

## HUMAN RESOURCE THEORY: FROM HAWTHORNE EXPERIMENTS OF MAYO TO GROUPTHINK OF JANIS

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**ABSTRACT:** *Organization is a relatively young science in comparison with the other scientific disciplines. (Ivanko, 2013) Accounts of the growth of organizational theory usually start with Taylor and Weber, but, as Scott (1987) mentions, organizations were present in the old civilizations which goes back to Sumerians (5000, BC) and which experiences its maturation phase with Taylor, Fayol and Weber, continuing to come up to present with modern management methods and principles. The modern organization may be the most crucial innovation of the past 100 years and it is a theory which will never complete its evolution as the human being continues to exist. Understanding how organizations work has been the focus of scientists and scholars until the early part of the 20th century. Just as organizations have evolved, so to have the theories explaining them. These theories can be divided into 9 different “schools” of thought (Shafritz, Ott, Jang, 2005): Classical Organization Theory, Neoclassical Organization Theory, Human Resource Theory, or the Organizational Behavior Perspective, Modern Structural Organization Theory, Organizational Economics Theory, Power and Politics Organization Theory, Organizational Culture Theory, Reform Though Changes in Organizational Culture and Theories of Organizations and Environments. This introductory paper will concentrate on the human relations theory and is divided as follows. The introduction talks about the developments of the organization and organization theory from its early stages with detailed definitions. In section 2, theoretical roots in other words literature review on the subject will be presented. At further section, by looking at the perspectives of the 5 pioneering people (Mayo, Follett, Maslow, McGregor and Janis,) main principles of the classical organization theory are presented one by one. Section 4 mentions strengths and weaknesses of the classical organizational theory and section 5 discusses and concludes the paper.*

**KEYWORDS:** Human Resource, Organization, Organization Theory.

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### INTRODUCTION

Organization theory is not an easy concept. Unless you are naturally interested to the abstract, you probably expect this subject to be dry, unconnected to practical matters and perhaps a little boring. Even if you are interested about abstractions, it can be boring to confront as many of them at one time as organization theory asks you to do. So why would anyone sign up to study this complex and difficult subject matter?

There are various answers to this question. For some, studying organization theory is motivated by curiosity. They want to know what it would be like to think like an organization, to get inside organizing processes far enough to reveal the intricate organizational patterns that make organizations understandable. Others are motivated by the attraction of stretching their minds in new ways. For example, organization theory relies on the sciences, the humanities and the arts, and so presents the intellectual challenge of thinking in interdisciplinary ways. Some turn

to organization theory in the hope that it will get better their chances of becoming successful executives in business, government or non-profit organizations. Table lists some of their specific reasons.

Strategy/Finance	Those who want to improve the value of a company need to know how to organize to achieve organizational goals; those who want to monitor and control performance will need to understand how to achieve results by structuring activities and designing organizational processes.
Marketing	Marketers know that to create a successful corporate brand they need to get the organization behind the delivery of its promise; a thorough understanding of what an organization is and how it operates will make their endeavors to align the organization and its brand strategy more feasible and productive.
Information technology	The way information flows through the organization affects work processes and outcomes, so knowing organization theory can help IT specialists identify, understand and serve the organization's informational needs as they design and promote the use of their information systems.
Operations	Value chain management has created a need for operations managers to interconnect their organizing processes with those of suppliers, distributors and customers; organization theory not only supports the technical aspects of operations and systems integration, but explains their socio-cultural aspects as well.
Human resources	Nearly everything HR specialists do from recruiting to compensation has organizational ramifications and hence benefits from knowledge provided by organization theory; organizational development and change are particularly important elements of HR that demand deep knowledge of organizations and organizing, and organization theory can provide content for executive training programs.
Communication	Corporate communication specialists must understand the interpretive processes of organizational stakeholders and need to address the many ways in which different parts of the organization interact with each other and the environment, in order to design communication systems that are effective or to diagnose ways existing systems are misaligned with the organization's needs.

Man is intent on describing himself into a web of collectivized patterns. ``Modern man has learned to accommodate himself to a world increasingly organized. The trend toward ever more explicit and consciously drawn relationships is profound and sweeping; it is marked by depth no less than by extension.`` This comment by Seidenberg summarizes the influence of organization in many shapes of human activity.

Some of the reasons for hectic organizational activity are found in the main transitions which revolutionized our society, shifting it from a rural culture, to a culture based on technology, industry, and the city. From these shifts, a way of life occurred and characterized by the proximity and dependency of people on each other. Proximity and dependency, as conditions of social life, harbor the threats of human conflict, capricious antisocial behavior, instability of human relationships, and uncertainty about the nature of the social structure with its concomitant roles.

