

**Organization Management**  
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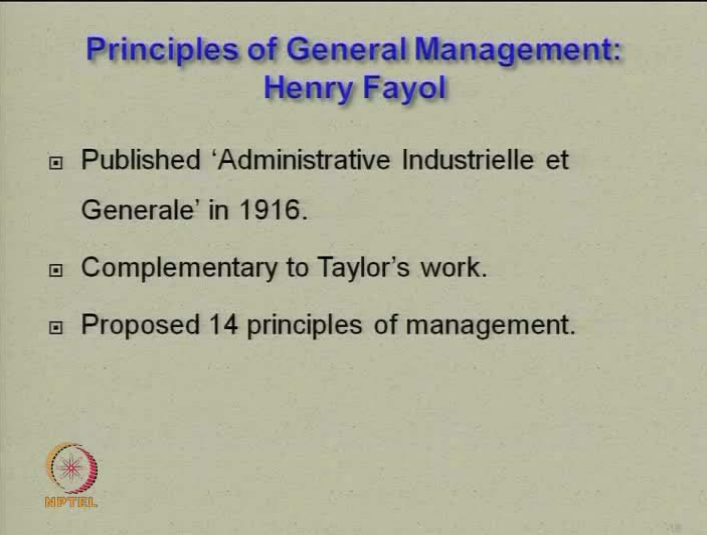
**Module No. # 01**

**Lecture No. # 06**

**Theories and Major Schools of Thoughts and Framework of Organization Analysis**  
**(Contd.)**


The general principles of management were propounded by Henry Fayol. It was first published as administrative Industrielle et Generale in 1916.

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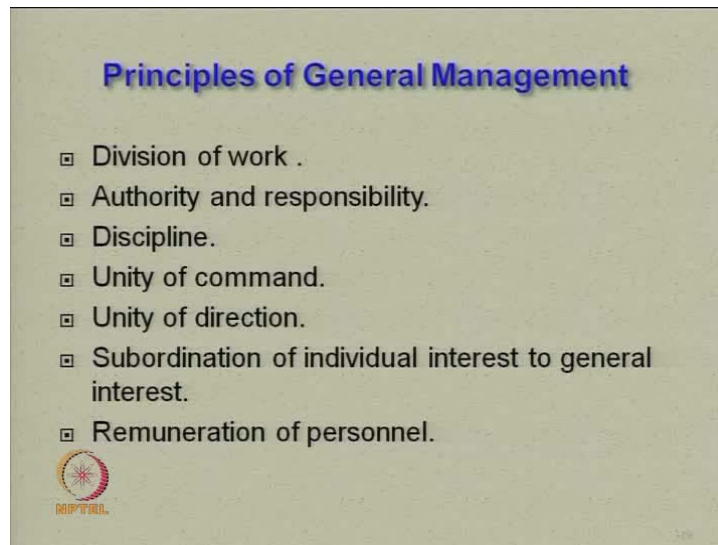


**Principles of General Management:**  
**Henry Fayol**

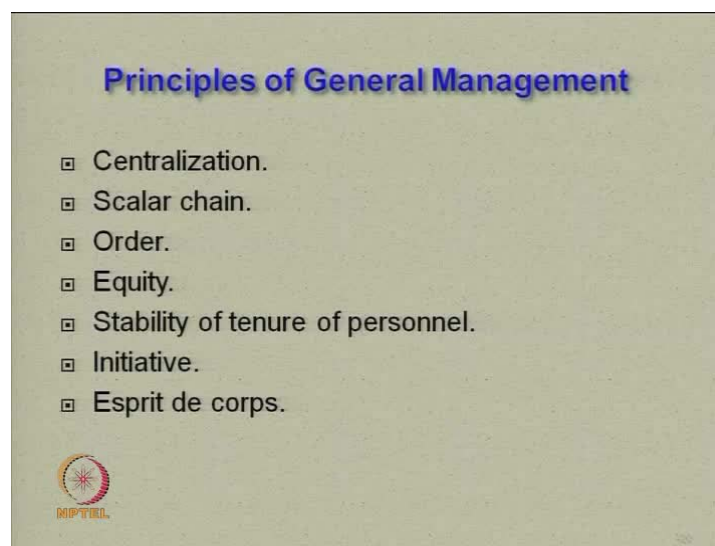
- ▣ Published 'Administrative Industrielle et Generale' in 1916.
- ▣ Complementary to Taylor's work.
- ▣ Proposed 14 principles of management.

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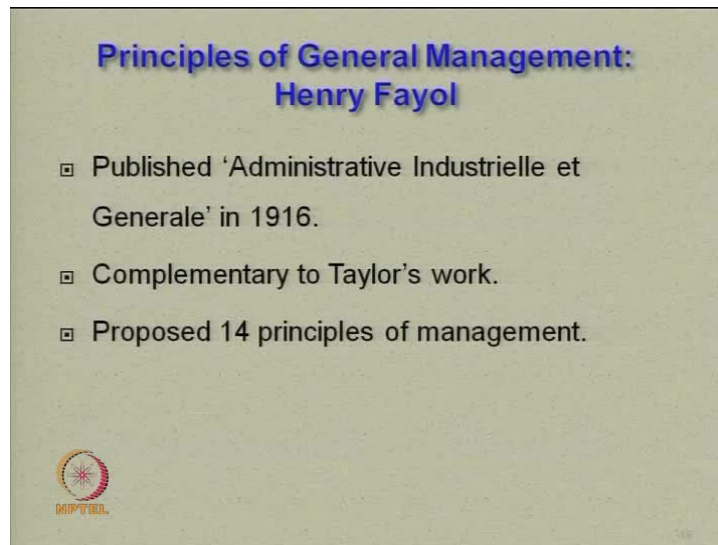


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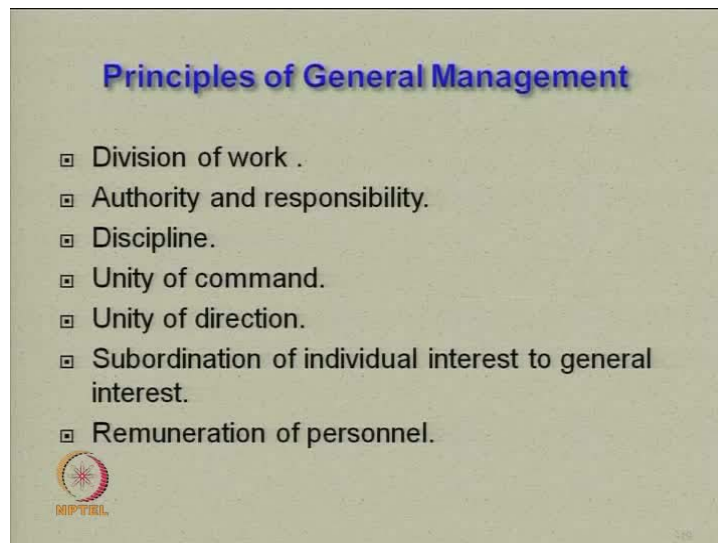
It was complimentary to Taylor's work; it proposed 14 principles of management; Division of work, authority and responsibility, discipline, unity of command, unity of direction, subordination of individual interest to general interest, remuneration of personnel, centralization, scalar chain, order, equity, stability of tenure of personnel and initiative and esprit de corps.

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Even today these 14 principles constitute a large component of what would be the basics of management. Even though the general management theory and general management principles may not be the latest their contribution to understanding management thought is central.

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Division of work is rooted on a very simple principle; every work cannot be done by everyone, because it requires different skills.

This is not the same thing as specialization, please get this very clear. By doing three courses, you do not become a specialist in finance; you have just done three more courses period. You should be careful in using everyday language for scientific expressions. You may call it as specialization in everyday language, scientifically it is not a specialization, but it does recognize that in an organization, if you have to work together, you will need different types of skills for different types of tasks and different types of training, therefore it is the principle of general management.

Authority and responsibility, nothing will work till there is a line of command. Somebody must have the authority to give valid orders which is why later on you will find that there is this caption of order. Order there means, a principle organization which creates orderliness which creates some kind of a semblance of a system which creates a relationship between one unit and another that is what is the meaning of order.

I have run down these three areas, I do not have to explain each one of them, because several of them are self-evident, but unity of command is a theory which is now variously questioned but when Henry Fayol talked of it, it meant that you cannot have two leaders.

