Historical Background of Organizational Behavior

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Certainly large numbers of people have been doing work for a long time. Pyramids and many other huge monuments and structures were built, armies and governments were organized, Civilizations spread over vast territories. This took organization and management. There are some writings from antiquity that suggest that systematic approaches to management and organization did evolve and were transmitted to others.

But the primary influences in organizations and management today stem from more recent events.

Some would claim that to begin to understand our organizations today we need to look at the Protestant Reformation and the Protestant Ethic. A new ethic began to evolve, an ethic that shifted the orientation of one's life from the "next world" to this world. This ethic is best embodied in quotes from Luther ("All men possess a calling in the world and the fulfillment of its obligation is a divinely imposed duty") and Calvin ("Disciplined work raises a person above the calling into which he was born and is the only sign of his election by God to salvation"... "The soul is naked before God without Church or communion-religion is a personal matter; worldly success and prosperity are construed as signs of God's approval").

Over time, the Protestant Reformation provided an ideological foundation for the modern industrial society by suggesting that work is now a profound moral obligation, a path to eternal salvation. The focus is this world and materialism, not next world. The individual's obligation is self-discipline, and systematic work. It should be clear that the factory system which began to evolve late in the 18th Century could never have flourished without the ideological underpinnings of this profound shift in philosophy as exemplified by the Protestant Ethic.

Scientific Management

The Industrial Revolution that started with the development of steam power and the creation of large factories in the late Eighteenth Century lead to great changes in the production of textiles and other products. The factories that evolved, created tremendous challenges to organization and management that had not been confronted before. Managing these new factories and later new entities like railroads with the requirement of managing large flows of material, people, and information over large distances created the need for some methods for dealing with the new management issues.

The most important of those who began to create a science of management was Frederic Winslow Taylor, (1856-1915). Taylor was one of the first to attempt to systematically analyze human behavior at work. His model was the machine with its cheap, interchangeable parts, each of which does one specific function. Taylor attempted to do to complex organizations what engineers had done to machines and this involved making individuals into the equivalent of machine parts. Just as machine parts were easily interchangeable, cheap, and passive, so too should the human parts be the same in the Machine model of organizations.

This involved breaking down each task to its smallest unit and to figure out the one best way to do each job. Then the engineer, after analyzing the job should teach it to the worker and make sure the worker does only those motions essential to the task. Taylor attempted to make a science for each element of work and restrict behavioral alternatives facing worker. Taylor looked at interaction of human characteristics, social environment, task, and physical environment, capacity, speed, durability, and cost. The overall goal was to remove human variability.
The results were profound. Productivity under Taylorism went up dramatically. New departments arose such as industrial engineering, personnel, and quality control. There was also growth in middle management as there evolved a separation of planning from operations. Rational rules replaced trial and error; management became formalized and efficiency increased. Of course, this did not come about without resistance. First the old line managers resisted the notion that management was a science to be studied not something one was born with (or inherited). Then of course, many workers resisted what some considered the "dehumanization of work." To be fair, Taylor also studied issues such as fatigue and safety and urged management to study the relationship between work breaks, and the length of the work day and productivity and convinced many companies that the careful introduction of breaks and a shorter day could increase productivity. Nevertheless, the industrial engineer with his stop watch and clip-board, standing over you measuring each little part of the job and one's movements became a hated figure and lead to much sabotage and group resistance.

The core elements of scientific management remain popular today. While a picture of a factory around 1900 might look like something out of Dickens, one should not think the core concepts of scientific management have been abandoned. They haven't. They have merely been modified and updated. (For details of Scientific Management, click here)

While many people think of bureaucracy in negative terms, this model in its pure form was a dramatic improvement over the previous model of organization which was a feudal model based on fixed status and position by birth, not merit and unquestioned authority. Go to the Top

The Human Relations Movement

Despite the economic progress brought about in part by Scientific Management, critics were calling attention to the "seamy side of progress," which included severe labor-management conflict, apathy, boredom, and wasted human resources. These concerns lead a number of researchers to examine the discrepancy between how an organization was supposed to work versus how the workers actually behaved. In addition, factors like World War I, developments in psychology (eg. Freud) and later the depression, all brought into question some of the basic assumptions of the Scientific Management School. One of the primary critics of the time, Elton Mayo, claimed that this "alienation" stemmed from the breakdown of the social structures caused by industrialization, the factory system, and its related outcomes like growing urbanization.

The Western Electric (Hawthorne Works) Studies (1923-1933) Cicero, , ILL.