Of course, these threats to social integrity are still exist to some degree in all societies, ranging from the primitive to the modern. But, these threats become serious when the harmonious functioning of a society acts upon the maintenance of a highly intricate, delicately balanced shape of human collaboration. The civilization we have generated depends on the preservation of a precarious balance. Hence, disrupting forces impinging on this shaky form of collaboration must be prohibited or minimized.

Traditionally organization is seen as a intermediary for accomplishing goals and objectives. While this approach is nifty, it tends to obscure the inner workings and internal aims of organization itself. Another fruitful way of behaving organization is as a mechanism having the ultimate aim of offsetting those forces which undermine human collaboration. In this approach, organization sloping towards to minimize conflict, and to lessen the meaning of individual behavior which deviates from values that the organization has established as worthwhile. Further, organization increases stability in human relationships by decreasing uncertainty regarding the nature of the system's structure and the human roles which are inherent to it. Parallel to this point, organization enhances the predictability of human action, because it limits the number of behavioral alternatives available to an individual. (Scott, 1961)

Furthermore, organization has built-in safeguards. Besides prescribing acceptable shapes of behavior for those who elect to submit to it, organization is also capable to counterbalance the effects of human action which transcends its established ways. Few segments of society have engaged in organizing more strongly than business. The reason is clear. Business depends on what organization offers. Business requires a system of relationships among functions' it requires stability, continuity, and predictability in its internal activities and external contacts. Business also appears to need harmonious relationships between the people and processes which creates it. In other words, a business organization has to be free, relatively, from destructive tendencies which may be caused by divergent interests. (Scott, 1961)

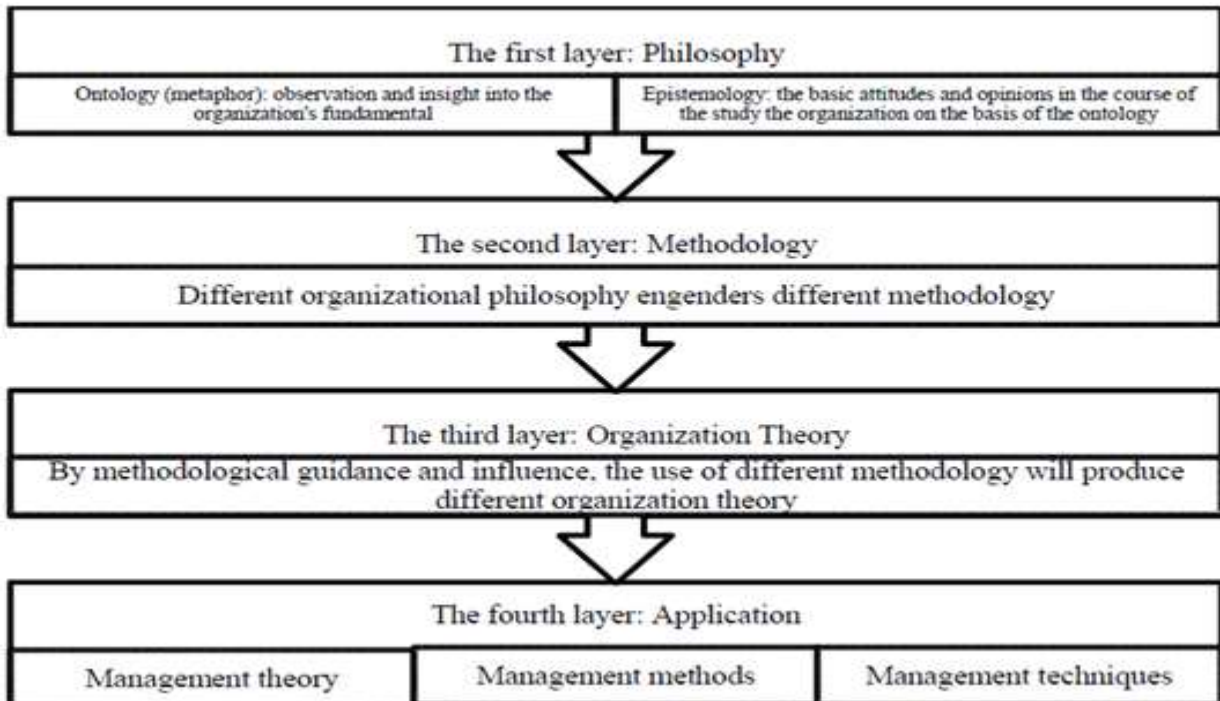
As a main principle for meeting these needs build upon administrative science. A major element of this science is organization theory, which gathers the grounds for management activities in a various number of crucial areas of business endeavor. Organization theory, however, is not a homogeneous science based on generally accepted principles. Different theories of organization have been, are being evolved and continued to be evolving. (Ibid.)