We live in a need today where very often there is duality of reporting pattern. You have one superior who is your administrative superior and there is another superior who is your referent superior to whom you go for specialized knowledge.

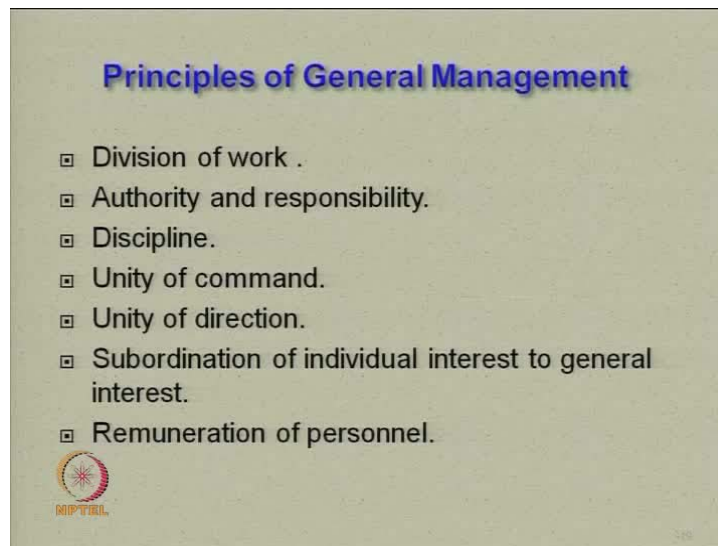
The administrative superior grants you leave, he is administratively responsible for your conduct, but your referent superior will give you the answer to the problems which you have at hand - specially the technical problems. It has the unity of direction, you cannot have different people in the organization, pulling in different directions. Subordination of individual's interest to general interest, this is a very common principle of organization management. The collective interest is always larger than the individual interest that is the principle. The collective interest being what is for the common good.

Now, this again goes back to the social contractualist theory. Remember, Rousseau talked of general will, general will meaning is, what the collective will of a people is and what leads a group is the general will. General will need not be, as I have already explained to you elsewhere an additive function or in the Indian ethos, this is known as [FL] or what was coined as a slogan [FL] what is to the common good? Utilitarian's

talked of it. Harrell Lasky talked of the greatest good of the greatest number, whatever that slogan means? It is one of those grand slogans which owe its success as much to its ambiguity and confusion as to its good use of words, what is the greatest good of its greatest number? It cannot be analyzed but, the slogan worked, it immortalized Harrell Lasky. Again that person is great whom everyone calls great, you do not have to establish your greatness by an account, you may be a great person by count nobody believes you are great.

A reinforcement of what I call the general will theory or what can be called the general interest, who is a scholar? Who everyone says is a scholar, has anyone conducted an examination, has anyone weighed his knowledge, no but it is generally believed, he is a great scholar, he becomes a great scholar. There is a lot to be said for group identity, organizations run on the principle of group identity. That is the larger principle which I am trying to establish with you.

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After all each one needs to make a living, so there must be some remuneration, where do I earn my food and how do I buy my clothes. Now remember, there are theories even around that there are three thinkers which have gone into the making of the modern world. Note that these are the only three thinkers which have gone into the making of the modern world but, the three important thinkers which I think everyone should be broadly aware of are Freud, Adler and Marx.

You would have heard of them, if you have not you should have. Each one of them propounded a theory. Freud took the view that all relationships are determined by gender relationships of attraction and repulsion. Attraction and repulsion are not necessarily a factor of opposite gender.

People of the same gender can also be attracted or repelled by each other, something which was later on established through simple scientific tests which proves that from each of our bodies certain energy emanates. You can use different words for it, certain rays emanate, certain energy emanates, certain waves go out which is why if you are sensitive enough of course, if you are the type which vegetates, all this will not make sense but then as I said, management is meant for only the best.

You are sitting in your room somebody enters the room and you feel automatically attracted towards him to strike a conversation. Another person enters the room and you say, oh my god, what is he doing here? You do not even know that person. There is something about the bodily waves which are matching or which are not matching. Freud propounded the theory that all relationships are rooted in physical attraction and repulsion.

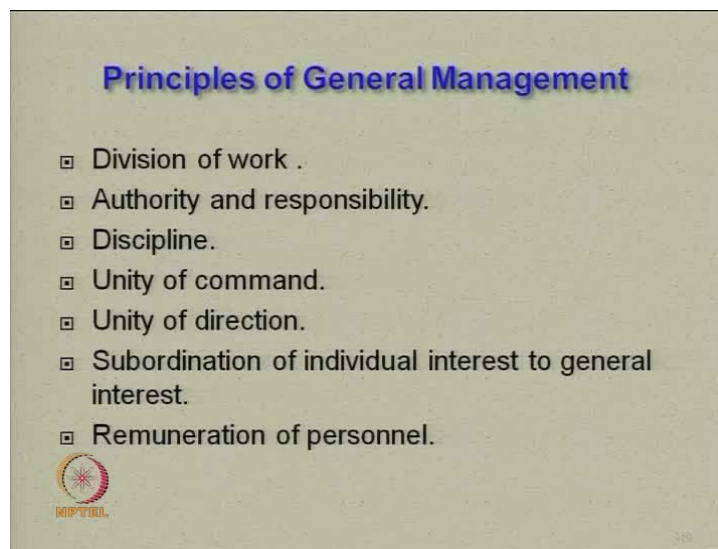
Marx propounded the theory that all relationships are rooted in financial transactions. I do not know whether Marx ever visited India or not, but he seemed to understand India very well. I mean if you develop a relationship with someone, you are secretly asking, is he going to get me money or is he not going to get me money, if he is going to get me money good friends, if he is not going to get me money bad friends.

Forget about physical reinter action, how does it matter? So long as the [FL] comes in great. For those of you, who do not know, what is [FL]? It is cash. Cash which makes noise [FL], coins. Freud said that it is absolute nonsense, you can be attracted towards anything or detracted towards anything, but what builds relationship is, as Roderigo is told in Othello by Iago put money in thy pocket.

You want this woman to love you put money in thy pocket. Now, if you have not read Othello of course, you would have a clue of what I am talking about but, then as I said I do not talk to innocents.

Now, I cannot tell you, what the story of Othello is? Then, I will be walking then I will be telling you Shakespeare, then you would wanted to know, is Shakespeare in the Indian parliament or is he outside the Indian parliament? How do I talk to innocents abroad? Marx said money determines all relationships, whom will you marry? The girl who will get you the money or which boy will you marry? Who has the best salary for the rest good luck they are all the same anyhow, how does it matter? Now, if the caricature does not work your life experience will tell you. I am not saying this Marx is saying this and Marx became very famous.

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There was Mr. Adler; Mr Adler said, forget money, forget gender relationship all this is utter nonsense the powerful works. Clearly, Adler had read Tulsidas because Tulsidas says in Ramcharitmanas [FL]. If you are powerful then you cannot commit any wrong of course, Tulsidas is taking a potshot at it. He says that is the law of the world, the powerful will get away with anything and it is the weak who will be punished.

In fact, I was reading a columnist the other day and he made a brilliant suggestion, we should pass a law that if your financial worth is more than 1000 crores, you will get automatic bill, because anyone who is worth more than 1000 crores seems to be getting billed. Now, this is not my opinion but the point that I am trying to prove is the booties go to the powerful, so said Adler. If you are powerful the rest fall, they will come and give you a degree at home, admission, job, bungalow, promotion, even a private jet.

Now, who wants to be attracted or detracted? Once, you have a private jet then the beautiful man or the woman would enter that jet anyhow, so get power, so said Adler. None of them were friends to me, none of them visited me at my home, I do not know and I am quite frankly it is not my job to know. My job is to tell you these are the three key theories of relationships.

