Bolman & Deal, chapter 6 People and Organizations

**Human Resource Frame Assumptions (p.121-132)**

* Individuals as objects for exploitation vs. Individuals’ needs aligned with the organizations’
* Pioneers: Mary Parker Follett (1918) and Elton Mayo (1933, 1945): questioned idea that workers only right was to a paycheck
* Their criticism was based on the unfairness of the status quo and recognition that the existing view was bad psychology
* Core assumptions:
* Purpose of organization is to serve human needs, not vice versa
* Symbiotic relationship between people (need income, career, opportunity) and organizations (need new ideas, talents, energy)
* Goodness of fit between the system and the individual: if it is a bad fit, both sides will be exploited**;** if it is a good fit, both sides will benefit
* Fit determined by 3 factors: organizational response to individuals needs for work, ability of employees to apply their skills in the job, and how effectively financial and life-style needs are fulfilled
* **Human Needs (p. 122-126)**
* Controversy over concept of need still exists
* All have needs, but not all needs are the same, making ‘needs’ difficult to define
* Nature - Nurture seesaw – sometimes genetic needs outweigh environmental ones, and sometimes vice versa
* **What needs do people have?** Maslow’s hierarchy of needs
* **Theory X and Theory Y** managers assumptions about people become self-fulfilling prophecies (McGregor, 1960)

Theory X: subordinates are passive, need to be led. Hard version of this theory says workers require coercion and tight controls, the soft version says to avoid conflict when possible, and keep people happy

Theory Y: based on Maslow’s hierarchy: management’s role is to align their requirements with the self interest of the employee, then rely on the employee’s self-direction to get the task done

* **Personality and Organization:** Argyris (1957,1964) felt organizations treated workers like children; saw conflict between the workers and the structure in traditional organizational design and management, particularly in terms of task specialization which drives people to seek an escape through one of six means:
1. Withdraw (absenteeism, quitting)
2. Psychologically withdraw (double up, diversions)
3. Restrict output (deception, sabotage)
4. Try to climb the hierarchy (seek better job)
5. Form alliances (labor unions)
6. Teach children work is unrewarding and advancement unlikely (evidenced in lack of work ethic in children of factory workers as compared to those of farmers)

**Human Capacity and the Changing Employment Contract (p. 132-137)**

* **Skill Gap:** conflict between need for adaptability in the workforce (focus on low costs and organizational efficiency) and need for loyalty (focus on people, invest in employees)
* **Lean and Mean:** **More benefits than costs?**
* Focus on smaller workforce, more flexible, efficient, and less cost. Often results in downsizing or outsourcing which demoralize workforce and take away knowledgeable, skilled, innovative, and loyal employees.
* Ex. McWane (p. 120); Home Depot under Nardelli in 2001-2007
* **Investing in People:** Skilled, motivated workforce as a strategic advantage
* Companies that recognize and respond to the needs of their employees and customers have higher performance than those that do not, and thus, attract better workers with higher motivation to do well in their jobs.
* Ex. Nucor (p. 119); Southwest Airlines