If it is needed to give detailed definition of organization and organization theory; there are various definitions. To start with organizations, organizations are universal phenomena in human social and were explained by March and Simon (1958) as a systems of coordinated action among individuals who differ in the dimensions of interests, preferences and knowledge. Who holding the same philosophy included Arrow (1974), Mintzberg (1979), et cetera. Organizations exist when people interact with one another to implement essential (Daft,2007), they are social units of people with recognizable boundary to reach certain goals (Robbins,1990). Organizations are the unities composed of mental activities of member with same goals and technologies and operate in the clear relationship mode (Liu,2007). On rational, natural, and open system perspectives, there are various emphasis in the definitions of organizations. The rational perspective sees an organization with tool which is designed to meet the pre-defined goals; the natural perspective underlines that an organization is a group; and the open system perspective concentrates on that an organization as a self-regulation system and an open system, exchanging with its external environment.

Organization theories comes from organization practices and in turn serve practices. Nicholson explains them as ``a series of academic viewpoints which attempt to explain the multiplicities of organizational structure and operating process (Nicholson, 1995).`` In other words, organization theories are knowledge systems which study and explain organizational structure, function and operation and organizational group behavior and individual behavior (Zhu, 1999).

Complete organization science should include 4 layers: philosophy, methodology, theory and

application, and organization theory takes place on the third layer, under the direction of methodology, it builds various management theories, management methods and management techniques by management practices. The relationship of them shows as the following figure:



Furthermore, science of management is a process arise of which goes back to Sumerians (5000, BC) and which experiences its maturation phase with Taylor, Fayol and Weber, going to exist up to present with modern management methods and principles such as, Total Quality Management, Process Management and it is a theory that will never complete its development. On the contrary, to developments and changes in world economy and industry during years before First World War, especially fast economic growth breaking out in the USA, production techniques used being far away from science interested some scientists. With Industry Revolution happening at the end of 18th c., human abilities, skills and energy were replaced with machines, small scaled employers who couldn't adapt to these changes began to work as workers in enterprising implementing change; and production moved from small locations to big locations (factories). Thus came out with problems regarding management and organization structure (Celik and Dogan, 2011).

Organization is a relatively young science in comparison with the other scientific disciplines. An organization is a system of two or more persons, engaged in cooperative action, trying to reach some purpose. Organizations are bounded systems of structured social interaction featuring authority relations, communication systems, and the use of incentives. Example of organizations includes businesses, hospitals, colleges, retail stores et cetera. (Ivanko, 2013) Accounts of the growth of organizational theory usually start with Taylor and Weber, but, as Scott (1987) mentions, organizations were present in the old civilizations which goes back to Sumerians (5000, BC) and which experiences its maturation phase with Taylor, Fayol and Weber, continuing to come up to present with modern management methods and principles. The modern organization may be the most crucial innovation of the past 100 years and it is a theory which will never complete its evolution as the human being continues to exist. Organization theory comes from practice and the evolution of it depends on the evolution of

organization practice. The development of productivity causes the development of organization theory. As environments have become more complex, organizations going to be flat-structure, class stratified, network relationship, flexible and fuzzy boundary. The paradigm of organization theory has developed to the complexity one as seen below (Chunxia et. al, 2013).



Understanding how organizations work has been the focus of scientists and scholars until the early part of the 20th century. Just as organizations have evolved, so to have the theories explaining them. These theories can be divided into 9 different “schools” of thought (Shafritz, Ott, Jang, 2005): Classical Organization Theory, Neoclassical Organization Theory, Human Resource Theory, or the Organizational Behavior Perspective, Modern Structural Organization Theory, Organizational Economics Theory, Power and Politics Organization Theory, Organizational Culture Theory, Reform Though Changes in Organizational Culture and Theories of Organizations and Environments. This paper will concentrate human resource theory.

## LITERATURE REVIEW

### The Several Best Ways

In his attack on the classical school of theorists, Simon was joined by the introducers of the human relations school of organizational thinking. The foundations for their arguments were relied upon even before the war, in the report from the Hawthorne studies by Roethlisberger and Dickson (1939), but, according to Scott (1987), it was Elton Mayo who gave the most influential interpretation.

