

**Public Organization and Management**  
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**Lecture – 10**  
**Approaches to the Field of Management – V**

Hello, dear learners. Let us continue our discussion that we have started in the previous session on contributions by behavioral theorists to the understanding of organizations and management. Let's conclude the school thought on behavioral approaches with the criticism of neoclassical school. The theorists which we have discussed with respect to the behavioral approaches, they narrowly concentrated only on one dimension. Where we discussed about the classical approaches also discussed, you know, keep in mind only one particular dimension that was of efficiency and productivity. In this case, the only dimension of focus was human dimension.

Because they treated interpersonal and psychological factors as critical issues advocating one best way. It says that if you give importance to the human relations while you are performing in the organization, that becomes the best way to deal with organizations. Again, it's a criticism. We cannot ignore the other aspects of the organization such as productivity, efficiency, structures and various other factors.

So, the first criticism was that too much focus on the human dimension and little attention being paid to other dimensions including structure and environmental pressure. Also, in the behavioral approaches, if you have noticed, especially if we have, when we were discussing about the contribution of the Hawthorne experiment, there was a weak evidence what was found between the improved human relations and organizational performance. Another criticism of this particular approaches. Now, the criticism of earlier approaches, both classical and neoclassical school of management thoughts, has led to the research on analysis of contingencies such as organizational task and technology, size and operating environment and their influence on the organization. This further led to a very dominant approach to analysis of organization and this particular approach in literature is termed as contingency theory.

In some of the texts, it is also termed as situational approach. Now, according to this approach, the influence of situational factors such as task and technology, size of organization and its operating environment, on organizations and different forms can be effective in different circumstances. Now these factors like task and technology, size of the organization and the operating environment, it can have impact on the organization and different forms and can be effective in different circumstances. For example, we'll talk about the size of the organization. If the organization is small, the number of

employees in the organization is less in number, the structure could be very simple, wherein you don't need have many layers of hierarchy, your scalar chain would be small, you need not to have very rule-based kind of a hierarchy and structure to be in place.

But if you compare it with the organizations larger in size, both in terms of their business scope and number of employees, you cannot have the simple structure to ensure your efficiency and productivity of the system. So you have to have another forms of the structure, more formalization, more hierarchy, more rule-based structure, more controls being put in place. So all those things are required, but it is all based on situations. What is the situation of the organization? What kind of the environment they are encountering? And how the organization structure will take place? This is the perspective of contingency theory. There is another important, very important aspect of this thing.

According to contingency theory, if you look at technical changes, if we are making into the organization, depending upon the external pressure from outside, it also led to the changes in the social relationships in the group. And hence, this term socio-technical system come into picture. I'll give you an example of this thing. Let's say, if you look at the example of public sector banks in the country, and we are comparing the traditional way of working of the banking system without the intent of technology. It is a purely traditional way of, manual way of working.

But when, because of the advancement in the technology and changes in the environment, this computer technology was brought into the place, there was a sense of fear in the minds of the employees. That technology will replace the jobs, they will not have the kind of skill set which is required to work on computers. There will be problems and people will be shifted to one branch to the another. Now when you do this, what is happening is the social relationship that the employees have developed in the organization, when any attack in the form of changes happen in there, there is a sense of fear and of course lot of resistance. So, organization also need to take into consideration that when are these kinds of technological changes are going to be brought in in the organization from the external environmental changes, this particular aspect also needs to be taken into consideration.

Because we remember you know especially in case of if you look at the Indian organization, literature also says that social relationship are important in terms of work outcomes. preference is more there. So, in Indian context, it is much more making sense that whenever these kind of changes are proposed, the other kind of aspects also need to be taken into consideration. Now, when this happened, whenever the changes happen, there is a disturbance and disturbance will move the system to a new point of equilibrium. After the changes are happening, you move the system from the status quo to the new position.

Now there will be new pattern of interrelated technical and social processes. Now after the technology, after the computer based structures are put in place, the processes were in place, the people are going to now follow the different interrelationships. Now if there will be another changes, then we have to look at how it is impacting the social relationships in the organizations. The popular contingency variables are organizational size depending upon the scope and number of employees in the organization.

