Existence	Physiological needs	

Alderfer's ERG theory

Maslow's Hierarchy of needs

Herzberg's Two factors theory

Theory X and Theory Y by Douglas McGregor

- In the 1960s, social psychologist Douglas McGregor developed two contrasting theories that explained how managers' beliefs about what motivates their people can affect their management style.

- He labelled these Theory X and Theory Y in his book, "The Human Side of Enterprise," and they refer to two styles of management – authoritarian (Theory X) and participative (Theory Y).

Theory X and Theory Y by Douglas McGregor

- If a manager believes that the team members dislike their work and have little motivation, then, he'll likely use an authoritarian style of management.

- This approach is very "hands-on" and usually involves micromanaging people's work to ensure that it gets done properly.

- McGregor called this Theory X.

Theory X and Theory Y by Douglas McGregor

- On the other hand, if a manager believes that the people take pride in their work and see it as a challenge , then he'll more likely adopt a participative management style.

- Managers who use this approach trust their people to take ownership of their work and do it effectively by themselves.

- McGregor called this Theory Y.

Theory X and Theory Y by Douglas McGregor

- The approach that a manager takes will have a significant impact on his ability to motivate the team members.

- So, it's important to understand how perceptions of what motivates the workers can shape the management style.

Classical Vs Neoclassical theory

- Classical and neoclassical approach to management made outstanding contribution to the development of management thought.

- Under classical approach, attention was focused on job and machine.

- On the other hand, neoclassical approach to management emphasizes on increasing production through an understanding of people.

- The classical theory stresses on task and structure while the neoclassical theory emphasizes people aspect.

Classical Vs Neoclassical theory

Points of distinction	Classical approach	Neoclassical approach
Focus	Functions and economic demand of workers	Emotion and human qualities of workers
Structure	Impersonal and mechanistic	Social system
Application	Autocratic management and strict rules	Democratic process
Emphasize	Discipline and rationality	Personal security and social demand
Work goal of worker	Maximum remuneration and reward	Attainment of organizational goal
Concept about men	Economic being	Social being
Content	Scientific management, administrative management, and bureaucratic management	Hawthorne experiment, human **relation** movement and organizational behaviour
Relation	Formal	Informal
Nature	Mechanistic	Organistic

Classical & Neo-classical theories

- Classical and neoclassical approaches made a crucial role in the advancement of management theories and practices.

- The adopted management approaches are important due to the facts that determine the efficiency and congenial environment with which managerial activities are performed.

- In this era of rapid economic development and industrial expansion of different nations, classical and neoclassical theorists made an undeniable role by developing different techniques of production and it enabled every nation to be involved in this global market.

Classical & Neo-classical theories

- Classical theory is important because it introduced the concept of management as a subject for intellectual analysis and provided a basis of ideas that have been developed by subsequent schools of management thought.

- Neoclassical approach puts emphasis on human variables and symbolic rewards which may not be appreciated by the recipient's.

- It serves as the backbone to many current management theories.

MODERN APPROACHES TO MANAGEMENT

- Modern approaches to management are of recent origin, having developed in early 1960's.

- These theories have tried to overcome the drawbacks of earlier theories.

- The distinctive qualities of modern organisation theory are its conceptual analytical base, its reliance on empirical research data and, above all, its integrating nature.

MODERN APPROACHES TO MANAGEMENT

- These qualities are framed in a philosophy which accepts the premise that the only meaningful way to study an organisation is to study it as a system.

- Modern theories may be understood in three approaches:
  - systems approach,
  - socio-technical approach and
  - contingency approach.

Systems Approach to Management

- This approach studies the organisation in its totality.

- The mutually dependent variables are properly analysed.

- Both internal and external variables are studied in analysing the nature of organisation.

- Though this theory passes a much higher conceptual level as compared to earlier theories but different writers have given varied views of the system.

Systems Approach to Management

- Organisation as a system can well be understood by identifying various sub-systems within it.

- Each sub-system may be identified by certain processes, roles, structures and norms of conduct.