The human relations school brought together the individual and the social relations between individuals into focus. People in organizations were no longer seen only – not even mainly – as rational beings working to achieve the goals of the organization. It was found out that they were just as much driven by feelings, sentiments and their own particular interests – which could be quite different from what classical theory assumed. Furthermore, the new studies also underlined that there was an informal structure in every organization, coming from the unofficial contacts people in the organization had with each other. This informal structure could be just as important as the formal one for predicting the outcome of decision making processes – sometimes even more crucial. According to Scott (1987), there were a various main themes investigated by the different approaches within the human relations school, and most of them are still actively pursued by researchers. The most basic is the insistence on the importance of individual characteristics and behaviors in understanding organizational behavior. This easily leads to an interest in the effects of various leadership styles, as well as in the effects of race, class and cultural background. Formalization in work is strongly repudiated on the grounds that it is detrimental both to worker commitment and psychological well-being, and participative management, job enlargement or at least job rotation is prescribed.

In fact, human relations theorists have always been eager to support changes in organizations to produce what they see as more humane places to work, and claim that the less formal, more participative organization will also be the most productive. It is not unreasonable, therefore, to criticize at least the most ardent proponents of these views for prescribing “one best way” solutions just as much as the classical theorists (Mohr 1971). Mohr specifically mentions Likert, and groups him with Fayol, Gulick and Urwick in this respect. Mintzberg (1979) is especially harsh in his criticism, also referring to Likert. Scott (1987) notes that several decades of research has not been successful to substantiate most of the claims of the human relations theorists, and that they have also been criticized on ideological grounds for advocating a manipulative attitude toward workers on the part of management. With their emphasis on humans and their psychological and social properties, tools and technology were of course not a deal of great interest to the human relations theorists, except as a source of repressive formalization. However, even if we might say that they inherited a belief in optimal solutions from the classical theorists, their theories accomplished that it was human needs and qualities, and not technology, that dictated the optimal organizational forms. In other words, it was in their view possible to design and operate organizations mainly on the basis of human characteristics, and thus thwart what others viewed as technological imperatives. In Scott’s (1987) classification, the human relations school belongs to the closed, natural system model. In contrast to the rational model, the natural model does not accept that organizations are rational instruments to achieve goals. On the contrary, they are first and foremost collectives of human beings, quite like social organizations like families, neighborhoods and societies. Their rational goals are often undermined by more personal or group goals, and the chief *real* goal of any organization tends to be survival at any cost. The informal structures are seen as the most the important ones, with the formal structures as little more than a stage set. Since the concentration of the human relations theorists was clearly on the internal situation in organizations, it is not unreasonable to label them closed system theorists, although there was also some concern for the effects of worker’s organizational membership on their situation outside the organization.

**Fundamental Assumptions of Human Resource Theory:** (Shafritz, Ott, Jang, 2005).

- Organizations exist to serve human needs (not the reverse).
- Organizations and people need each other (Organizations need ideas, energy, and talent; people need careers, salaries, and work opportunities).
- When the fit between the individual and the organization is not enough adequate, one or both will suffer. Individuals will be exploited, or will seek to exploit the organization, or both.
- A good fit between individual and organization benefits both. Humans find meaningful and satisfying work, and organizations get the human talent and energy that they need.
- Behavioral scientists “focused attention on seeking to answer questions such as how organizations could and should allow and encourage their people to grow and develop”.
- “From this perspective, it is assumed that organizational creativity, flexibility, and prosperity flow naturally from employee growth and development”.
- “The essence of the relationship between organizations and people is redefined from dependence to codependence”.
- “People are considered to be as important as or more important than the organization itself” (p. 149) Focuses on “people, groups, and the relationships among them and the organizational environment”.
- “Because the organizational behavior perspective places a very high value on humans as individuals, things typically are done openly, including providing employees with information they need to make informed decisions with free will about their future .
- “The organization is not the independent variable to be manipulated in order to change behavior, even though organizations pay employees to help them achieve organizational goals. Instead, the organization must be seen as the context in which behavior occurs. It is both an independent and dependent variable. The organization influences human behavior just as behavior shapes the organization”.
- Enormous field of study with many subfields!

Most pervasive themes:

- Leadership,
- Motivation,
- Individuals in teams and groups,
- Power and influence.

## MAJOR THEORISTS AND CONTRIBUTIONS

### Elton Mayo - Hawthorne Experiments

The main scholar under this category is ``Elton Mayo``. The origin of behavioralism is the human relations movement that was a result of the Hawthorne Works Experiment carried out at the Western Electric Company, in the United States of America that started in the early 1920s (1927-32). Elton Mayo and his associates' experiments disproved Taylor's beliefs that science dictated that the highest productivity was found in 'the one best way' and that way could be gathered by controlled experiment. The Hawthorne studies tested to determine the effects of lighting on worker productivity. When these experiments showed no clear correlation between light level and productivity the experiments then started looking at other factors. These factors that were considered when Mayo was working with a group of women included rest breaks, no rest breaks, no free meals, more hours in the work-day/work-week or fewer hours in the workday/work-week. With each of these changes, productivity went up. When the women were put back to their original hours and conditions, they set a productivity record (Olum, 2004).