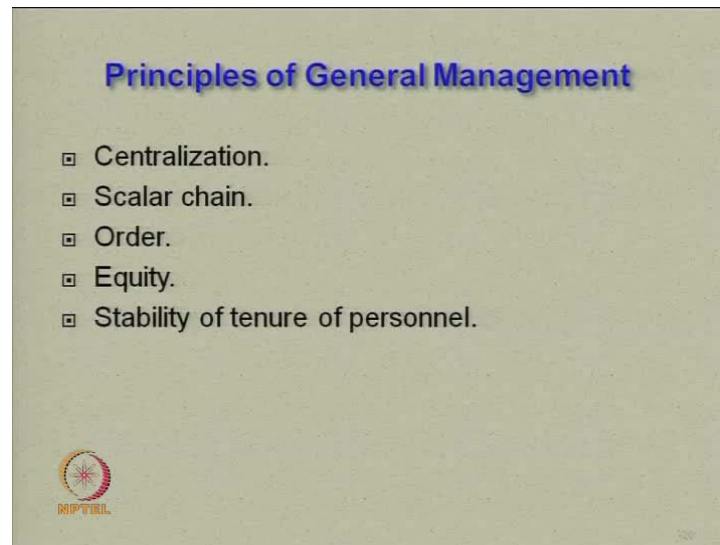
Remember, we are as it were in the **pervert** of theories, like everything else each theory has a kernel of truth - sorry not c o l e n e l but k e r n e l - because even your spelling must be as good as you are. You would not know the difference between one kernel and another, but here I am not to teach you spelling either. By kernel I mean essence of truth, all these three things determine the way human relationships go power, money, gender. At the end of it, all of them work in unison or work in exclusion I do not know. When you are talking of general theories of management then, when you talk of remuneration of the personnel, what you are saying is you must remunerate the person for his efforts otherwise, what shall he eat? That is the principle.

I have recommended to anyone who is studying management or who is interested in management to have extensive reading. Not that I think many people would seriously follow what I am saying, but you cannot be a good practitioner of management without wide reading habits. I do not have the time to get into that kind of a discussion here, but let me tell you, if you want to understand the basic driving forces of human nature read the immortal writing of Bertolt Brecht, the good woman of Setzuan.

You will understand a lot about human nature which you would have never understood through all your experiments in life or even attending classes. Literature is a great source of learning of management, if you know how to interpret it.



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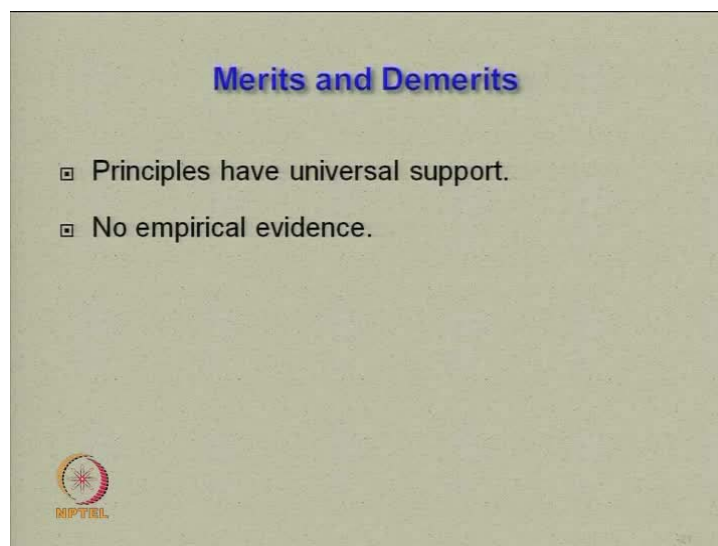
Then, they talk of centralization, they talk of the scalar chain, they talk of order equity, equity very popular word these days, in fact it is like [FL] do not ever deliver a speech in India without talking of the word equity. Whatever you say must lead to equity and so long as you are propagating equity you are on the right side. Slogans become fashionable; there was a time in this country when socialism was very fashionable about 20 years ago, now socialism has become a dirty word.

Fashion models like Miss India's, like political figures each one has its day words also have their day. So, the current reigning queen is equity, everything is equity. It should be financial equity, it should be social equity, it should be political equity and I talk of class equity. If you want to become famous by writing something talk of bottom, talk of top, talk of revolution, talk of abolishment of poverty become famous, these are recipes.

One great outcome of theories shows you the shortcut to success and I am deadly serious is this. I may have a light-hearted way of creeping through this, because those of you who are listening to this, imagine your plight of 1 hour of listening to this drivel, could lord how do you ever survive beats me? But the long and short of it is, each theory is supposed to show an experiential way of success. In the ultimate analysis, you do not believe anything which anyone tells you anyhow. You will have to experiment it your own, so good luck. Find out how hard the word equity goes but, start using it at least you will be one up.

Certain words have gone out of fashion; certain words have come into fashion they will also go out of fashion nothing will change anyhow. No, somebody will say that is being skeptical; no, I cannot be skeptical but the fact is management is a search of the leverage principles which cause a change. It is not about skepticism but it is about trying to understand how skepticism can be fought and it is trying to show, what is the way forward just as I propounded to you forget about transforming others, no one will get transformed, change yourself. Just as I said, the real intervention is management of self, if you can do that you believe in what you say you do otherwise, you are delivering a lecture. Not such a bad thing after all, you can make a living out of a lecture. The trouble with lectures says, they are as good as the people listening to it, if you are yawning through it, it is no good.

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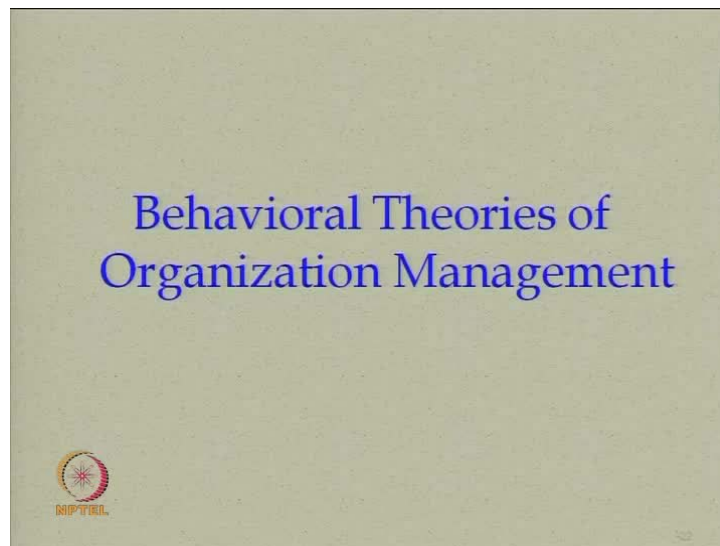
Now, to take the conversation forward beyond general principles of management let us look at the merits and demerits. This sort of thing as universal support but it has no empirical evidence. Just as I said, you can find as much empirical evidence for Adler as for Marx as for Freud, god knows where the truth is. When you are in love Freud appears very important, if your dad is getting you married Adler becomes very important, if your cousins are getting you married Marx becomes very important, how much is the dowry at the end of it? Damn it anyhow, you will fight with your wife or your husband. Oversimplification yes, but as I said there is no empirical evidence to prove which of these theories is better than the other. Each one believes the theory which explains his

present predicament the best, let me repeat that. Each one believes the theory which explains his current predicament the best.

If you have been betrayed by the person whom you love then you say, this world is useless, nobody can be trusted. If you are about to get married then you say, this world is beautiful, you have to be in love to realize how beautiful it is. If suddenly you have hit the jackpot, got a job in that great mega bonanza which everyone is getting rich with, is forget about everything it is money.

You know there is a great statement I will not say from which part of the India it comes but, it goes something like this, god made man, man made money and money made everything. That depends upon what you are going through you will believe just that. What does learning as scholarship do? It raises you beyond your current experience and puts you on a platform of maturity, so that you understand what life is in its fullness and not because of one experience. That is what I am trying to target for you, showing you everything, so that you learn that all these are cards or the table as it were and you do not oversimplify life.

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Then, there are behavioral theories of organization management and this is a great bedlam, everyone has a theory on everyone else. I will give you a classical example, I know of a person who was rejected three times for a professorship. So, the person was

very distraught and if you get to be as old as I am and if you are seen as much of the world as I have, several people believe I have some answers to their problems.

This person was in a conversation with me and he was telling me, how tired this person is about repeated rejections from professorships. I said look, you come from a public system, the public system has a panel of experts, any expert will be appointed out of the panel and this panel is always in the public domain.