Systems Approach to Management

- Katz and Kahu have identified five sub-systems of organisation:

    (i) **Technical** sub-system concerned with the work that gets done;

    (ii) **Supportive** sub-system of procurement, disposal and institutional relations;

    (iii) **Maintenance** of sub-systems for tying people into their functional roles;

    (iv) **Adaptive** sub-systems concerned with organisational change; and

    (v) **Managerial** sub-systems for direction, adjudication and control of the many sub-systems and the activities of the structure.

Systems Approach to Management

- The systems approach considers the organization as a system composed of a set of inter-related - and thus mutually dependent - sub-systems.

COMPONENTS	LINKING PROCESSES	GOALS OF ORGANIZATION
- The individual	- Communication	- Growth
· The formal and informal organization	· Balance	· Stability
· Patterns of behaviour	· Decision analysis	· Interaction
· Role perception		
· The physical environment		

Systems Approach to Management

- Even though systems approach presents a better understanding of organisational and managerial functioning but it does not provide solution for all types of organisational structures.

- Systems approach offers models which may not suit every type of organisation.

Socio-Technical Approach to Management

- The socio-technical approach considers the organization as composed of a social system, technical system and its environment.

- These interact among themselves and it is necessary to balance them appropriately for effective functioning of the organization.

Contingency Approach to Management

- The contingency or situational approach recognizes that organizational systems are inter-related with their environment and that different environments require different organizational relationships for effective working of the organization.

- Contingency approach suggests an organisational design which suits a particular unit.

- A structure will be suitable only if it is tailor made for an enterprise.

Contingency Approach to Management

- This approach suggests that needs, requirements, situations of a particular concern should be considered while designing an organisational structure.

- The influence of both internal and external factors should be considered while framing a suitable organisational structure.

Characteristics of modern approaches

· Systems viewpoint
· Dynamic process of interaction
· Multi-levelled and multidimensional

· Multi-motivated
· Probabilistic
· Multidisciplinary

· Descriptive
· Multivariable
· Adaptive

Peter Drucker and Management Thought

- Peter Drucker, also hailed as the 'father of modern management', formulated a theory that is still used today.

- Drucker believed that managers should, above all else, be leaders.

- Rather than setting strict hours and discouraging innovation, he opted for a more flexible, collaborative approach.

- He placed high importance on decentralization, knowledge work, management by objectives (MBO) and a process called SMART.

Management by Objective (MBO) – Peter Drucker

- Management by objectives (MBO), also known as management by results (MBR), was first popularized by Peter Drucker in his 1954 book – The Practice of Management.

- Management by objectives is the process of defining specific objectives within an organization that management can convey to organisation members, then deciding how to achieve each objective in sequence.

Management by Objective (MBO) – Peter Drucker

- This process allows managers to take work that needs to be done one step at a time to allow for a calm, yet productive work environment.

- This process also helps organization members to see their accomplishments as they achieve each objective, which reinforces a positive work environment and a sense of achievement.

Management by Objective (MBO) – Peter Drucker

- An important part of MBO is the measurement and comparison of an employee's actual performance with the standards set.

- Ideally, when employees themselves have been involved with the goal-setting and choosing the course of action to be followed by them, they are more likely to fulfill their responsibilities.

- The system of management by objectives can be described as a process whereby the superior and subordinate jointly identify common goals, define each individual's major areas of responsibility in terms of the results expected of him or her, and use these measures as guides for operating the unit and assessing the contribution of each of its members.

Management by Objective (MBO) – Peter Drucker

- MBO was popularized by companies like Hewlett-Packard, who claimed it led to their success.

- Many other corporations praise the effectiveness of MBO, including Xerox, DuPont, Intel, and countless others.

- Companies that use MBO often report greater sales rates and productiveness within the organization.

Management by Objective (MBO) – Peter Drucker

- MBO is the process of employers/supervisors attempting to manage their subordinates by introducing a set of specific goals that both the employee and the company strive to achieve in the near future, and working to meet those goals accordingly.

- To ensure continuing to prioritize productivity, managers can utilize the concept of MBO, a process that calls for workers of all levels to work together to reach a common goal.