These experiments proved five things. First, work satisfaction and hence performance is basically not economic and relies more on working conditions and attitudes, communications, positive management response and encouragement, working environment. Second, it did not accept Taylorism and its emphasis on employee self-interest and the claimed over-riding incentive of monetary rewards. Third, large-scale experiments involving over 20,000 employees showed highly positive responses to, for instance, developments in working environments (e.g., improved lighting, new welfare/rest facilities), and expressions of thanks and encouragement as opposed to coercion from managers and supervisors. Fourth, the influence of the peer group is very high hence, the significance of informal groups within the workplace. Finally, it denounced 'rabble hypotheses' that society is a horde of unorganized individuals (acting) in a manner calculated to secure his or her self-preservation or self-interest. (Ibid.)

These results underlined that the group dynamics and social makeup of an organization were an extremely crucial force either for or against higher productivity. This outcome caused the call for greater participation for the workers, greater trust and openness in the working environment, and a greater attention to teams and groups in the work place. Finally, while Taylor's impacts were the establishment of the industrial engineering, quality control and personnel departments, the human relations movement's greatest impact came in light what the organization's leadership and personnel department were doing. The seemingly new concepts of "group dynamics", "teamwork", and organizational "social systems", all stem from Mayo's work in the mid-1920s. (Ibid.)

### Mary Parker Follett - The Giving of Orders

In this article, by Mary Parker Follett, she discusses the giving of orders and how the way in which an order is given can have an effect on how the task is accomplished, and how the person given the order feels. Follett makes the point that if an order is given and it is demanded with unquestionable obedience it is not a positive business practice. She also points out that by ordering someone to do something, a task will not necessarily be done satisfactorily. The classic method of simply giving an order and expecting it to be done is a thing of the past.

It is significant for supervisors to keep in mind that the employees that they are giving orders to have set methods of doing tasks therefore when they are told to complete a task in a manner



that is out of the ordinary for them it is not easy for them to adapt and change. People do not like change. They have beliefs, experiences, prejudices and desires that may hold them back from changing the way in which they do something. Although a supervisor may be able to reason with them on an intellectual plane the beliefs that are ingrained in them are difficult to shift. In order to change the persons thought process and beliefs one must actually change the habit patterns. Follett tells the reader that there are three things that must be done in order to alter the habit patterns of employees. These three things are build up the desired attitudes, present new ways in which these desired attitudes can be expressed, and finally expand the released response when it is being carried out. By changing the habit patterns one is able to then change how an employee reacts to an order.

Follett then follows these three things up with the idea that although habit patterns may alter, orders do not take the place of training. Training allows the employer to be better understood as well as the employee to better understand what their job description entails. Follett also brings up the point that depending on who gives the order the outcome may be not the same. In order to counter-balance this problem it is the supervisor's job to understand where the employee's beliefs are, so that they can better adapt to the task given. The issue of respect is then brought into the article and what happens when an employee feels that they have been disrespected when given an order. In this situation the desired outcome of accomplishing tasks would be destroyed because rather than completing the order the employee gathers defensive and wants nothing more to do with the task or the employer.

Follett believes that by depersonalizing the situation everyone must follow the law of the situation instead of the person giving the orders. This way the supervisor must also adapt to the task at hand and change as the task changes. This is a more scientific approach, which seems as though it could be quite successful if followed correctly. She also supports the idea that authority should be utilized however only in relation to the situation at hand. The only problem with this idea is that by depersonalizing the workplace one eliminates the persons meaning and value, which should never be done.

Moreover, giving and receiving orders is a human resource issue that should not be taken lightly since consequences of not understanding the impact of an order on an employee's work and attitude could be ineffective management if not also ruinous organizational behavior. In the essay "The Giving of Orders" published in 1926, Mary Parker Follett argues that both the employer and the employee should study the situation and discover the law of the situation. Both employer and employee should obey the law of the situation. Employers should avoid acting as if the employee is "under" the employer. The attitude of the employee, previous behavior, the education and training, the circumstances and environment of the work situation need to be carefully considered before so-called "orders" are given. Orders should be depersonalized. Rather than delivering orders from on high, employers would do better to have face-to-face conversation that looks at the situation, and then both employer and employee should accept to "take their orders from the situation."