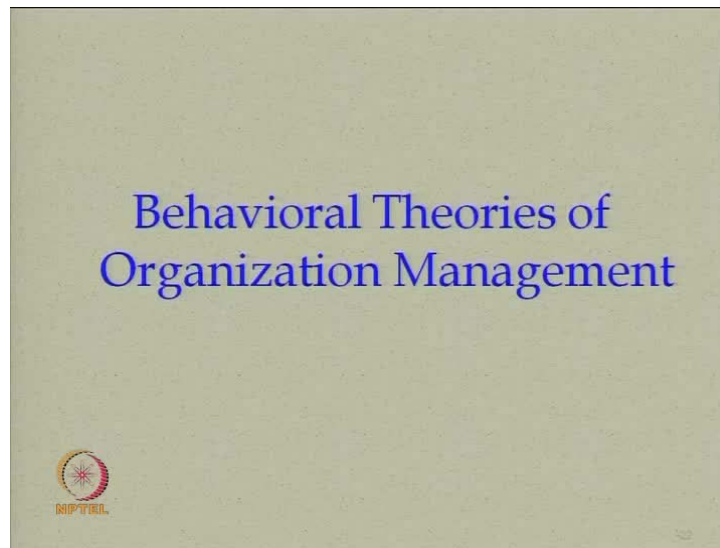
Next time, you go to face the interview, your expert will be one amongst the panels. So, why do not you get the name of the members of this panel which I told you is in the public domain and send it to each one of them a copy of your current research and get their feedback, you will learn what they have called the experts have got to say and your research will become better. Listen to the reply, no, I have done many things in life sir, but this is one thing which I have not done. I said which is why I am asking you to do it, the person said, no, I will not do it at all. I said why? It is unethical, I said where does ethics come into all these, no that chant of no evokes humoring me even today.

Let me give you the breakup of the components, your experts will come from a panel, the list of the experts is in the public domain nothing secret about it, you have been rejected n number of times, you want to make the grade, how does it hurt if you send your paper that you have written to all of them for their comments? So that you can learnt, where you go wrong? What is unethical about it?

It is fashionable to talk of cases in behavior, I cited to you a case which says very simply at the end of it, it is the individual idiosyncrasies of the person which becomes a theory it has nothing to do with research. I will not tell you further details about this person, because I am not manufacturing or conjuring up this story. This person had jumped a contract with a straight face; it will constantly talk of ethics. So, you are drawn about the opposite, if you have violated something you keep talking about it that is behavior.

I will tell you another story of behavior, there was this movie being shot and in the happier days, when the Connaught place was not such a rubble, the shooting was taking place there and the hero presumably like all film heroes must have been a tall, strapping, [FL], hunk as the expression goes. This hunk was walking down and of course, you cannot beat up the film's hero.

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The director got fed up with it and he said, let us make it a live shot, because each time there would be a fisticuff, he wanted a few shots to be exchanged before the hero actually demolished the person who was trying to fight him as a hero is supposed to do. So, the director decided to make it a live shot which meant the hero was supposed to walk down the curve of the Connaught place and accused the first couple coming down the road.

The hero set out, the film shooting began the reels began to roll and as if to happen the first person, whom the hero met as coming down the circle of the Connaught place was a couple actually. So, the hero stood aside and said excuse me sir, is that your wife. He turned around and said yes, she happens to be my wife but what is it to you. He said, sir if you do not mind as you were coming down the Connaught place, I wondered how a handsome, charming, distinguished looking person like you could be married to such a witch ugly decrepit person.

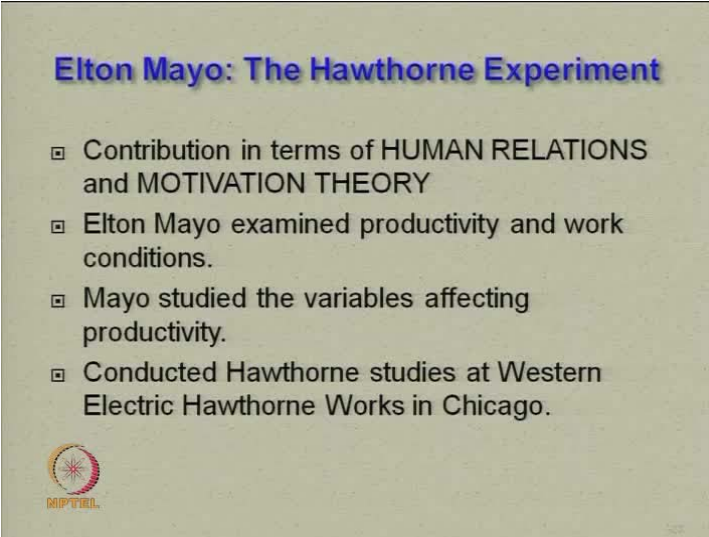
He was ready for the husband to lunge at him, so he was ready to take on the shot and you know what the husband did. The husband turned around to his wife and said you see darling, now people on the road are saying exactly what I have said you to you all these years, so the shot was again spoilt.

I was not there, as I often say, after an anecdote I do not know, how the director retrieved the feeling but behavioral theories are known not to prove anything. The distinguishing

characteristic of a behavioral theory is its non-predictive validity. Each one is different which is why a lot of engineers have a lot of difficulties with behavioral sciences.


They want with behavior to have predictive validity, now you cannot customize human beings on an ISI mark it is not nature or material. So, whatever I tell you under behavioral theories of organization management, you should take it with a pinch of salt, some of them work, some of them not and at the end of the day, they are only so good as far as they go.

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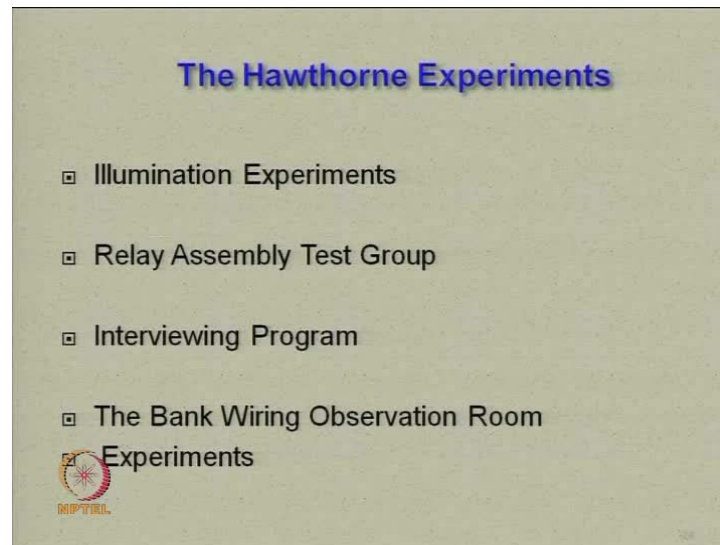
**Elton Mayo: The Hawthorne Experiment**

- ▣ Contribution in terms of HUMAN RELATIONS and MOTIVATION THEORY
- ▣ Elton Mayo examined productivity and work conditions.
- ▣ Mayo studied the variables affecting productivity.
- ▣ Conducted Hawthorne studies at Western Electric Hawthorne Works in Chicago.



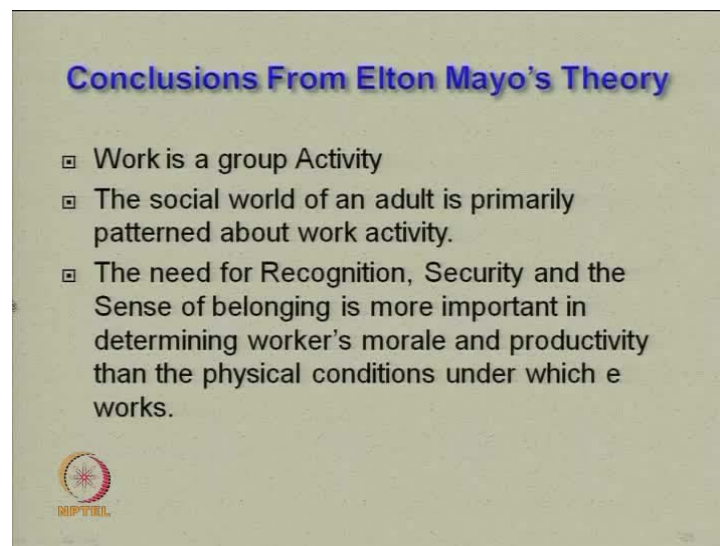
Elton Mayo's: Hawthorne experiment, the contribution in terms of human relations and motivation theory. Elton Mayo examined productivity and work conditions, Mayo studied the variables affecting productivity, conducted Hawthorne studies at western electric Hawthorne works in Chicago.