Five steps to MBO

1. **Review organizational goal**

2. **Set worker objective**

3. **Monitor progress**

4. **Evaluation**

5. **Give reward**

Five steps to MBO

1. **Review organizational goal**:

- In the MBO paradigm, managers determine the mission and the strategic goals of the enterprise.

- The goals set by top-level managers are based on an analysis of what can and should be accomplished by the organization within a specific period of time.

- An organization or business must find specific goals to aim for in.

Five steps to MBO

2. **Set worker objective**:

- The mnemonic S.M.A.R.T. is associated with the process of setting objectives. "SMART" objectives are:

  - **Specific** - Target a specific area for improvement.

  - **Measurable** - Quantify or suggest an indicator of progress.

  - **Assignable** - Specify who will do it.

  - **Realistic** - State what results can realistically be achieved, given available resources.

  - **Time-bound** - Specify when the result(s) can be achieved.

Five steps to MBO

2. **Set worker objective**:

- Objectives can be set in all domains of activities, such as production, marketing, services, sales, R&D, human resources, finance, and information systems.

- Some objectives are collective, and some can be goals for each individual worker.

- Both make the task at hand seem attainable and enable the workers to visualize what needs to be done and how.

- Managers need to call the team together and discuss their SMART goals to ensure everyone is on the same page and understands their part in the overall objectives of the organization.

Five steps to MBO

3. **Monitor progress**:

- Frequent reviews and interactions between superiors and subordinates helps in monitoring the progress.

- Objectives need quantifying and monitoring.

- Reliable management information systems are needed to establish relevant objectives and monitor their "reach ratio" in an objective way.

Five steps to MBO

4. **Evaluation**:

- An important part of MBO is the measurement and comparison of an employee's actual performance with the standards set.

- MBO is a goal-directed approach to performance appraisal in which employees and managers together set goals for the upcoming evaluation period.

- A rating is then done by deciding whether these goals are met.

Five steps to MBO

5. **Give reward**:

- Every time a goal has been met, the worker is given a reward to acknowledge the achievement.

- Pay incentives (bonuses) are often linked to results in reaching the objectives.

Management by Objective (MBO) – Peter Drucker

- The principle of MBO is for employees to have a clear understanding of their roles and the responsibilities expected of them, so they can understand how their activities relate to the achievement of the organization's goals.

- MBO also places importance on fulfilling the personal goals of each employee.

Benefits of MBO

- Motivation – Involving employees in the whole process of goal setting and increasing employee empowerment. This increases employee job satisfaction and commitment.

- Better communication and coordination – Frequent reviews and interactions between superiors and subordinates help to maintain harmonious relationships within the organization and also to solve problems.

- Clarity of goals.

Benefits of MBO

- Subordinates tend to have a higher commitment to objectives as they set for themselves than those imposed on them by another person.

- Managers can ensure that objectives of the subordinates are linked to the organization's objectives.

- Common goal for whole organization means it is a unifying, directive principle of management.

Schools of Management Thought

1. Scientific Management School

2. Management Process School

3. Human Relations School

4. Human Behavioural School

5. System Approach School

6. Decision Theory School

7. Mathematical or Quantitative School

8. Contingency Approach School

Schools of Management Thought

1. Scientific Management School:

- This school envisages management to be a scientific management.

- It means that, scientific methods and scientific principles are to be followed and applied in managing the affairs of an enterprise.

- In scientific management, importance is given to its technical side to increase the efficiency of the organisations.

Schools of Management Thought

1. Scientific Management School:

- Frederick Winslow Taylor (1856-1915), popularly known as the 'Father of Scientific Management Movement', was the first to recognise and emphasise the need for adopting a systematic scientific approach to the task of managing an enterprise.

- Taylor joined the Midvale Steel Company in the USA, as a worker and later on rose to the position of chief engineer.

- Subsequently he joined the Bethlehem Works where he experimented with his ideas and made his contribution to management theory for which he is so well-known.

