Human Relations Theory

Introduction

The Human Relations Theory of organization came into existence in 1930s as a reaction to the classical approach to organizational analysis. This is because the classical theorists neglected the human factor in the organization. The Classical theorists took a mechanical view of organization and underemphasized the socio-psychological aspects of individual’s behaviour in organization. It is this critical failure of the classical theory that gave birth to the human relations approach. Human relations theory is also known by various names like Humanistic Theory, Neoclassical Theory, etc. Elton Mayo, an American Sociologist is the founder of the Human Relations Theory. The other writers who contributed to the growth of this theory are William Dickson, North Whitehead, W. Lloyd, and L. J. Henderson, among many others. The Hawthorne Experiment (1924-1932) conducted in the Western Electric Company at Hawthorne near Chicago by the Harvard Business School under the leadership of Elton Mayo formed the basis for the rise of the Human Relations Theory of Organization.

Features

Human Relations Theory has three elements or features. They are, the Individual, the Informal Organization, and Participative Management.

- **The Individual**: The Theory recognizes the importance of emotions and perceptions of individuals. It holds the view that the level of workers’ production and organizational output is determined by the human relations at work and not so much by the physical and economic conditions of work.

- **Informal Organizations**: The Human Relations Theory emphasizes the informal organizations. According to Hicks and Gullet, “The informal shadow organization that exists within the structure of the formal organization is emphasized. Attention is focused on the social aspects of man whose overriding need is seen as a desire to belong, to be accepted by and stand well in his work group.”

- **Participative Management**: Human Relations Theory advocates the style of participative management. In other words, the manager should consult the work groups and their informal leaders before introducing a change of programme. This participative management is meritorious because it permits the workers to influence the decisions that affect them, develops a sense of participation in the group, makes the working environment more pleasant, prevents the alienation of workers from the management, facilitates the acceptance of organizational goals by the workers, and above all, results in higher productivity.

Critical Appraisal

Human Relations Theory has a landmark contribution to the evolution of administrative thought. Its significance lies in discovering and emphasizing the informal organizations and facilitates teamwork and collaboration. However, it is also not an unmixed blessing. Some important limitations of and criticisms against this theory have been summed up below:

- Loren Baritz has criticized the Human Relations Theory as being pro-management and anti-unionist. The United Auto Workers have labeled the Human Relation Theorists as ‘Cow Sociologists’.

- Bendics and Fisher said that Elton Mayo failed to define sharply the ethical presuppositions of his scientific work.

- Amitai Etzioni remarked that human relations theorists tend to devote much attention informal relations among workers and between workers and supervisors, but little to the formal ones. This is a severe limitation of the theory.

- It is also pointed out that the Human Relations Theory could not explore the multi-dimensional phenomenon of human motivations completely.

- Finally, Marxists say that Mayoism is a new technique to exploit workers as it has de-emphasized the economic factors in an organization.
Behavioral Management Theory

As management research continued in the 20th century, questions began to come up regarding the interactions and motivations of the individual within organizations. Management principles developed during the classical period were simply not useful in dealing with many management situations and could not explain the behavior of individual employees. In short, classical theory ignored employee motivation and behavior. As a result, the behavioral school was a natural outgrowth of this revolutionary management experiment.

The behavioral management theory is often called the human relations movement because it addresses the human dimension of work. Behavioral theorists believed that a better understanding of human behavior at work, such as motivation, conflict, expectations, and group dynamics, improved productivity.

The theorists who contributed to this school viewed employees as individuals, resources, and assets to be developed and worked with — not as machines, as in the past. Several individuals and experiments contributed to this theory.

Elton Mayo’s contributions came as part of the Hawthorne studies, a series of experiments that rigorously applied classical management theory only to reveal its shortcomings. The Hawthorne experiments consisted of two studies conducted at the Hawthorne Works of the Western Electric Company in Chicago from 1924 to 1932. The first study was conducted by a group of engineers seeking to determine the relationship of lighting levels to worker productivity. Surprisingly enough, they discovered that worker productivity increased as the lighting levels decreased — that is, until the employees were unable to see what they were doing, after which performance naturally declined.