Organization can take different kind of a firm. Let's look at the startups. Start-ups are the organization which have few number of people working. And in the top management, there will be three to four or five founders who are coming together to start the business and they have some few number of employees. In this case, these organizations, these startups need not to have a very formal way of hierarchy, authority, structure in place to do their work.

In fact, the founders themselves, they are involved in many managerial functions. They are taking care of the human resource function, finance function, operation function, sales, marketing research within themselves. So you don't need that kind of very formal and refined system to take care of these smaller organizations. Whereas if you compare it with the larger organization, let's say public sector undertakings, NTPC, ONGC, IOCL, they are larger in scope and number of employees are also much more. And also, they are under the umbrella of the government organization because they are public sector undertakings, you see that they have to have a different form of organization structure which will actually impact the functioning of these organizations.

You cannot have a simple structure, you have to have systems in place, policy in place and of course very advanced technology to take care of the coordination activities inside the organization. Then there is also with related to people related aspect, there are individual differences amongst the people who are working for you. So you cannot have the same kind of yardstick or same kind of style that you are going to influence them with. you have to vary accordingly. Leadership styles, the motivational patterns, motivational techniques that you are going to use with them, their value system is going to impact so many things.

So, contingency also take into consideration that what are the individual differences amongst the people and accordingly the organizational and the managers need to take care of these value systems. So when we talk about the concept of motivation in the public sector organization in the further modules, we will talk about this issue at length. And then there is environmental uncertainty. We talked about VUCA word, environment is volatile, uncertain, complex and ambiguous. Now, in this kind of environment when the organizations are performing, what kind of changes that are to be required to take care of the problems or the challenges that the organization is facing in these kinds of environmental uncertainties.

The another way to look at it in terms of modern approaches, in terms of the contribution to the approaches is the open system approach. You remember we have already talked about the concept of open system. You know, we will say that inputs are fed into the system and it will go to the transformation processes and then finally what happen is the outputs are going to be generated. Now, there will be kind of feedback loop which will then again be fed into the system, then more inputs will be there, again transformation and it ensures the continuity of the system. And in fact, we also discussed about the closed systems and open system.

Now, I am not going to repeat what we have done. I am going to talk about the influence of turbulence in the external environment. So, now if we talk about the open and adaptive system and we have talked about that these systems are actually open to the changes happening in the environment outside. Anything happen outside the organizational environment in terms of change. For example, government made some kind of changes for the business.

Some kind of new regulations, laws have come up which are impacting the business. Customers are expecting something different. There is a competition in the market. Market is changing, right? There is a change in the economic environment. Cultural factors are there. So all these disturbances which are happening outside the environment, they are going to directly or indirectly impact the internal operations of the organization. Now it is important this adaptation, this open system approach talking about the adapting to environmental variation. Now what happened in these days I already talked about this thing that we cannot have any kind of organizational example which we say they are a closed system. In case they want to ensure that they survive in the market, they are open and adaptive systems. Now if we shield, if we do not adapt to the environment, if we do not take care of what happen outside the organization and do not bring the changes and do not adjust the internal environment, what happen?

A syndrome called as entropy, wherein systems and processes will eventually decay. Of course, when you are not going to make any kind of changes, what will happen? The systems and the processes will become obsolete. You will not be able to cater to the needs of the outside world. A simple example would be there are so many technological changes are happening. and if you are still relying on the older technology to take care of your business what will happen if you are shielding your organization from the outside world and it is not impacting and you are not adapting to this particular change of technology outside the world what will happen the old technology will soon become obsolete and it will be of no use to you in terms of your better functioning in the business or in general is talking about the functioning of the organization.

So this is the approach. Now, in this case, how they are different from the behavioral and the classical approaches, because they don't talk about any one best way of doing things. Rather, they are talking about consideration of various factors and look for the appropriate, you know, the way to manage the business of the organizations. Now comes another school thought Quantitative school of thought under the management approaches. These approaches, they emerged during the World War II. What happened? Role of managers, government officials and scientists were sought.