Follett says that no one likes to be bossed; one feels a lack of self-respect, becomes defensive, and acts angry or sullen. The wrong mindset is created in the employee and the result is likely to be the wrong behavior. Follett says that, "One person should not give orders to another person, but instead managers should concentrate on "how to devise methods by which we can best discover the order integral to a particular situation. The manager's authority should be an exercise of the "authority of the situation." The manager should create in himself the suitable mindset and attitude; this work must be done in advance of the situations that will arise

necessitating orders. Managers must consider, within themselves, the "attitude required for cooperative study and decision."

Follett discusses other aspects of human behavior that influence the giving of orders. Because people have a wish to direct their own lives, they usually resent the order itself. People feel a fundamental need to self-assert. "No one likes to be under the will of another". Even the issue of pride in one's work can be optimized, according to Follett, not by orders that may conflict with one's expertise or sense of self-worth, but by "joint study of the situation." Proper regard is given to the worker who takes pride by allowing shared decision-making and input rather than ordering. Allowing the worker to get into in the process of work increases the responsibility that the worker will feel for the situation. Managers must unify the work order to the responsibility of the situation by allowing the order to serve as a symbol of an agreed upon course of action. Follett recognizes that work situations are changing and must be understood as such so that orders may keep up with the evolving circumstances of work.

Managers must develop a "conscious attitude toward experience," always aware that the changing work situation, environment, level of training and expertise, necessitating an awareness of the change that the "developing situation makes in ourselves." Managers must know that the "situation does not change without changing us." Though writing seventy-five years ago, Follett calls upon managers to develop themselves." (Follett, 1996)

### **Abraham Harold Maslow - A Theory of Human Motivation**

Maslow's hierarchy of needs is a theory in psychology originated by Abraham Maslow in his 1943 paper "A Theory of Human Motivation". Maslow consequently extended the idea to include his observations of humans' innate curiosity, over the years researches and authors has tend to criticizes the theory as being irrelevant in most part of the world for is western in nature contrary to such assertion, Maslow's hierarchy of needs theory continues to be relevant in every sector of our business today as its best analyzes below Maslow's hierarchy of needs where the lower order needs (physiological and safety needs) may be linked to organizational culture. Every new organization passes through this lower order stage in which they struggle with their basic survival needs. At the third level of the Maslow's hierarchy, social needs would correspond to the formation of organized roles within the organization into distinct units, depicting the human resource management function which resonates due to tone set by organizational culture. The positive interaction of organizational culture and human resource management would result in self-esteem and self-actualization. This is shown via the employees' performance which showcases the strength and reliability of their organization in the face of competitors. It also accomplishes that the organization via its employees has excelled and met their objectives, mission and vision statement.



The different levels of needs on Maslow's hierarchy are discussed as follows:

- **Physiological needs:** ``These are biological needs which consist of the need for oxygen, food, water, and a relatively constant body temperature. They are the strongest needs because if a person were deprived of all needs, it is these physiological ones that would come first in the person's search for satisfaction``.
- **Safety needs:** ``When all physiological needs are met and are no longer controlling thoughts and behaviors, the needs for security can become active. While adults have little awareness of their security needs except in times of emergency or periods of disorganization in the social structure (such as widespread rioting), children often display the signs of insecurity and the need to be safe``.
- **Needs for love, affection and belongingness:** ``When the needs for safety and for physiological well-being are satisfied, the next class of needs for love, affection and belongingness can emerge. Maslow states that people seek to overcome feelings of loneliness and alienation. This involves both giving and receiving love, affection and the sense of belonging``.
- **Needs for esteem:** ``When the first three classes of needs are satisfied, the needs for esteem can become dominant. These involve needs for both self-esteem and for the esteem a person gets from others. Humans have a need for a stable, firmly based, high level of self-respect, and respect from others. When these needs are satisfied, the person feels self-confident and valuable as a person in the world. When these needs are frustrated, the person feels inferior, weak, helpless and worthless``.
- **Needs for self-actualization:** ``When all of the foregoing needs are satisfied, then and only then are the needs for self-actualization activated. Maslow describes self-actualization as a person's need to be and do that which the person was "born to do." "A musician must make music, an artist must paint, and a poet must write." These needs make themselves felt in signs of restlessness. The person feels on edge, tense, lacking something, in short, restless. If a person is hungry, unsafe, not loved or accepted, or lacking self-esteem, it is very easy to know what the person is restless about. However, it is not always clear what a person wants when there is a need for self-actualization.

The aforementioned theory may be applied to the roles of organizational cultural and human resource management in improving employee's performance despite some criticism or limitations of the theory. While some research has shown support for Maslow's theory, others have not been able to substantiate the idea of a needs hierarchy that is considered to be influenced by Western culture, and thus cannot apply to all scenarios'' (Richard, 2000).