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He held elimination experiments which said that you better the conditions the productivity would improve. Relay assembly test groups, interviewing programs, the bank wiring observation room, the experiments.

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Conclusions from Elton Mayo's theory, work are a group activity, now did you need experiment to prove that? You know, my good friend Dandekar, one of the first generation economists of independent India who left a lasting mark I know, he did not come from Harvard therefore, it is not fashionable to remember Dandekar anymore. It is

so much simpler to remember an expert from one of the prestigious seats of learning elsewhere but dandekar is a person worth remembering with a lot of respect.

He narrated to me a story of a university in this city, the details of which are not relevant, but then he was talking of experiments which got me more curious about this university experiment. He says, no, now that story I will not tell you but, I will tell you the first study which was carried out for the planning processes I said, what was it sir? He said the study was to study scientifically what is the basic need of an Indian, because that was supposed to be the cornerstone of the planning process. You know what they came up after 2 years of study after cores of rupees had been spent on analyzing the basic needs of an Indian, anybody to guess here?

(( ))

Absolutely, they discovered after 2 years of work with investment of over crores of rupees - several crores. The basic need of an Indian was clean drinking water and nutritious food. Dandekar laughed and he laughed and he laughed and he turned around to me and said tell me, do you need research to prove that? I said sir that is the scientific method; he said one day you will find a way to the planning commission.

I would like to believe he was joking, but the truth is do you have to prove that work is a group activity but, Elton Mayo is celebrated, nobody talks about Manoj Kumar, but in every organizational behavior class you will be told there is a hierarchy of needs according to Maslow.

Now of course, it is more fashionable to quote Maslow then to quote Manoj Kumar when they **said** the same thing. Maslow talks of a hierarchy of needs, food, clothing, shelter, prestige that is Maslow hierarchy, but it sounds so much better when you say according to Mr Maslow then according to Manoj Kumar.

Please remember this if you want to go ahead in life, name a person as an authority which sounds good to name. I am talking practical management to you after all, what sells is what people buy. If people are willing to buy Maslow and not Manoj Kumar then you better start selling Maslow but for heaven's sake be conscious of what you are selling. If you want to get the derivatives for a behavioral principle it is this, there is no substitute for your own common sense of your judgment, remember we are talking of a



framework of analysis. Do not be misled by my light-hearted narration of anecdotes or quips there is a serious point being made there.

You cannot interpret a behavioral theory unless you have the analytical tools of interpreting it and applying it - that is the point I am trying to make. You can forget all my anecdotes, you can forget all my references, it is not relevant. Therefore, let us get back to Elton Mayo he established that work is a group activity. He established that social world of an adult is primarily patterned around a work activity, and yes, there is something to be said about establishing even the obvious truths on a scientific basis.

The need for recognition, security and a sense of belonging is more important in determining worker's morale and productivity than physical conditions under which he works. Now, this is extremely important - the driving forces are recognition security and a sense of belonging.

I will give you two laws from what I referred in another session as Gautam's self-laws. You want to make friends with someone start praising him, you are so brilliant, as you rightly said, you are correct, your principles are so good, it is a pleasure to be with you, if you have an enemy he will get converted to a friend.

If you want to make enemies with someone start trying to improve him, come on [FL] eat properly, this is no way, you junk food all the time. What is this? You want to see movies? Cannot you study during that period? Four movies in a day, you get out of one Audi, you go into another Audi and you know what an Audi is? If you are innocent I am using the word Audi as the slang popularly used for auditorium in PVR. What is a PVR? At least this audience would not know what is a PVR? You see the general knowledge is so good there.

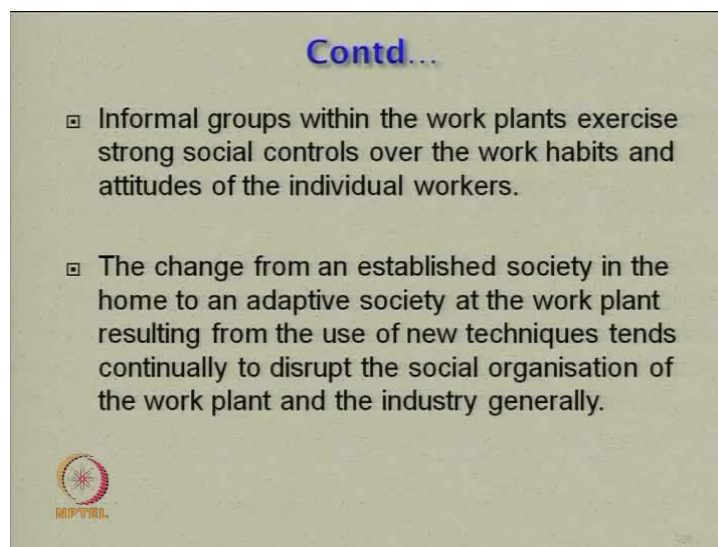
You go from one Audi to another Audi tell him do not do that. He say, what is this cannot you attend classes regularly and go to the classes prepared? What is this? What kind of dresses do you wear? It does not even look decent; if he is your best friend he will turn into an enemy. These two principles do not have even a 10 percent exception.

Agreement is the biggest bond, correction is the biggest repellant - that is the behavior or science theory, guaranteed success. If you want to breakup with someone and if you

want to make friends with someone, the important thing to realize is people are driven more by emotions than any other dimension.

You keep saying nice things and you deny them the material advantages, even if you are offering them your life yourself with material advantages but, you are wanting to improve you will make enemies. It is a very simple law of life and Elton Mayo recognized that. Therefore, the contribution of Elton Mayo is significant, Elton Mayo is to be taken seriously and that is the relevance of behavioral theories.

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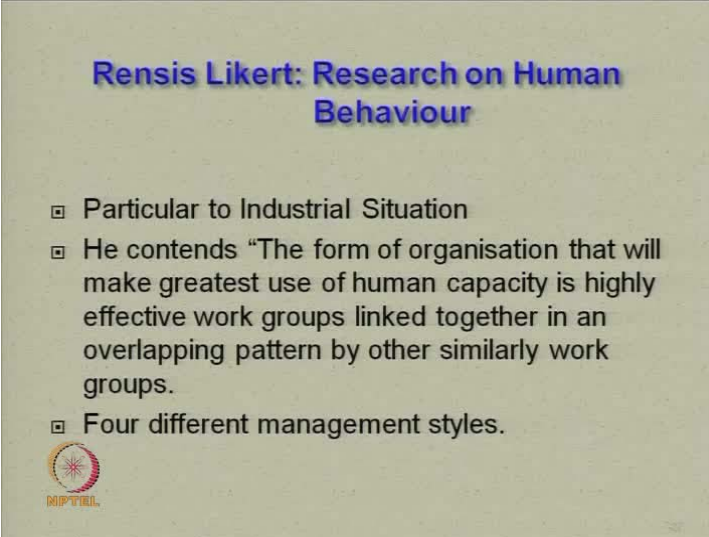
Informal groups within the work plants exercise strong social control over the work habits and attitudes of individual workers, a very important principle. The change from one established society in the home to an adaptive society at work plant resulting from the use of new techniques tends continually to disrupt the social organization of the work plant and the industry generally.

Now, a lot of work has been done on this in management principle. It is known to be the correlation between cultures of the jobs spelt of and culture off the job - o double f. Very often, the culture of the job percolates into the culture off the job, many serious students have looked into this issue. Since, I do wish you to walk the path of knowledge, learning, I might even say scholarship and that is the real purpose of undergoing any such education.

There is another thesis and I have referred to certain dissertations in the past in the session in IIT library which has made a serious study of the culture of the public sector managers in India between their creativity of the job and creativity off the job. I personally think it is seminal study. How does the creativity practiced by a person outside his work environment gets transferred into the creativity on the job and how much of it can be carried?


It is important to recognize that research is an important enabling situation of any learning and all research need not be abstract. The fundamentals of research begin with observation, on a put it to you that to be a good manager you need to be a person with outstanding observations. My emphasis on the word observation is perhaps as important as my emphasis on the word outstanding. If you do not even know, what is happening around you, forget about being a manager, world will not come to an end if you are not a manager.