You know, the help from the managers, government officials and the scientists were sought to do what? To help army to effectively utilize their resources. Now, these people who were called and they were providing their expertise, they used mathematical approaches to solve the logistic problems of the army. What happened during this particular school thought? Extensive use of statistics. optimization models because we are talking about the effective utilization, optimization model, information model and computer simulation that aid in the decision making for the organization. So, there is lot of information which is fed into the system and then by making use of the mathematical models they are making the decision-making choices.

So, this quantitative school focus on the mathematical approaches to decision making with the help of the data. Now, branches of the quantitative school of thought. First is the management science approach. Now, the management science approach focuses on and expresses management in mathematical symbols, relationships and the measurement data. This particular approach management science, it has applicability in production scheduling, inventory management and human resource planning.

Now, where is the focus? Focus was on reducing the management errors. How? By use of mathematical tools like queuing theory, decision theory, simulation, probability theory and sampling. The idea was that these techniques and tools will actually give the managerial, the position holders in the organization access to information on the basis of which, they can find out and of course they can take decisions that ultimately will lead to reduction in the management errors. Operations management research. It basically concerned with the production management and the allied areas. Now, if you compare the management science approach and the operation management resource, there's a lot of overlap between them in terms of the kind of tools and techniques these two approaches uses. Lot of overlap with the management science approach. Again use of mathematical models for decision making and this particular approach has application of decision making in multifunctional areas including finance, HRM and marketing. The management information system approach focus is on designing and implementing computer based information systems. So, it's basically talked about the technology implementation.

It is a very broad term, computer-based information system. Why they were used? They were used for the integration of the management function with the help of MIS, management information systems. Now when you say, when we talked about the concept of organizing, we said that we are dividing the organization task into subdivisions. Now, multiple position holders are working, there are multiple departments and outcomes are to be generated. Now, there is an effort which is required to integrate.

First of all, there is a differentiation, already we have divided the task as per the specialization. Now, these outcomes also has to be integrated. So, these technological systems such as management information systems help in this kind of integration. There are decision support systems such as HRIS, Human Resource Information System. A lot of data is there in these kinds of programs and the systems which can provide valuable inputs for strategic decisions.

For example, the data on employees in this particular system can help, of course, doing the HR planning. in terms of recruitment, how many people are going to retire, how many people are required for different positions, how many people are due for performance appraisals, how to calculate the rewards, how to calculate the incentives and things like that. Lot of things are there which can provide inputs for the strategic decisions. Now you all must have noticed that lot of organization they are using ERPs, Enterprise Resource Planning. They are the big support systems in the organization in terms of the technology which are helping organization to manage the functions of the organization effectively.

So these technologies in a way are helping the organization to do the activities in a smooth way. Now we are coming to the concluding thought of this particular module on contemporary thinking. We have been talking about various approaches. Now there are contemporary thinkers who talked about some of the managerial functions and other managerial processes which could be effective for the organizations. So, first of all, we will look at the role classification proposed by Henry Mintzberg managerial roles see, so far, we have been talking about what functions of management and we were talking about principles of management, Henry Mintzberg on the other way emphasized on the role plays by the manager on daily basis so, we will be talking about these roles and how these roles are actually helping the managers managing the operations of the organization.

Henry Mintzberg classified the roles of the manager into three broad dimensions and then further classified into 10 broader roles. Now these three broad dimensions are interpersonal roles, informational roles and decisional roles. And this outcome is of this role is basically following from the interactions with the managers that what kind of role they were playing on routine basis when they were doing the managerial activity. Now, when we talk about the interpersonal role, three different kind of roles are highlighted. Manager is playing a role of a figurehead, meaning that this manager is performing

ceremonial duties. For example, attending employee's retirement ceremony. Another one is Interpersonal role, leader. Why it is interpersonal? Because there is a lot of interaction involved, right? There is a lot of interpersonal skills required to actually play this role effectively.

Then comes leader. What is the role of a leader? Leader's role is to influence subordinates. Now, on daily basis, it is happening. you are coaching people, you are trying to direct the activities of people, you need to influence them to enhance their productivity, to work on the work outcomes, and then of course there is a personal relationship with the people so you are doing the leadership role as far as interpersonal dimension is concerned. Within this category there is another role which is called as liaison role now what is this role is basically you are maintaining the horizontal communication in the organization. I will give you an example what does it mean. Now for example, if you are actually coordinating the activities between two teams, if you are coordinating the activities between two teams, you are actually performing a role of a liaison, right.