### **McGregor - The Human Side of Enterprise**

Douglas McGregor found out the labels Theory X and Theory Y to capture two views of human motivation. The Theory X view accepts that employees must be monitored and controlled. The Theory Y view assumes that employees work hard to implement crucial social and personal needs. McGregor argued that the assumptions managers make about motivation can become self-fulfilling.

In a 1957 article and 1960 book entitled *The Human Side of Enterprise*, Douglas M. McGregor explained a basic tension in how managers and business scholars view the motivation of employees: Are they lazy, driven by money, needing to be tightly controlled and monitored? Or are they engaged, committed and interested in fulfilling themselves via work by contributing to their firm and society? McGregor argued that a good deal of managerial practice was based on the former view, which he labeled as 'Theory X'. The assumptions of Theory X were that management is responsible for organizing and directing work, and 'without this active intervention by management, people would be not active even resistant to organizational needs''. He underlined that less explicit assumptions tended to underlie Theory X: 'the average man is by nature indolent . . . he lacks ambition, dislikes responsibility . . . and is inherently self-centered''. (Larrick and Feiler, 2013)

These assumptions make managers to create rigid structures of evaluation, pay and control to manage 'indolent' workers. McGregor went on to argue, however, that money and job security are only the most basic needs. Drawing on earlier ideas developed by Abraham Maslow, McGregor argued that once basic needs have been fulfilled at work, employees crave to fulfill higher-order needs: to be agreed by others, to be independent and implement things, to be creative. This latter view he described as the Theory Y view. A central theme in his writing was that 'employees can often achieve higher levels of productivity when they are treated as responsible contributors to an organization rather than shirkers in need of prodding''.

McGregor pointed out to contemporary trends in management decentralization and delegation, job enlargement and participation as evidence that the Theory Y view had a developing presence in organizations, and his ideas anticipated a great deal of management theory and practice in the ensuing decades. Modern theories of job design (Hackman and Oldham, 1976), intrinsic motivation (Deci and Ryan, 1985) and organizational justice, especially procedural and interactional fairness (Lind and Tyler, 1988), are heirs of this view. The recent interest in adding psychology to economics in the new subfield 'behavioral economics' can be viewed as a Theory Y correction of a Theory X view. (Ibid.)

Management thinking tends to go via cycles, with the tenor of theories changing from one emphasis to another (Abrahamson and Eisenman, 2008), and Theory X and Theory Y capture a key dimension along which perspective shifts. This raises an interesting question of which perspective is true. Although subsequent researchers sometimes took one side or the other in their theorizing, main insight in McGregor's work was not a claim about the truth of each view

(although he believed in the assumptions of Theory Y), but that the unexamined assumptions of Theory X easily become self-fulfilling (Heath, 1999). McGregor noted ) that ‘human behavior in industrial organization today’ corresponds to Theory X, but ‘this behavior is not a consequence of man’s inherent nature’. It is a consequence of ‘management philosophy, policy, and practice’, leading workers to behave exactly as predicted – with indolence and passivity. By acting on their pessimistic assumptions, managers evoke the behaviors they expect and arbitrarily confirm their initial pessimism. He concludes that ‘it would seem that we are caught in a web of our own weaving’. This theme is an enduring contribution of McGregor’s work, and is reflected in a vibrant stream of current work showing the limitations of a purely Theory X perspective on employee behavior (Ferraro, Pfeffer and Sutton, 2005; Markle, 2011). Because McGregor did not point out a specific theory of motivation but a summary of competing perspectives on motivation, his work did not generate directly testable hypotheses. Nevertheless, his proposal captured basic truths that will endure in organizations and will underpin future management research: employees are motivated by a range of interests; a focus on money and control ignores important motivations; and the assumptions that managers and scholars make about employee motivation can consequently be self-reinforcing. (Ibid.)

### **Irving Janis - Groupthink: The Desperate Drive for Consensus at Any Cost**

Irving Janis introduced the theory of groupthink in his classic study of Victims of Groupthink at 1972. He tried to determine why groups, often consisting of individuals with exceptional intellect and talent, made irrational decisions. He summed up that groups often experienced groupthink, a mode of thinking that people engage in when they are deeply involved in a cohesive group, when the members striving for unanimity override their motivation to realistically appraise alternative courses of action. His major proposition was groups that showed groupthink symptoms were more likely to produce poor decision outcomes. His first works relied upon an explosion of research into how group behaviors, biases, and pressures affect group decision-making.