A few years later, a second group of experiments began. Harvard researchers Mayo and F. J. Roethlisberger supervised a group of five women in a bank wiring room. They gave the women special privileges, such as the right to leave their workstations without permission, take rest periods, enjoy free lunches, and have variations in pay levels and workdays. This experiment also resulted in significantly increased rates of productivity.
In this case, Mayo and Roethlisberger concluded that the increase in productivity resulted from the supervisory arrangement rather than the changes in lighting or other associated worker benefits. Because the experimenters became the primary supervisors of the employees, the intense interest they displayed for the workers was the basis for the increased motivation and resulting productivity. Essentially, the experimenters became a part of the study and influenced its outcome. This is the origin of the term *Hawthorne effect*, which describes the special attention researchers give to a study's subjects and the impact that attention has on the study's findings.

The general conclusion from the Hawthorne studies was that human relations and the social needs of workers are crucial aspects of business management. This principle of human motivation helped revolutionize theories and practices of management.

**Abraham Maslow**, a practicing psychologist, developed one of the most widely recognized need theories, a theory of motivation based upon a consideration of human needs. His theory of human needs had three assumptions:

- Human needs are never completely satisfied.
- Human behavior is purposeful and is motivated by the need for satisfaction.
- Needs can be classified according to a hierarchical structure of importance, from the lowest to highest.

Maslow broke down the needs hierarchy into five specific areas:

- **Physiological needs.** Maslow grouped all physical needs necessary for maintaining basic human well-being, such as food and drink, into this category. After the need is satisfied, however, it is no longer a motivator.

- **Safety needs.** These needs include the need for basic security, stability, protection, and freedom from fear. A normal state exists for an individual to have all these needs generally satisfied. Otherwise, they become primary motivators.

- **Belonging and love needs.** After the physical and safety needs are satisfied and are no longer motivators, the need for belonging and love emerges as a primary motivator. The individual strives to establish meaningful relationships with significant others.

- **Esteem needs.** An individual must develop self-confidence and wants to achieve status, reputation, fame, and glory.

- **Self-actualization needs.** Assuming that all the previous needs in the hierarchy are satisfied, an individual feels a need to find himself.

Maslow's hierarchy of needs theory helped managers visualize employee motivation.

**Douglas McGregor** was heavily influenced by both the Hawthorne studies and Maslow. He believed that two basic kinds of managers exist. One type, the Theory X manager, has a negative view of employees and assumes that they are lazy, untrustworthy, and incapable of assuming responsibility.
On the other hand, the Theory Y manager assumes that employees are not only trustworthy and capable of assuming responsibility, but also have high levels of motivation.

An important aspect of McGregor's idea was his belief that managers who hold either set of assumptions can create **self-fulfilling prophecies** — that through their behavior, these managers create situations where subordinates act in ways that confirm the manager's original expectations.

As a group, these theorists discovered that people worked for inner satisfaction and not materialistic rewards, shifting the focus to the role of individuals in an organization's performance.

Despite these limitations, it needs to be taken in to account that the Human Relations Theory not only brought about a revolution in organizational analysis but also contributed significantly to the history of administrative thought as well. Even today, organizations stress on interpersonal relations as tools of improving the productivity of workers in organizations.

**Behavioral Organizational Theories**

by Wayne Smith, Demand Media

Organization theories seek to explain how humans behave in organizations.

organic network image by Dumitrescu Ciprian from Fotolia.com

The Industrial Revolution gave rise to increasing specialization and division of labor. At the same time, it spawned new forms of human organization. Research into how humans behave in organizations has revealed that there are hard and soft dimensions to organizational performance, and that the quality of organizational outputs is in no small measure dependent on the quality of the work force and how effectively it is utilized.
Scientific Leadership

This early theory of organizational behavior focused on how jobs could be done more efficiently. The first task in scientific leadership was to determine the objectives of the organization. Next, performance standards were defined to replace the older rules of thumb. Workers were assigned to specialties, and managers believe that there was “one best way” to perform any given job, as determined by time and motion studies. Once the optimum method was determined, a standard time for job performance could be defined. Organizations then selected workers based on their fit to these new job requirements and trained them in the standard work methods. Managers carefully planned work to optimize the new processes and methods. Scientific Leadership required little thought on the part of the workers.

Human Relations Approach

This approach was developed after a lengthy study of the Hawthorne plant of the Western Electric Company by a team of Harvard researchers. Although they had intended to study the effects of varying levels of plant illumination on worker productivity, the researchers soon concluded that significant human factors were also at work. The mere act of studying the workers produced an increase in productivity known as the “Hawthorne Effect.” These studies identified formal and informal organizations, and determined that group norms exert significant impact on worker performance.

Decision-Making Approach

The decision-making approach focuses on the importance of decision making, which is a defined as a compromise between goal-oriented behavior and behavior that does not optimize goal achievement. Decision makers are bound by restrictions in the environment and often “satisfice”, choosing alternatives that meet only their minimum criteria for success rather than seeking an optimal solution.