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**Rensis Likert: Research on Human Behaviour**

- ▣ Particular to Industrial Situation
- ▣ He contends "The form of organisation that will make greatest use of human capacity is highly effective work groups linked together in an overlapping pattern by other similarly work groups.
- ▣ Four different management styles.

 RMIT

The next theory, I will like to talk to you about is that of Rensis Likert whose research on human behavior is very often referred to. Rensis Likert talked of the industrial situation, we do not have the time to get into now, but a very important outcome of the theory and the researches of Rensis Likert were creating systems within organizations. Emphasizing that system must be internally and mutually consistent with each other. Even if you do not understand in the principle here, it is important that you exposed to it, this is what

Rensis Likert said. The communication system of an organization must be consistent with the reward and punishment system of the organization. He further established that the reward and punishment system of an organization must be consistent with the control systems of an organization.

He converted the analysis of an organization into different systems and he argued with a lot of conviction that unless they are aligned the organization will not be productive. I want you to be conscious that of the fact that whereas, there are limitations of behavioral theories, there is a certain seminality of behavioral theories which is essential for the making of any practitioner of management therefore, Rensis Likert behavior research on industrial situation.

He contends the form of an organization that will make the greatest use of human capacity is highly effective group works linked together in an overlapping pattern by other similar work groups; I have just explained that to you. So, Rensis Likert's systems are a major contribution in understanding organizational functioning from a behavioral point of view. In other words, you cannot have a loose control system and a tight communications system it would not work. You cannot have a strict punishment system and a loose authority pattern, it would not work. The organization will collapse under its own contradictions.

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There are four different management styles, you can call them systems I have just referred them to you. He has given a name to the styles and he calls them the exploitative which is the authoritative system, the benevolent is the authoritative system, the consultative system and the participative group system.

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Rensis Likert's effective management talked of modern principles of motivation. He talked of employee's perspective, he talked of group linkages for organizations and he talked of supportive relationships in a group. If you put it all together you get an understanding of how Rensis Likert can be used for understanding the different systems of management to pick what will work and to pick what will not work.

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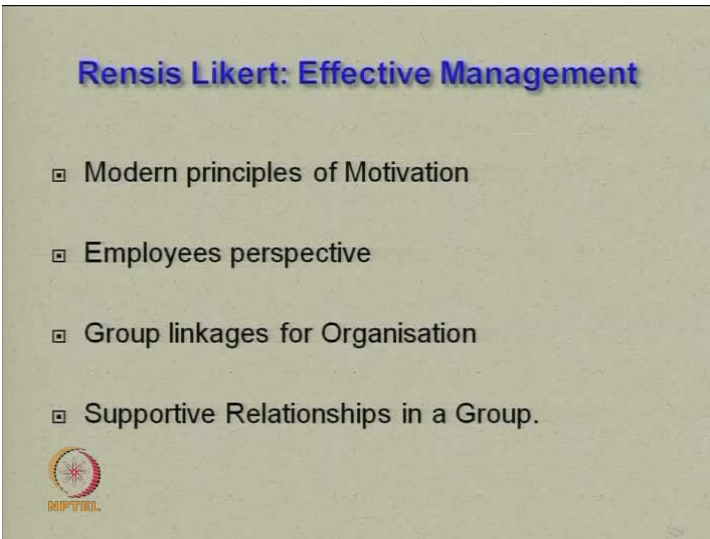


**Rensis Likert: Management Styles**

- ▣ The Exploitive –Authoritative system
- ▣ The Benevolent –Sympathetic system
- ▣ The Consultative System
- ▣ The Participative –Group system




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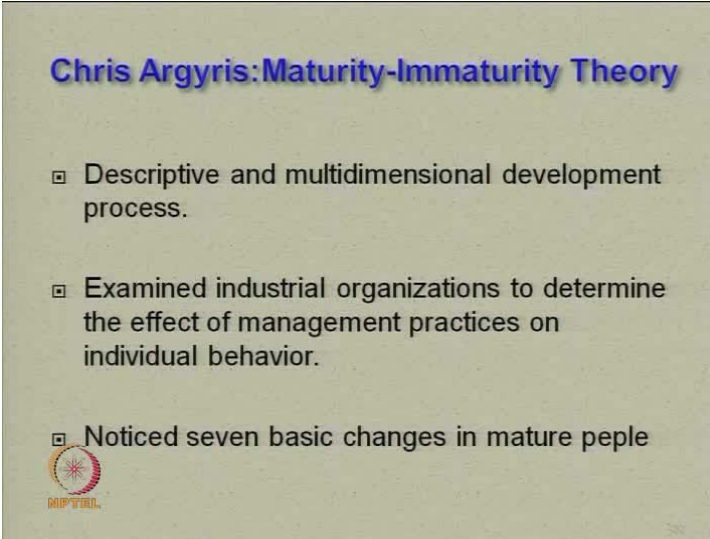
**Rensis Likert: Effective Management**

- ▣ Modern principles of Motivation
- ▣ Employees perspective
- ▣ Group linkages for Organisation
- ▣ Supportive Relationships in a Group.




Ultimately, it is neither Elton Mayo which is right nor Rensis Likert which provides all solutions but, then the exploitative, the benevolent, the consultative system and the participative group systems as defined here. Go on to talk of the employee's perspective, group linkages as supportive relationships in a group and ultimately this is what management rights to produce results.

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**Chris Argyris: Maturity-Immaturity Theory**

- ▣ Descriptive and multidimensional development process.
- ▣ Examined industrial organizations to determine the effect of management practices on individual behavior.
- ▣ Noticed seven basic changes in mature people



Then, there is the Chris Argyris: maturity-immaturity theory. It establishes the descriptive and multi-dimensional developmental process, operate in any organization. It has to be examined to determine the effect of management practices on individual behavior. It has been noticed that are seven basic changes in mature people and then, I will go to explain this to you. Chris Argyris basically says, managers are supposed to be mature if you are immature forget about management.

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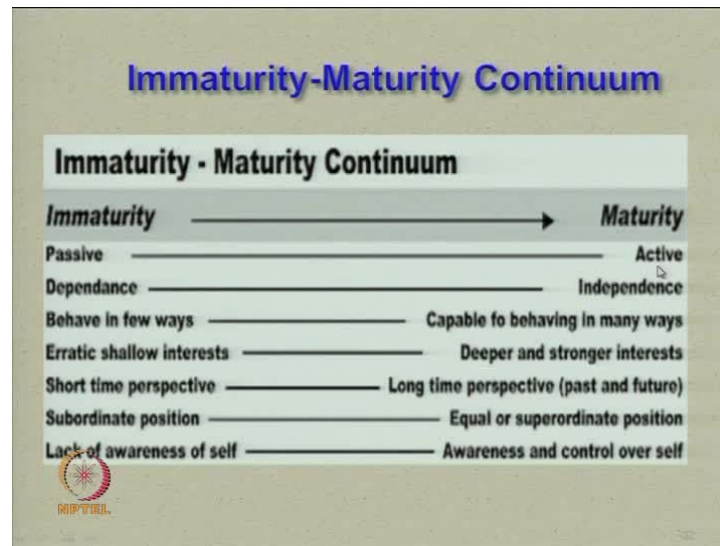
**Chris Argyris: Seven Basic Changes**

- ▣ Tendency to develop state of being
  - active as an adult
  - independent as an adult
  - able to behave differently as an adult
  - deeply interested in things as an adult
  - able to develop a long term perspective
  - able to have a control over one self
  - able to move to superior positions



The seven basic changes are: tendency to develop a state of being to be active as an adult, independent as an adult, the act to behave differently as an adult, be able to develop a long term perspective, able to have control over oneself, able to move to superior positions.

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This is the continuum he talks about, passive to active, dependence to independence, behave in a few ways, capable of behaving in many ways, erratic shallow interests, deeper and strong interests, short time perspective, long term perspective, subordinate position, equal or superordinate position, lack of awareness of self to awareness and control over self. He says the object is to move from being an immature person to being a mature person.