Groupthink is a broadly used theory in social psychology, organizational theory, group decision-making sciences, and management fields. Groupthink, a term coined by social psychologist Irving Janis (1972), exists when a group makes faulty decisions because group pressures lead to a deterioration of —mental efficiency, reality testing, and moral judgment. Groups affected by groupthink do not take into account alternatives and laid to take irrational actions that dehumanize other groups. Groupthink is a psychological phenomenon that exists within a group of people, in which the desire for harmony or conformity in the group results in an incorrect or deviant decision-making outcome. Group members try to minimize conflict and reach a consensus decision without critical evaluation of alternative ideas or viewpoints, and by isolating themselves from outside influences. Research into the phenomenon of groupthink is a fundamental area of study that takes into account understanding how group processes influence the making of decisions. This includes the analysis of the conditions under which miscalculations; faulty information processing, inadequate surveys of alternatives, and other potentially avoided errors are most probable.

Groupthink has not yet been fully analyzed in temporary organizations but it has been discovered to contribute to similar disasters (Janis, 1982). More importantly, although central to the initial model of groupthink, provocative situational contexts have been neglected in the analysis (Chapman, 2006). Essentially, the question is whether the structure of organization shows features of groupthink. However, it is significant to note that cohesiveness is a adequate

but insufficient condition for groupthink to pervade a decision-making group. Janis postulated a number of secondary conditions necessary for groupthink to occur. Some of these secondary conditions related to the structural or administrative faults of the organization. These include:

- Insulation of the group;
- Leader preference for a certain decision;
- Lack of norms requiring methodical procedures;
- Homogeneity of members' social background and ideology.

## **STRENGTHS AND WEAKNESSES OF THE HUMAN RESOURCE THEORY**

**Strengths:** (Shafritz, Ott, Jang, 2005).

- ``Helped address issues of leadership, motivation, teamwork, workplace environment, effects of power and influence, and other related topics``.
- ``Expanded the definition and role of leadership, and its effects``.
- ``Stressed the importance of relationships, cohesiveness, and interdependency``.
- ``Theory is centered on "fit" between individual and organization, employee development, and the resulting benefits to both agency and employee``.
- ``It is an optimistic theory, not focused on conflict between individuals and organizations (as other theories often do)``.
- ``The Hawthorne Effect helped shed light on employee productivity``.
- ``Theories X and Y added a new lens for behavioral studies``.

**Weaknesses:** (Shafritz, Ott, Jang, 2005).

- ``Perhaps places too much importance on consideration for the employee``.
- ``Considers productivity through the lens of employee behavior, not the other way around``.
- ``Critics claim some aspects, including Maslow's contributions, are not supported empirically and "oversimplifies the complex structure of human needs and motivations"``.

## **DISCUSSION AND CONCLUSION**

The classical approaches to organizations has been interested with both reflected and contributed to building a powerful and influential edifice. This edifice presents it as self-evident that we live in an organizational world and furthermore an organizational world of a particular, managerial sort. The significance of this is not, primarily, the rise of an elite group of managers

but rather the rise of a managerial apprehension of the organizational world. Because such a view is relatively detached from the fate of managers as an occupational group, an increasing accent upon self-management relies upon this managerial apprehension even when it also dangers the position of managers as such.

It is so normal when studying organizations as part of a management degree to understand things like bureaucratic theory, scientific management, human relations theory and management generally as wholly unproblematic. That is, to take the managerial representation of the organizational world as if it is the only representation (as if, in fact, it is simply reality). First and foremost, it excludes the way that it is a construction. Related to that, it also fails to understand how organization theory is part and parcel of a particular philosophical and historical context. And related to this, it fails to acknowledge the ways that organization theory gathers a technical and ideological legitimating of management, rather than simply the analysis of organizational life it purports to be. Finally, by a relentless focus on a one-sided picture of instrumental rationality and control whether overtly or, as with human relations approaches, covertly it fails to understand the severe limitations, both in principle and practice of this picture.

The whole tenor of the human relations approach is bound up with the idea of people management. So much so, that nowadays management courses always fall into three kinds of components. One is interested with, precisely, people and is found in modules on organizations, human resource management or some variant of these. Another is concerned with management 'science' – operations, technology and so on. A third straddles the first two, for example, strategy or marketing. The second kind of module addresses 'people' by ignoring them in favor of some fantasy about organizations in which human beings are just removed. The third kind of module usually adopts some quasi-economic model of people as, for example, rational consumers. The first, which treats human beings as a recalcitrant but potentially manageable resource – the human resource as we point out nowadays. The fact that to do so entails both an impoverished view of people and an at best optimistic and at worse immoral view of management has hardly dented the enthusiasm with which 'people management' has come to occupy a central place in the contemporary study, and practice, of organizations.

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