Schools of Management Thought

1. Scientific Management School:

- F. W. Taylor studied the causes of low efficiency in industry and came to the conclusion that much of the waste and inefficiency is due to the lack of order and system in the methods of management.

- He observed that the managers were usually ignorant of the amount of work that could be done by a worker in a day and had no clear notion of the best method of doing the work.

Schools of Management Thought

1. Scientific Management School:

- It was Taylor's realisation that there was lack of efficient work standard, absence of clear-cut division of works between the managers and workers, lack of incentive of the workers, unscientific selection and placement of workers.

- He, therefore, suggested that the managers should follow a 'scientific approach' in their work and apply scientific methods for achieving higher efficiency.

Schools of Management Thought

1. Scientific Management School:

- With a view to improving management practice, Taylor conducted a series of experiments.

- On the basis of these experiments he developed his concepts and techniques into a philosophy which is known as 'Scientific Management'.

- He published many papers and books and all his contributions were compiled in his book "The Principles of Scientific Management'.

- Taylor's ideas on scientific management were greatly expanded by H. S. Person, Henry L. Gantt, and Lillian Gilbreth, Harrington Emerson and M. L. Cooke.

Schools of Management Thought

2. Management Process School:

- This school builds up the idea that management is a process of getting things done through and with other people operating in organised groups.

- It analyses the management process by describing its functions like planning, organising, directing, coordinating and controlling.

Schools of Management Thought

2. Management Process School:

- The executives perform this process.

- In this approach importance is given to the activities of the managers, the general principles and rules which they should follow.

- Henry Fayol is considered to be the 'Founder of Management Process School'.

Schools of Management Thought

2. Management Process School:

- Henri Fayol points out that management is a functional concept which is universal and applicable to any type of enterprise, be it a business enterprise or otherwise.

- Other persons who worked to develop this approach are J. D. Mooney, A. C. Reiley, Lyndall Urwick, Harold Koontz and O'Donnell, Newman, Luther Gullick, George Terry, E. F. L. Brech, Mcfarland, etc.

Schools of Management Thought

3. Human Relations School:

- 'Human Relations School' believes in the importance of human resources in the management.

- This approach focuses attention on the relationship between the management authority and the working personnel.

Schools of Management Thought

3. Human Relations School:

- The importance of working personnel in management is immense.

- If their mentality, aspirations, desires, wants and needs are properly looked into and satisfied by the managers, their activities become effective and meaningful.

- The main aspect of this approach is to treat the workers as human beings.

Schools of Management Thought

3. Human Relations School:

- This school highlights the importance of informal social groups in the organisation, good human relations, and the need for managerial motivation, greater recognition, participation, better communication and good leadership.

- According to this school, an organisation is not merely a formal arrangement of men and functions, more than that, it is a social system, and the human factor is the most important element within it.

Schools of Management Thought

3. Human Relations School:

- In the early twentieth century Elton Mayo, professor at the Harvard University, could realise the importance of this thought by experiments and observations in the factory of the Western Electric Company at Hawthorne city in Chicago.

- These experiments and observations of Prof. Elton Mayo are known as 'Hawthorne Experiment'.

- Hawthorne experiments revealed that physical and environmental factors do not materially influence the workers' performance and attitude to work.

Schools of Management Thought

3. Human Relations School:

- Mayo realised first the necessity to consider and solve the problems of the workers with human relation approach.

- He thought that the productivity of workers depends upon human relationship.

- Other important propagators of this school of management thought are—Roethlis Berger, William J. Dickson, Mary Parker Follet and A. F. Maslow.

Schools of Management Thought

4. Human Behavioural School:

- The behavioural approach to management relates to the application of the methods and findings of psychology and sociology to the organisational behaviour.

- This school emphasises the actions and reactions of the human beings in group activity.

- Mental reactions like emotions, feelings, aims, instincts, hopes and desires regulate a man's behaviour or conduct.

Schools of Management Thought

4. Human Behavioural School:

- 'Human Behavioural School' believes that, unless these mental reactions of the workers are considered, and their problems are either solved or at least attempts are made to fulfil their needs and demands by the managers, effective and meaningful management is not possible.