So, these three roles are coming under the interpersonal dimensions of the Henry Mintzberg classification of managerial roles. Then we will discuss about another dimension as per the Mintzberg classification which is informational role. Now information as the name indicate it's about collecting and disseminating information. Now, what are the roles? First is monitor. Manager is playing the role of a monitor. Monitor means somebody who scans the environment, look for the information outside, scanning the environment, what is happening in the outside environment, what competitors are doing, what customers are requiring, scanning the environment is the role of a monitor. It's very important that you scan the environment. And especially when we're talking about the open system, it is all the more important, then after you have scanned the environment you have information this information then has to be disseminated so you are playing a role of disseminator meaning sharing information, with whom? The employees of the organization, to whom that information is important. So, scanning of environment, sharing of information. This role also talks about where you can also send memos, internal memos, maybe in case of if some kind of policy change is there, some kind of instruction to be passed on.

So, this also comes under the role of a disseminator. Disseminator in simple terms that you are disseminating the information that you have as a manager and it is required to be passed on to the people to whom that information is important, maybe because of work. Then the third role within this is the role of a spokesperson. Now what is the role of spokesperson? The spokesperson basically they share information with the outside world, What is happening inside the organization? I am not saying that it is disclosing secrets. No, it is about the update to the outside world about the organization.

For example, doing press conferences. For example, the organization is launching a new product. Then you are acting as a spokesperson. You are representing the organization as a spokesperson. Government, there is a policy change, right? For example, the policy change is happening in the healthcare sector. So, the person responsible will come and talk to the press about what kind of policy and programs are government is going to come up with or planning, right? This is about the informational role that we discuss.

Then, we will talk about the third important dimension proposed by Mintzberg is the decisional dimension. And the roles which are categorized under this particular role, first role is entrepreneur. In this role, focus is on innovation and change in the organization. Initiatives for the organization, right? Entrepreneurial role. Then, disturbance handler. As a manager, you have to handle the disturbances. What kind of disturbances? There is a conflict, there is a dispute that you have to resolve. There is some kind of problem that the employees are facing with some kind of processes. Again, you have to handle those disturbances, right? Then you are also resource allocator, allocating the budgets optimally to the people who require those kinds of budgets.

The last role in this will be a role of a negotiator. Representing the organization in various negotiation, you are playing a role of negotiator. For example, negotiating, settling a new labor contract. So you have to negotiate with workers. Or if it is the negotiation with some kind of other organization, maybe in terms of collaboration, then also you are playing a role of a negotiator. So, this is about the Henry Mintzberg classification of the managerial roles.

The other contemporary thinker of the times, Peter Drucker, management guru, talked about the concept of management by objectives. Meaning, participatory style of objectives setting by both manager and employees, joint setting of objectives. Now the idea is the people who are to finally achieve the goals and the purpose of the organization it is better that the involvement is there while the goals are set for these people because then there will be more commitment towards achievement of that particular goals right so this requires more of a participatory style of management style which has to be actually exercised by the managers to actually motivate workers in the organization to achieve the purpose, set the goals, show commitment and then achieve the goals.

Another important aspect is knowing the characteristics of excellent organizations and contributions by Peter and Waterman. According to this particular thinking, the excellent organizations are having following characteristics. They have bias for action, meaning they actually make things happen. If you talk about the excellent firms, they actually make things happen. They are very close to the customer. They know the needs and expectations of their customers and then respond accordingly. Focus is on productivity



and the way with which they do, what is the mean to focus on productivity? Means is building relationships with the employees and then focus on the productivity.

Relationship with people based on trust. Decentralize along with control like simultaneously you have to give authority so that the people can work at the same time there should also be controls put in place so that things should not go out of the hand. Decentralize, you are loosening up the system at the same time you are also putting the controls in the place so that we can ensure that the objectives are achieved. Autonomy and entrepreneurship, these are the kind of qualities that the effective organization, excellent organization are actually looking for from the employees of the organization. The excellent organization wants their employees to show these qualities, autonomy and being entrepreneurial.