The most famous of these studies was the Hawthorne Studies which showed how work groups provide mutual support and effective resistance to management schemes to increase output. This study found that workers didn't respond to classical motivational approaches as suggested in the Scientific Management and Taylor approaches, but rather workers were also interested in the rewards and punishments of their own work group. These studies, conducted in the 1920's started as a straightforward attempt to determine the relationship between work environment and productivity. The results of the research led researchers to feel that they were dealing with socio-psychological factors that were not explained by classic theory which stressed the formal organization and formal leadership. The Hawthorne Studies helped us to see that an organization is more than a formal arrangement of functions but is also a social system. In the following chart, we can see a comparison of traditional assumptions vs. a newer "human relations" view.

<table>
<thead>
<tr>
<th>Traditional Assumptions</th>
<th>Human relations Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>people try to satisfy one class of need</td>
<td>organizations are social systems, not just technical economic systems</td>
</tr>
<tr>
<td></td>
<td>we are motivated by many needs</td>
</tr>
<tr>
<td></td>
<td>we are not always logical</td>
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<tr>
<td></td>
<td>we are interdependent; our behavior is often shaped by the social context</td>
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<tr>
<td></td>
<td>informal work group is a major factor in determining attitudes and performance of individual workers</td>
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<tr>
<td></td>
<td>management is only one factor affecting behavior; the informal</td>
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http://web.cba.neu.edu/~ewertheim/introd/history.htm 2/22/2004
Results of the Hawthorne Studies and the related research

These studies added much to our knowledge of human behavior in organizations and created pressure for management to change the traditional ways of managing human resources. The Human Relations Movement pushed managers toward gaining participative support of lower levels of the organization in solving organization problems. The Movement also fostered a more open and trusting environment and a greater emphasis on groups rather than just individuals.

Douglas McGregor's Theory X and Theory Y

Douglas McGregor was one of the great popularizers of Human Relations approach with his Theory X and Theory Y. In his research he found that although many managers spouted the right ideas, their actual managers indicated a series of assumptions that McGregor called Theory X. However, research seemed to clearly suggest that these assumptions were not valid but rather a different series of notions about human behavior seemed more valid. He called these Theory Y and urged managers to manage based on these more valid Theory Y notions.

SCHOOLS OF HISTORICAL THOUGHT AND THEIR COMPONENTS BY DECADE

Org. theory prior to 1900: Emphasized the division of labor and the importance of machinery to f
Scientific management (1910s—) Described management as a science with employers having specific
Classical school (1910s—) Listed the duties of a manager as planning, organizing, commar
coordinating activities, and controlling performance; basic prin
Human relations (1920s—) Focused on the importance of the attitudes and feelings of
workers; informal roles and norms influenced performance
Classical school revisited (1930s): Re-emphasized the classical principles
Group dynamics (1940s): Encouraged individual participation in decision-making;
noted the impact of work group on performance

Bureaucracy--(1940s) Emphasized order, system, rationality, uniformity, and consistency in management; lead to equitable treatment for all employees by management

Leadership(1950s) Stressed the importance of groups having both social task leaders; differentiated between Theory X and Y management

Decision theory(1960s) Suggested that individuals "satisfice" when they make decisions

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Sociotechnical school(1960s) Called for considering technology and work groups when understanding a work system

Envir. and tech. system(1960s) Described the existence of mechanistic and organic structures and their effectiveness with specific types of environmental conditions

Systems theory(1970s) Represented organizations as open systems with inputs, transformations, outputs, and feedback; systems strive for equilibrium and equifinality

Contingency theory(1980s) Emphasized the fit between organization processes and characteristics of the situation; called for fitting the organization's structure to various contingencies

Landmarks in Management Thought

- 1835: Babbage, "On the Economy of Machinery and Manufacturers
- 1835: Ure: The Philosophy of Manufacturers
- 1886: Towne "The Engineer as Economist"
- 1895: Taylor: "A Piece Rate Systems"
- 1900-1915: Scientific Management Writings of Taylor, Gantt, Emerson, Cooke, Gilbreths
- 1920's: Industrial Psychology Movement, start of Hawthorne studies
- 1930: Mayo, "Human Problems of an Industrial Civilization"
- 1930's Roethlisberger and Dickson, "Management and the Worker"
- 1930's Mooney and Reiley, "Onward Industry"
- 1940's Barnard, "Functions of an Executive"