- Thus, according to this school, performance of managerial activities in consideration of the conduct or behaviour of working personnel is an effective and decent management.

Schools of Management Thought

4. Human Behavioural School:

- As a result of the experiments, observations and researches of many psychologists and sociologists, and after the Hawthorne Experiment, 'Human Behaviour Management Thought' was evolved out.

- In this respect, the contribution of Mary Parker Follet, a member of Human Behaviour School, is particularly mentionable.

- Other notable propagators of this school are A. F. Maslow. F. H. Herzberg, McGregor, Keith Davis and Chrris Argrys.

Schools of Management Thought

5. System Approach School:

- According to this school, management is a 'system' of co-ordination of some different factors forming the parts of an overall management process, which are inter-related or inter-dependent.

- If the activities related to production of an enterprise are performed, giving much importance to one of its factors or parts, without considering its relationship and dependence on other factors, the desired result cannot be obtained.

Schools of Management Thought

5. System Approach School:

- For example, men, machine, money and raw materials are the factors of production in management.

- These elements are not isolated rather they are correlated and inter-dependent on one another.

- A perfect assemblage of these factors results in production.

Schools of Management Thought

5. System Approach School:

- Efficient workers cannot perform their activities well with bad machines.

- Good work cannot be expected of inefficient workers working with good machines.

- So, management is a system to assemble the different correlated and inter-dependent factors that are parts of the overall system.

- It must be viewed in the context of total environment, and the managers should take into account the various characteristics and changes therein in managing the organisation.

Schools of Management Thought

5. System Approach School:

- The major contributors to this school are Kenneth, Boulding, Johnson, F. E. Kast, J. E. Rosenzwig, Katz and Kahn, Forester and C. W. Churchman.

Schools of Management Thought

6. Decision Theory School:

- The essence of management lies in decision-making.

- Whatever a manager does is the outcome of a decision made by him from several alternatives available to him.

- The 'Decision Theory School' of management thought concentrates its attention on decision-making and treats the various aspects of decision-making as constituting the scope of the study of management.

Schools of Management Thought

6. Decision Theory School:

- Advocates of this school opine that decision-making is the most critical function of management and any study of management should focus directly on the decision-making process.

- Rational approach to decision-making is the basis of this school.

Schools of Management Thought

6. Decision Theory School:

- To perform the managerial functions properly and effectively, one has to learn the procedures, techniques, causes and effects of taking decisions.

- Top level management authority has to take decisions at the stage of planning and the managers in charge of execution of plans have to take decisions at the stage of its implementation.

Schools of Management Thought

6. Decision Theory School:

- It becomes proper, meaningful and effective only if decisions are taken through a reasonable procedure.

- Among the proponents of this theory, the names of Herbert Simon, Stephen Robins and Chester Barnard are especially mentionable.

Schools of Management Thought

7. Mathematical or Quantitative School:

- This school views Management as a system of mathematical models and process.

- The exponents of this school of thought believe that effective solution of the intricate problems of management of an enterprise can be achieved through organising mathematical or quantitative model.

- Management or organisation, planning or decision-making, as a logical process, can be expressed in terms of mathematical symbols and relationships.

Schools of Management Thought

7. Mathematical or Quantitative School:

- The contributors to this school of thought have been using mathematical and quantitative techniques in developing the models of various kinds of decision and problems involved in managing the organisations with a view to understanding them and also for finding out solutions to them.

Schools of Management Thought

7. Mathematical or Quantitative School:

- This theory uses the techniques of Operation Research, Games Theory, Linear Programming, Queing Theory and Model Building.

- As proponents of this theory the names of L. Ackoff, C. W Churchman, Newman, Hicks and Joel Dean may be mentioned.

Schools of Management Thought

8. Contingency Approach School:

- According to this approach, management is a subject that is situational by nature.

- It has no hard and fast principle and theory.

- In one way, this is an extension of the system approach.

- The basic idea of the contingency approach is that there cannot be a particular management action which will be suitable for all situations.

Schools of Management Thought

8. Contingency Approach School:

- Study of management, according to this approach, lies in identifying the important variables in the situation.