These organizations, they have simple form and lean staff, means they focus on cost effective teams. Hands-on, value-driven management, these organizations have commitment to these values. Then, work according to one's strengths. Depending upon what kind of strengths the organization is having, they should work on strength. They should be doing only those things which they are holding competitive advantage. They have the strong strengths in this.

With this, we are reaching the final contemporary thinking into this particular discussion, which is about 7S framework proposed by Waterman, Peter and Philip in 1980. And I suggest all the learners to please refer to the original paper which I have cited on this slide here. Now let's first of all look at what is the 7S framework. The idea behind 7S framework was that effective organizational change is all about the interrelationship between the seven elements of the organization. Now what are these seven elements? Let me draw these seven elements. These seven elements are superordinate goals, structure, staff, style, system, skills, and strategy. And they are all interlinked. It is important that we understand this aspect of stack. They are all interlinked. The focus is on increasing the organizational effectiveness during the change processes.

Now, what are the ideas of this particular framework? Ideas are that multiplicity of the factors, not only single factor of the organization or single element of the organization will impact the change or impact the organization ability to change. There are multiple factors. In this case, we're talking about seven factors. Another idea is all they are interconnected. There is an interconnection between these variables if you look at this particular diagram here. Reason being is why they are interrelated? Change is proposed in one particular element will automatically impact changes in the other. It cannot happen that we are bringing change in the strategy and change in the staff will not be there or change in the style will not be there or change in skills will not be there. All of these are interrelated.

Now, if you look at the shape of this particular framework, there is no starting point, and there is no hierarchy. What does it mean? It means that in different situation different kind of elements become more critical. In some of the change processes maybe the strategies are important, in another the system become important, in another maybe superordinate goals will become important. Now let's discuss about these particular elements in little more detail and find out What is the rationale? First is the structure. Structure means dividing the task of the organizations in such a way that it provides for coordination.

Then comes the strategy. Strategy is about the actions of the companies, which are planned to respond to the changes from the external environment. Systems, they are the procedures, both formal and informal. Now what kind of systems can be there? Example, training systems, accounting systems, budgeting systems, right? All these systems. What is the importance of these systems? The systems importance is that they keep the organization going, right? Then comes the style. Style in terms of the managerial behaviors and action. Styles of the manager. Staff is the human resource, personal, their values, attitudes, morale. Very important. Another important thing is skill. We should not confuse the skills with the employee skills.

We're talking about skills what organization do the best. What is that organization do the best, right? It's about dominating attributes or capability of the company, right? Then we have finally superordinate goals. Superordinate means the higher goals. This particular thing means the higher goals of the organization. This means they are values and aspirations that goes beyond the conventional formal state of statement of corporate objectives. Now these authors they have mentioned the examples of these superordinate goals from different companies.

I am going to talk about the examples from two companies. In case of IBM they said that superordinate goals example is focus on customer service. And this particular goal will then direct the actions of the other components of this particular framework to design the activities in such a way that they achieve the purpose of the organization. Another example by 3M, dominating culture of what? New products. Now, for the outside people who are not from the organization, these goals which look more vague. because we are very broad but people who are inside the organization for them they know the value of these goals because they have been continuously listening to the views and how these goals are practiced and how these particular goals are being suggested and time and again been talked about with the top leaders in the organization because it will also reflect in the strategic plan of the organization that how various activities of the organization are linked towards the achievement of these particular subordinate goals.

So, with this we have come to an end of this particular module and I want to conclude with the thinking that all the approaches that we have discussed classical, neoclassical and modern approaches, if you have noticed that the theorists have actually discussed all these contributions without attachment to any of the context of any of the organization. no differences between the public and private sector organization. This particular general theme, as I have told you, has much more value. So, depending upon the situation of the organization, whether it is public organization or private organization or for-profit or non-profit or volunteer organization, the organizational members have to decide what kind of strategy, appropriate structure or the functions would be more applicable to them which help them to achieve the overall objectives of the organization.