Neo Human Relations School

The Neo-Human Relations School focuses on the structures of modern organizations. It gave rise to several famous theories, including Maslow’s Hierarchy of Needs, which suggests that workers are motivated to satisfy basic needs at five levels: physiological, safety, love, esteem and self-actualization. This school of thought also includes Theory X and Theory Y. Under Theory X, leaders must direct worker behavior and allocate rewards based on meeting organizational needs. Otherwise, workers will be passive or resistant. Theory Y, on the other hand, assumes that people are capable of assuming responsibility in the workplace, and that the job of leadership is to facilitate the achievement of individual worker goals through the achievement of organizational goals.

Systems Approach

The systems approach measures organizational behavior as a function of input, processes within the system and output. A feedback loop allows modifications in the system when necessary. Subsystems that drive processing within the system include management, which coordinates the entire system, maintenance, such as clerical support, finance and human resources; boundary spanning elements, such as purchasing and sales; production, including manufacturing; and adaptive capacities, such as R&D, which is responsible for innovation.

Human Relations Management Theory

Using human relations theory to motivate employees to excellence

By Jeanne Dininni, Writer, Editor, Blogger, Notary Public

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The human relations school of management has been around for quite some time, enjoying fairly wide acceptance. And while, even today not every company or manager embraces this management model, there's little doubt that it has changed overall management practice for the better.

Often referred to as motivational theory, human relations management theory views the employee differently than the more autocratic management theories of the past. Based on Douglas McGregor's X and Y Theories, HR management theory (Theory Y), assumes that people want to work, that they're responsible and self-motivated, that they want to succeed and that they understand their own position in the company hierarchy. This is the exact opposite of Theory X, which presumes that employees are lazy and unmotivated, that they seek nothing more from their jobs than security and that they require discipline from without. In short, human relations theory, rather than viewing the worker as merely one more cog in the company wheel, asserts that the organization will prosper as it helps the employee prosper. According to human relations management theory, some positive management actions that lead to employee motivation and improved performance are these:

1. Treating employees as if work is as natural as play or rest, just as motivational theory states
2. Sharing the big-picture objectives toward which their work is aimed
3. Empowering them to innovate and make as many independent decisions as they can handle
4. Training and developing them, increasing freedom and responsibility as their capabilities grow
5. Providing appropriate recognition and rewards when they achieve company goals
6. Using any other helpful theories of human relations that will keep them motivated toward excellence

Learn all you can about human relations in business as it relates to human resource theory

Various types of courses are available in the different areas of employee management theory. Some are offered online and some at numerous seminar locations, some may be brought to your site and still others are combinations of the above methods which are known as blended learning. Try: The AMA (American Management Association) offers numerous on-location Management and Supervisory Skills seminars. The organization also offers self-study courses in Managerial Skills. Blended learning is a third option that AMA offers to help you find the human relations management program that works best for you. ACCEL Team also provides an online Supervisor's Guide to Employee Motivation, which leads you step-by-step through the various practical applications of the best theories of human relations in business.

Acquire the HR tools and resources necessary to develop, empower and reward employees

When it comes to human resources, theory isn't enough. And though your positive attitude and supportive management style will be important, you'll also benefit from a few tools and other resources that have been designed to make your job easier. Try: AMA offers a helpful e-newsletter which guides managers in employee training and development. OnlineOrganizing.com provides a helpful Delegation Checklist that makes it easier for you to effectively delegate tasks, while motivating and empowering employees and increasing their level of accountability at the same time. RewardsNation software can also simplify the rewards process through automation, making employee accomplishments easier to track.
Seek guidance as you incorporate human relations management theory into your company's program

The personal touch of a consultant, coach, or trainer can go a long way toward helping you put the human relations theory of management to work at your business.

Try: Liebowitz & Associates offers consulting and leadership training services in management and other areas. They also have programs customized for family-owned businesses (FOBs). The Winning Edge offers life and business coaching, helping you integrate the two spheres and fulfill your desire to implement human resources theory as part of your business strategy. Mike Stewart, of Sales Dynamics, also offers management training and executive coaching, along with other types of training for sales teams.

- As you implement your new HR management theory and begin testing the tools and resources you've chosen to make your job easier, always remember that your key human relations asset is you. Whatever other support methods you use, ultimately it will be your own supportive interaction with your employees that will make the greatest difference.