- An appropriate management action is one that is designed on the basis of external environment and internal states and needs.

- Management may be effective and fruitful, if its principles and procedures are appropriately followed and its techniques are intelligently applied according to the circumstances.

Schools of Management Thought

8. Contingency Approach School:

- Contingency theorists suggest that the systems approach does not adequately spell out the precise relationship between the organisation and its environment.

- Contingency approach tries to fill this gap by suggesting what should be done in response to an event in the environment.

- The supporters of this theory are mainly, Lorsch and Lawrence, John Woodward, Fiedler and H. M. Carlisle.

INDIAN MANAGEMENT THOUGHT

- Ancient Indian Scriptures have a long history that can be traced between 4000 - 1100 BCE, though historians differ on time periods.

- It is quite difficult to define the period of Vedas but assumed to be several thousands of years old.

- The ancient scriptures provided direction for the every aspect of life.

- Influence of these scriptures could be seen not only in Indian Management but also in America (through Indian Spirituality) and Japan (through Zen Buddhism).

INDIAN MANAGEMENT THOUGHT

- During recent years, some well-known, influential books have been written that are changing our world view.

- 'American Veda' by Goldberg Philip (2010) documents the impact of Indian Spirituality on developed nations, particularly on America.

INDIAN MANAGEMENT THOUGHT

- The impact of such writings is slowly and silently percolating to Management, Leadership, and Social sciences literature and the corporate world in general.

- Further, studies on ancient text have become important to academic and business world as they provide a vast knowledge of life, business, and society.

INDIAN MANAGEMENT THOUGHT

- Initial development in the evolution of Indian Management thought and concepts came from its ancient texts like Vedas, Upanishads, Ramayana, Mahabharata, Bhagwat Gita, Manusmiriti, Panchtantra, and Arthasastra, because these 'Noble and Notable Books of India' provide conceptual foundations for the development of analytical models and frameworks that are useful to managers and leaders.

INDIAN MANAGEMENT THOUGHT

- Ideas from these noble books found expression in thoughts of many spiritual thinkers such as Shankara, Swami Vivekananda, Raman Maharshi, Sri Aurobindo and others.

- In modern times, they also found expression in writings of many management gurus and thus influenced the management and social thought.

- Thus, there has been historical connectivity.

INDIAN MANAGEMENT THOUGHT

- There are significant influences from ancient Indian wisdom on the emergence of Indian Management under the influence of 3 Cs viz. **Culture, Conscience, and Consciousness**:

- **Roots in Philosophy of Life**: Its origin is in the philosophy of life rather than confined to philosophy of corporation for multiplying the values of shareholders. This philosophy has got recognition as Purusharthas (Objective of Human Life).

INDIAN MANAGEMENT THOUGHT

- **The primacy of Heart over Head**: In the case of Management from the perspective of west, head gets the priority over heart as identified in the primacy of reason than emotion with roots as far as tradition in Western Enlightenment is concerned.

- However from Management perspective of India, the trend is reverse, i.e. Heart rules than Head as per the Bhakti tradition.

- While Head represents the hard power approach, Heart represents the soft power approach to management.

INDIAN MANAGEMENT THOUGHT

- **Holistic Perspective of development**: The root of Indian Management is in a comprehensive development as indicated through sustainable approach of living and development.

- **Vedic sciences in Management** (Yoga, Meditation and Consciousness & Spirituality): This impact is now recognized worldwide.

Indian Management in contemporary times

- Writings on Indian Management can be broadly categorized in terms of four categories viz.

  (1) **Scholarly type** written by thinkers, gurus and scholars in the form of articles and books

  (2) **Research based** written by researchers.

  (3) **Popular type** written by practitioners in Business magazines and industry bulletins and popular books.

  (4) **Journalistic type** available in news-papers and magazines.

Indian Management Thought -Approaches

Replication of Western management models:

- Replication of the Western management model was a dominant trend in the initial years of establishment of IIMs, and the inspiration for the same came from the success of Western management models in

- The West and an assumption that these models are universally applicable.