Appendix: The Protestant Reformation and the Protestant Ethic

- Luther: "All men possess a calling in the world and the fulfillment of its obligation is a divinely imposed duty"
- Calvin: "Disciplined work raises a person above the calling into which he was born and is the only sign of his election by God to salvation"... "The soul is naked before God without Church or communion-religion is a personal matter; worldly success and prosperity are construed as signs of God's approval

Impact of the Protestant Reformation on work

- work is now a profound moral obligation, a path to eternal salvation
- the focus is this world, materialism, not next world
- obligation is self-discipline, systematic work
- Social Darwinism-anti-social to help the weak; we must be free to compete and profit from fitness for survival; poverty is a sink

Appendix 1: Taylorism (Frederic Winslow Taylor, 1856-1915)--Scientific Management

- first attempt to systematically analyze human behavior at work
- attempt to make organizations adjunct to machines-
- look at interaction of human characteristics, social environment, task, and physical environment, capacity, speed, durability, cost
- reduce human variability

Principles of Scientific Management
Some Results of the Scientific Management Movement

- new departments-industrial engineering, personnel, quality control
- growth in middle management; separation of planning from operations
- rational rules and procedures; increase in efficiency
- formalized management, mass production
- human problems-dehumanization of work; sabotage, group resistance, hated

Principles of Scientific Management

- describe and break down the task to its smallest unit; science for each element of work
- restrict behavioral alternatives facing worker—remove worker discretion in planning, organizing, controlling
- use time and motion studies to find one best way to do work
- provide incentives to perform job one best way—tie pay to performance
- use experts (industrial engineers) to establish various conditions of work

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Weber's Model of Bureaucracy

At about the same time German sociologist Max Weber, observing the organizational innovations of the German leader Bismark, identified the core elements of the new kind of organization. He called it bureaucracy.

The Basic Elements of the Bureaucratic Structure

(Note: many of these aspects have existed for thousands of years)

- formal rules and behavior bounded by rules
- uniformity of operations continuity despite changes in personnel
- functional division of labor based on functional specialization
- rational allocation of tasks
- impersonal orientation
- membership constitutes a career
- promotion based on technical competence
- employment based on merit-no ascribed status
- qualifications tested
- proscribed authority-legally defined
- limited discretion of officers
- specific sphere of competence
- legally based tenure

These factors were supposed to ideally result in the ideal bureaucratic organization:

- authority is rational and legal; authority should be based on position, not on the person in the position
- authority stems from the office and this authority has limits as defined by the office
- positions are organized in a hierarchy of authority
- organizations are governed by rules and regulations

Appendix: The following lists some specific experiments that were part of the Hawthorne Studies

Relay Assembly Test Room Experiments

- examined relation of light intensity and worker efficiency
- failed to find simple relationship
- behavior is not merely physiological-also psychological
- decided to learn more about workers-eg. worker attitudes,
- called in Elton Mayo

Relay Assembly Test II, 1927

- selected 6 workers from large shop floor-average worker completed 5 relays in 6 minutes
- kept record of output for five years-quality, weather conditions, worker health, sleep
- had no supervision as such; workers told of experiment, could suggest changes
- work conditions varied-eg. rest periods, length of work day
- looked at effect of changes on out
- results-output rose slowly and steadily even with shorter workday
- workers said experiment was "fun"; liked absence of supervision; group developed socially, informal leadership, common purpose
Interviewing stage, 1928

- examined how 21,000 employees felt about work and company
- learned how to improve supervisory training
- found supervision improved as supervisors began to look at employees differently
- found managers knew little about good supervision
- concluded that employees couldn't be viewed as individuals, but rather as part of organized social groups, families, neighborhoods, working groups
- workers band together for protection; purposely restrict output to norm; resent group piecework; punish rate busters; enjoyed fooling management
- informal leaders keep group together

Bank Wiring Observation Room (1931-1932)

- choose 9 workers, three soldermen, two inspectors to assemble terminal banks
- group piecework used-guaranteed base rate; pay reflects both group and individual effort
- group placed in separate room to observe impact of group dynamics on prod.
- what happened-employees had notion of proper day's work; most work done in morning; when they felt they had done what they considered enough, they slacked off so output constant
- wage incentive really didn't work; informal social organization evolved; controlled rate busters
- workers often traded jobs and helped each other; formal supervisor often looked other way
- why did workers restrict output-didn't want management to know they could do more
- complex social system evolved-common sentiments, relationships

- what is critical is not what is but what is perceived
- since worker couldn't affect management, group gave meaning and significance to work
- workers resist formal changes in management to break up loyalties, routines industrial engineer