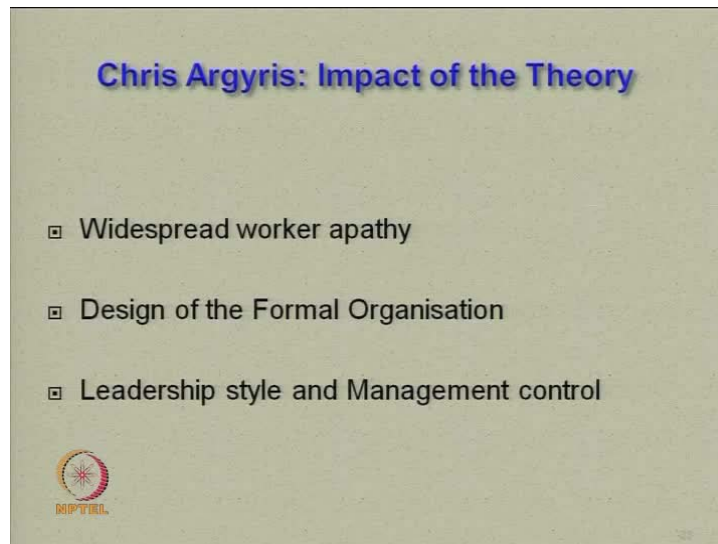
In this diagram you have the descriptions outlined and in each case, you can mark the spectrum as you do it on a scale and you can almost measure where you are on that spectrum of immaturity to maturity which is where I said, ultimately it is self-judgment, it is self-management and investment in yourself that matters.

You are obliging no one by taking care of your intellectual growth. You are doing nobody else a good turned by investing in your own self, because the world will belong to you in whatever limited manner it can, by a whole set of indicators which several behavioral scientists have been talking about and of which maturity is a very important principle.



I hope you will be able to see the range from being passive to active. You do not sit there being a helpless object of events taking place around you. You become an active player and there are a lot of poems and sayings or how you can determine your own future. Obviously, maturity requires recognizing the broadband in which you can and the broadband with which you cannot, but the broadband available for intervention is so large that it can proof your making and unmaking and that is what you have to understand as a manager.

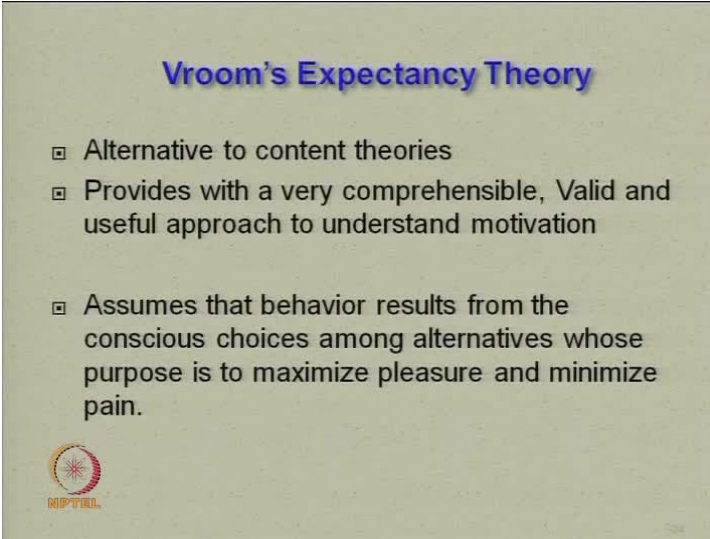
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Chris Argyris talked of the impact of the theory. He talked of widespread worker apathy, design of formal organizations, leadership style and management control. Out of this, Chris Argyris imparted to organization management as scientific basis which endures till today.


Now, by any means people like Elton Mayo or people like Chris Argyris or all the others which have named as I have gone through several schools of thought and organization theories are not an exhaustive list. Before, I am through with this topic and this treatment of organization theories and schools of thought which provide a framework for organizational analysis. I want you to know of some of the other names, each one of them has made his contribution in a limited way.

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**Vroom's Expectancy Theory**

- Alternative to content theories
- Provides with a very comprehensible, Valid and useful approach to understand motivation
- Assumes that behavior results from the conscious choices among alternatives whose purpose is to maximize pleasure and minimize pain.



One is Vroom's, Vroom has talked of the expectancy theory after all life is a set of expectations like many other things. You expect things out of life, when does a relationship turn out? Be it with your parents, be it with your cousins, be it with your brother, be it with your sister, be it with your girlfriend, boyfriend, teacher, bus driver whoever when the other person does not meet your expectations.

The truth is all relationships are a network of expectations and when you respond to somebody's expectations you are great and when you do not respond to somebody's expectations you are not good. The trouble however is that your expectations may not be very mature.

I am tempted to tell you another anecdote which perhaps those of you who do not have work experience may not be able to relate to but, remember I maintain that management is best understood by those people who have a work experience.

There was this little bird flying south during winter to get to better climate, as it happened it got caught in a blizzard and it was snowing. The little bird collapsed under the weight of the snow and got buried and lay there for a full day. It happened to a huge farmland and there was no way, anybody would come and dig it out while shoveling the snow, but as chance had it, a bull passed that way and it dropped something where the bird lay, because of the warmth of that dropping the snow began to melt and the bird

began to feel very good. So, it started to chirp and as it chirped, there was a wolf passing that way it gobbled up the little bird.

What is the moral of the story? All disasters are not necessarily endless. All those who shit on you do not necessarily mean you badly and all those who take advantage of you do not necessarily give your life. If you remember this story you will remember Vroom's expectancy theory.

I know it is very normal to have expectancy, but it is disastrous to be only expectancy driven. Long after you have forgotten anything to do with organization theory and schools of thought as a framework of analysis of organization management. These anecdotes will come back to you and who knows some of these theories will linger with you.

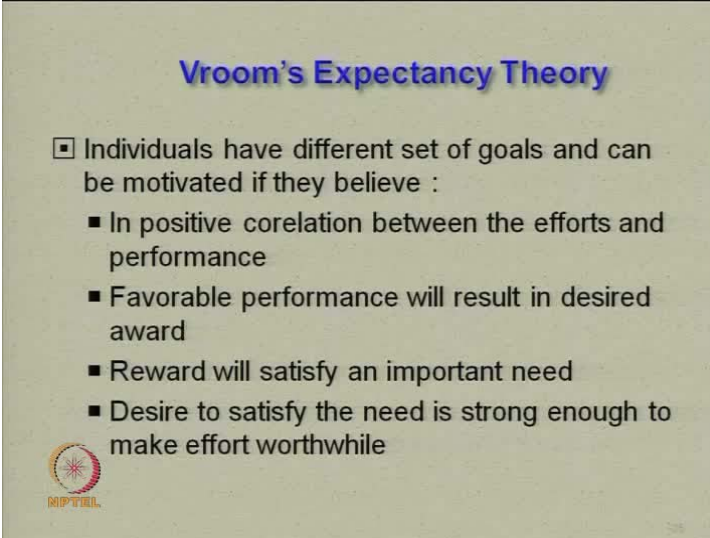
I do not want to discuss it Vroom's expectancy theory beyond this, but I have an obligation to list the basic components. It is an alternative to the content theory, it provides with a very comprehensible valid and useful approach to understanding motivation used to be a favorite theory around 70's. When everyone was desperate to understand organizational behavior and unfortunately through the mid-70 and the early 80's organization management was not such a fashionable discipline to read.

When people realize you cannot moderate behavior but you can moderate organizations and therefore, emerged organization theory and practice. Suddenly it became very important to understand job designs, organization design, information flows, decision centers and it was no longer fashionable to do attitudinal surveys of the motivation theory, because the truth is you cannot motivate anyone if that person does not want to be motivated, a disastrous thing to say, does me out of many consultancies but, unfortunately I cannot lie to generate a consultancy. To motivate someone the person whom you want to motivate must be willing to be motivated and that cannot be ensured. There are limits to what you can do to motivate anyone.

However, Vroom's expectancy theory provided you a framework for understanding motivation and I need to place it on the table and I have an obligation to explain to you. It assumes that behavioral results from the conscious choices amongst alternative whose purpose is to maximize pleasure and minimize pain, read this very carefully understand


this clearly. Behavior results from the conscious choices among alternatives whose purpose is to maximize pleasure and minimize pain.