Indian Management Thought -Approaches

Integrative indigenization:

- Success of Japanese Management led to the belief that Western technology can be successfully integrated with culture to develop high performing organizations.

- This created a new inspiration for Indian scholars to propose the idea of integrative indigenization.

- Efforts in this direction led to 'Integrative Indianization' and thereby the development of new management concepts from Indian experiences.

Indian Management Thought -Approaches

Grounded Praxis Approach:

- Indian managers were largely coached in Western and Japanese management theories and concepts.

- However, while dealing with field realities, they intuitively modified these theories through grounded praxis approach.

- Most of this knowledge remained either in tacit form or at best in popular magazines.

Indian Management Thought -Approaches

Grounded Praxis Approach:

- Though case research at IIMs and other leading institutions, attempted to capture some aspects of this knowledge, however, a strong body of explicit knowledge was not created, and tacit knowledge of Indian Managers remained in story line format largely inaccessible to the academic community.

Indian Management Thought -Approaches

Ideas from the Soil:

- Success of many grassroots organizations, community-based businesses, capillary action based organizations e.g. Dabbawallah, AMUL, SEWA, Baba Ramdev's Patanjali Yogapeeth and Patanjali Products etc. and Indian corporates following 'grounded praxis' approach of consciously or unconsciously using an 'India Blend' model of integrating Western and Eastern ideas to create some new innovations, led to 'Ideas from the soil' approach to Indian Management.

- The inspiration for this approach of ideas of the soil comes not only from ancient wisdom but also from contemporary experiences of building innovative organizations and institutions.

Indian Management Thought -Approaches

Integration and Synthesis:

- Integration and synthesis of Western and Eastern ideas on management and leadership.

- While most of the management researches have been replication oriented, there have been significant efforts by researchers in the streams of Integrative indigenization/ Indianization, Grounded praxis, Ideas from the soil and Integration & Synthesis.

- They have created new knowledge on Indian Management that is now finding global acceptance and global relevance.

Indian Management in contemporary times

- In last three decades, several management experts have developed concepts, frameworks, and ideas on Indian management.

- Taking inspiration from Japanese Management, management experts in India in the 1980s paid attention to the way culture influencing practices related to Management.

- Cultural diversity is the essence of Indian culture.

Indian Management in contemporary times

- Management practices developed in the context of relatively low cultural diversity nations as is the case with American and Japanese management have to be modified to Indian context because of high cultural diversity.

- Indian managers have done it through a 'grounded praxis' approach.

Indian Management in contemporary times

- In addition, the impact of Gandhi's thoughts on Management also became an idea of interest to many researchers particularly to those who were interested in grassroots organizations.

- Gandhi through his Trusteeship model visualized an organizational vision which is now finding a new relevance.

- He also provided the leadership vision by emphasizing Means-Ends relationship.

Indian Management in contemporary times

- Indian Management is evolving in response to new challenges that corporations are facing particularly with respect to stress management, well-being, and quality of work life, social and environmental concerns.

- In these areas yoga, meditation and consciousness studies have found global acceptance in the organization context.

- Another significant change leading to emergence and development of the idea of Indian Management was as per the economic expectance.

Indian Management in contemporary times

- A transition happened from the industrial economy having roots in Industrial revolution, service and knowledge economy.

- Now the world is moving towards consciousness revolution, and this has facilitated the emergence of Indian Management.

- These revolutionary changes ensured transition from Time and Motion based roots of Management thought to Emotion & Transformation oriented mindset with roots in Knowledge revolution and new Consciousness (such as environmental & social consciousness).

Indian Management in contemporary times

- This also led to the recognition of Culture, Ethics & Values (Conscience) and Spirituality (Consciousness) as new ideas for the development of management thought.

- The Scientific Management and Human aspect of Management paved way to innovative ideas in Management & Leadership emerging from Culture paradigm of knowledge creation (e.g. Japanese Management & Indian Management) and Conscience paradigm (Ethics and Values) and Consciousness paradigm (Spirituality) as new frontiers in Management paving way for Indian ideas in Management & Leadership.