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**Vroom's Expectancy Theory**

- ▣ Individuals have different set of goals and can be motivated if they believe :
  - In positive correlation between the efforts and performance
  - Favorable performance will result in desired award
  - Reward will satisfy an important need
  - Desire to satisfy the need is strong enough to make effort worthwhile



Vroom's expectancy theory talked of further things individuals have different set of goals and can be motivated if they believe: in positive correlation between the efforts and performance, he is right provided you are talking of his goals. His goal may not be to study at all; he is going to inherit an empire, why must he study? He will earn enough money to hire the best trained advisors, no reason for him to study. Alas! He does not realize even to select from advice, he must be literate enough to know which advice work and which advice will not.

However, this is not understood by people who do not have the right motivation which leads to a very common place statement you can lead a horse to water, you cannot make it drink. Favorable performance will result in a desired award, reward will satisfy an important need; this is a great motivation reward will satisfy an important need.

Sometimes you may give an award assuming that level will never be reached and then that person reaches that level and then you have to give that reward. As many of you would know I have two children who did reasonably well in the lives and anecdotes are not relevant, but to the second one I said if you top in the university, I will take you to Singapore. She actually did top, now you can imagine the expense I had to incur. In your

personal lives do not promise rewards which you do not mean unless you really think it is outside the domain of all probability even a report probability does come true.


Now, if you think I am being flippant about it, I am not, I am making a deadly serious statement and the serious statement is the following. Rewards must be meaningful and correlated to the actual ability to incur those rewards. Can you incur those rewards? First question; two, if you can incur those rewards is that effort worth it? Three, at the end of the day anything which is reward driven and only reward driven, please notice my emphasis, it can be many things and reward driven then it is fine but, it is only reward driven it does not last. Remember, behavior is like water it settles down to its natural level you cannot pump it to artificial levels.

Let nature take its course push it up as much as you can, accept what will not happen. Systems theory has talked of it very wisely about all this, when they have started talking of limits to growth. At the end of the day there is not such a big difference between behavioral theory and system theory all these war fares which have a lot of academics love it, indulging in come out of lack of understanding of each other's discipline. If you understand each other's discipline at the end of the day, what you say as a behavioral theories and as a system theories do converge. Desire to satisfy the need is strong enough to make the effort worthwhile.

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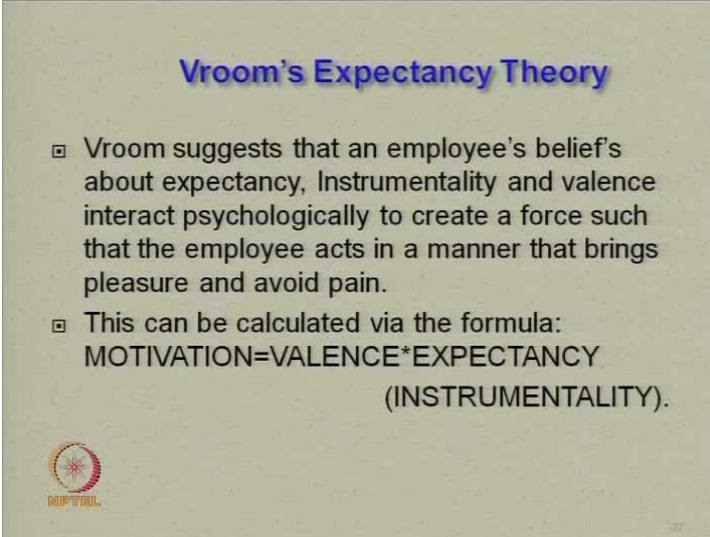
**Vroom's Expectancy Theory**

- ▣ The theory is based on three beliefs:
  - VALENCE
  - EXPECTANCY
  - INSTRUMENTALITY

 NIPTELL


Vroom's expectancy theory had three basic beliefs: valence, expectancy, instrumentality. Valence means the relative ratios if I do this; this is what I get, if you do that this is what I get. Now, how do you establish relationship expectancy, instrumentality?

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**Vroom's Expectancy Theory**

- Vroom suggests that an employee's beliefs about expectancy, Instrumentality and valence interact psychologically to create a force such that the employee acts in a manner that brings pleasure and avoid pain.
- This can be calculated via the formula:  
$$\text{MOTIVATION} = \text{VALENCE} * \text{EXPECTANCY} * \text{(INSTRUMENTALITY)}$$



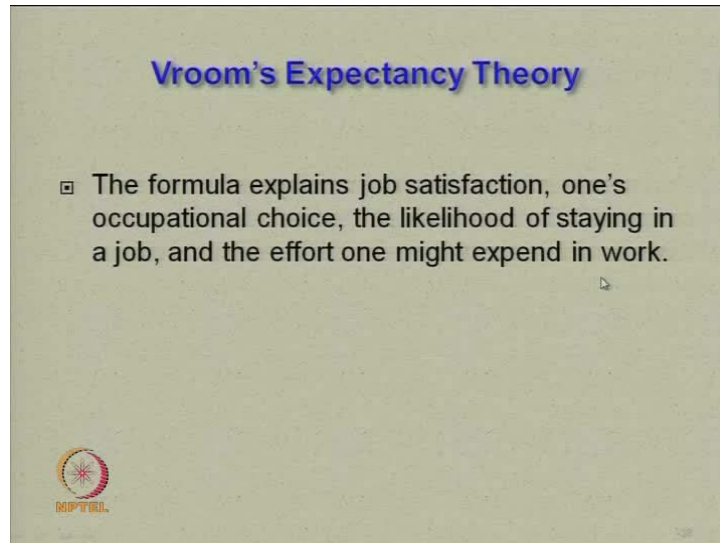
Vroom suggests that an employee's beliefs about expectancy, instrumentality and valence interact psychologically to create a force such that employee acts in a manner that brings pleasure and avoids pain. While I am talking of all these and I was talking of Marx, I was talking of maturity and I was Chris Argyris, I am reminded of a definition by Marx of maturity. He says the ability to go through pleasure and pain without a sense of guilt is maturity.

It is a brilliant statement you may or may not agree with it. The ability to go through pleasure and pain without a sense of guilt is maturity. Just as you are enjoying a seven course dinner somebody walks up to you and says do you know the number of people who are starving out that?

It has caused in your sense of guilt to now look even if you abandoned that food, no one who is starving is going to be saved and you are going to join the ranks. No, I am not saying do not do well to the needy, no, I am not saying that, that is catching the bull by the tail, a very widely held spot catching the bull by the tail. While talking behavioral theory I have to mention it the art of misunderstanding is perfected by some people to a fine art. Whatever you say they will misunderstand, in such situations do not even try to

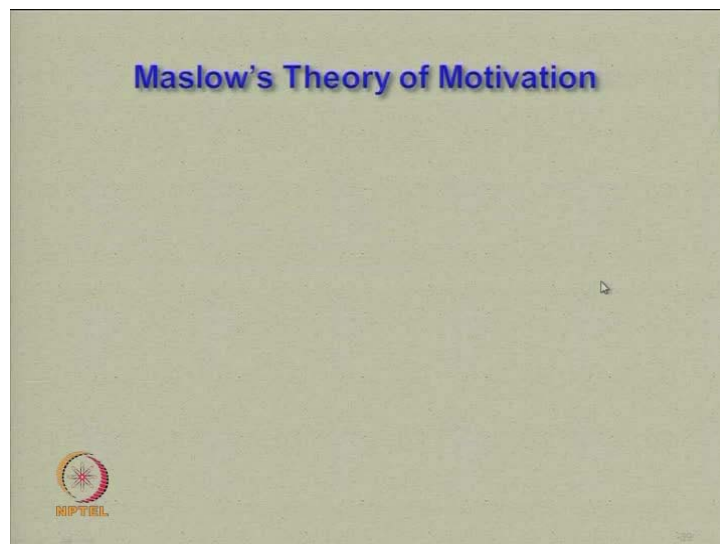
make them understand, just keep quiet, but there are different definitions in behavioral sciences, choose what suits the situation best. Note my emphasis choose what suits the situation best.

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This can be calculated via the formula motivation, valence and expectancy. Bring in instrumentality because that is the way the delivery mechanism will take place. Vroom's expectancy theory explains job satisfaction, one's occupational choice, like the likelihood of staying in a job and the effort one might expend in the work.

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We shall stop the effort now and we shall take up Maslow's theory of motivation next.