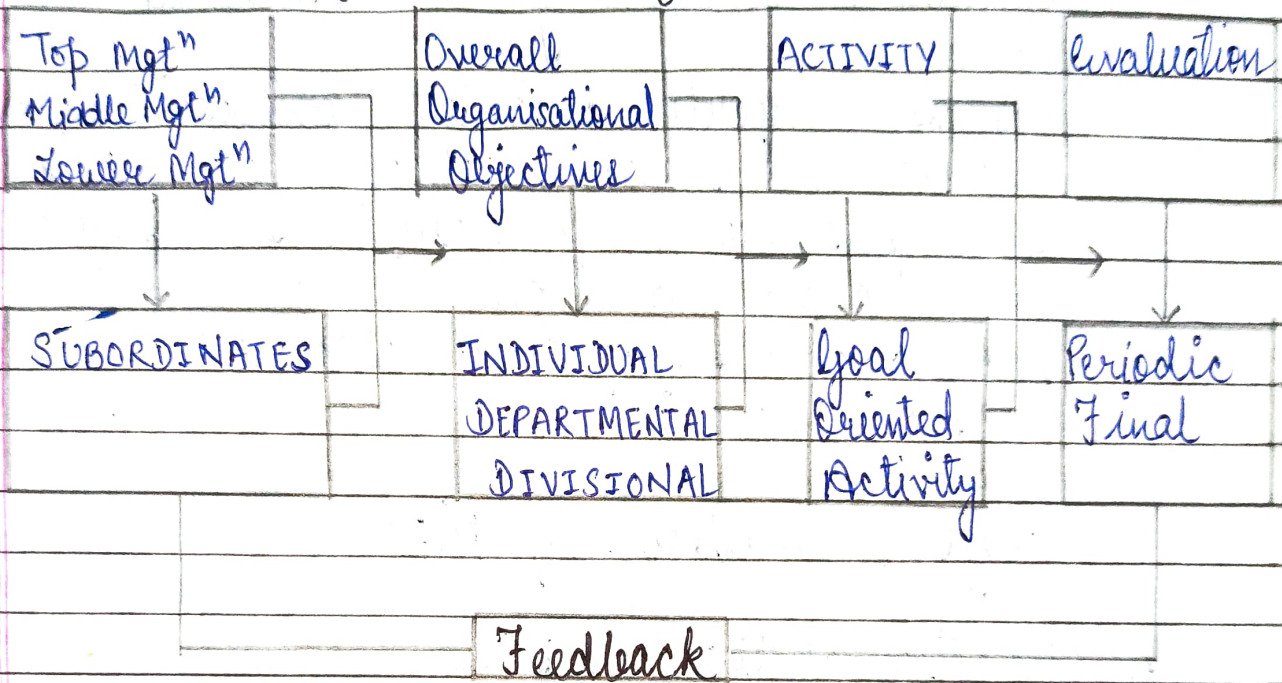


UNIT - II

Contribution by PETER F. DRUCKER ^{founder of} → MBO
 Participative mgtⁿ technique

Conceptual framework of MBO



It is a strategic mgtⁿ model that aims to improve the performance of by clearly defining objectives that are agreed by both mgtⁿ & employees.

The term MBO was first outlined by mgtⁿ guru Peter F. Drucker in 1954 in his book "The Practice of Management".

MBO means determining objectives & executing functions on the basis of these objectives. MBO is such a system & process under which the mgtⁿ & the subordinate

jointly determine individual, departmental & divisional objectives and perform managerial activities for achieving these objectives

Definition according to Anthony

"It is a result oriented philosophy of management, one which emphasises accomplishment & result. The focus is on change and on improving both individual & ~~for~~ organisational effectiveness."

Subject matter of MBO

1. Character of the company
2. Improvement in sales
3. Improvement in Products
4. Improvement in Management
5. Operational efficiency
6. Profitability
7. Innovation
8. Public accountability
9. Contribution for public welfare

Need / Importance / Advantages of MBO

1. Performance of managerial function
2. Increase in managerial effectiveness
3. Development of personal interest

4. Development of managerial ability
5. Improvement in personal relations
6. Emphasis on participation
7. Improved communication
8. Basis of salary & promotion
9. Development of discipline attitude
10. Helps in performance appraisal
11. Encourage self direction & self control

Criticism of MBO

1. Challenges to assumptions
2. Problem of coordination
3. Difficulty in Objective setting
4. Resistance of change
5. Unsatisfaction of objective
6. Unflexibility
7. Lack of team spirit

★ Process of MBO

- I Preliminary setting of Overall Organisational Objective
- ↓
- II Development of Organisation
- ↓
- III Development of objective for every unit
- ↓
- IV Determination of personal objective
- ↓
- V Changing in specific action Plan
- ↓
- VI Evaluation of results.

Essentials for Successful Establishment of MBO.

1. Determination of objectives
2. Clear definition of objective
3. Prepare employees for accepting
4. Participation and Motivation
5. Fair remuneration System
6. It is a practical process
7. Proper use of human resource
8. Evaluation of activities
9. Proper suggestion

Contribution by Dave Ulrich

Dave Ulrich is the

~~The~~¹ greatest HR management guru who has influenced the way we do HR mgtⁿ today. He has a power to change HR.

He has written the following books on HR
"Human Resource Champion", "HR competencies",
"HR value Proposition".

He has given the HR model.

What is the HR Model?

1. HR model connects HR strategy, HR goals and objectives, HR processes and jobs into an operating model.
2. HR model defines key roles and responsibilities

of human resource.

3. HR model defines how key HR tasks will be delivered and which process & unit in HR will deliver them.
4. It defines the style of operation of human resource.
5. Each change of HR agenda should begin with the change ⁱⁿ of HR model. It act as a decision matrix to find the right place for new roles & responsibilities.

Why is HR model Important ?

1. HRM can be focused on different initiatives and HR model makes them visible to managers and employees in the organisation.
2. HR model makes relationships visible to everyone (to internal customers, external vendors).
3. HR model assigns processes, responsibilities and job description to write roles HR has to play in the organisation.
4. HR model helps to organise thinking of the team and involve right partners from the HR and business.
5. HR model helps in providing the right path and direction towards the attainment of organisational objectives.

contribution

- 1) He is a Strategist & he identified 4 key HR roles which make the Organisation effective & friendly to employee.
- 2) He defined a strategic agenda for HR.
- 3) He proposed to change the structure of HR Function & Built HR roles.

HR Business
partner

Employee
Advocate

Key HR Rules
By
Dave Ulrich

Change
Agent.

Administrative
Expert

I) Human Resource Business partner (HRBP)

1. HRBP is a strategic role of HR.
2. It builds a partnership & relationship with dedicate internal client & it acts as a single point of contact for internal

client.

3. It influences positively the organisation design and identify top talents.
4. It gives a honest feedback to the internal client & helps in improving HR procedure.
5. It opens vacancies for candidates that fit best into the team
6. It acts as a coach in difficult moments.

II Change Agent

1. It is a second strategic role of HR.
2. With the help of this role the various teams takes the responsibility to communicate changes internally and gain the trust of the employee.
3. Change agent plans the internal communication and intervenes to plan to make them effective and achievable.
4. It plans the training session for the employees to make them aware with the changes.
5. It continuously collects feedback from the employees.

III Administrative Expert

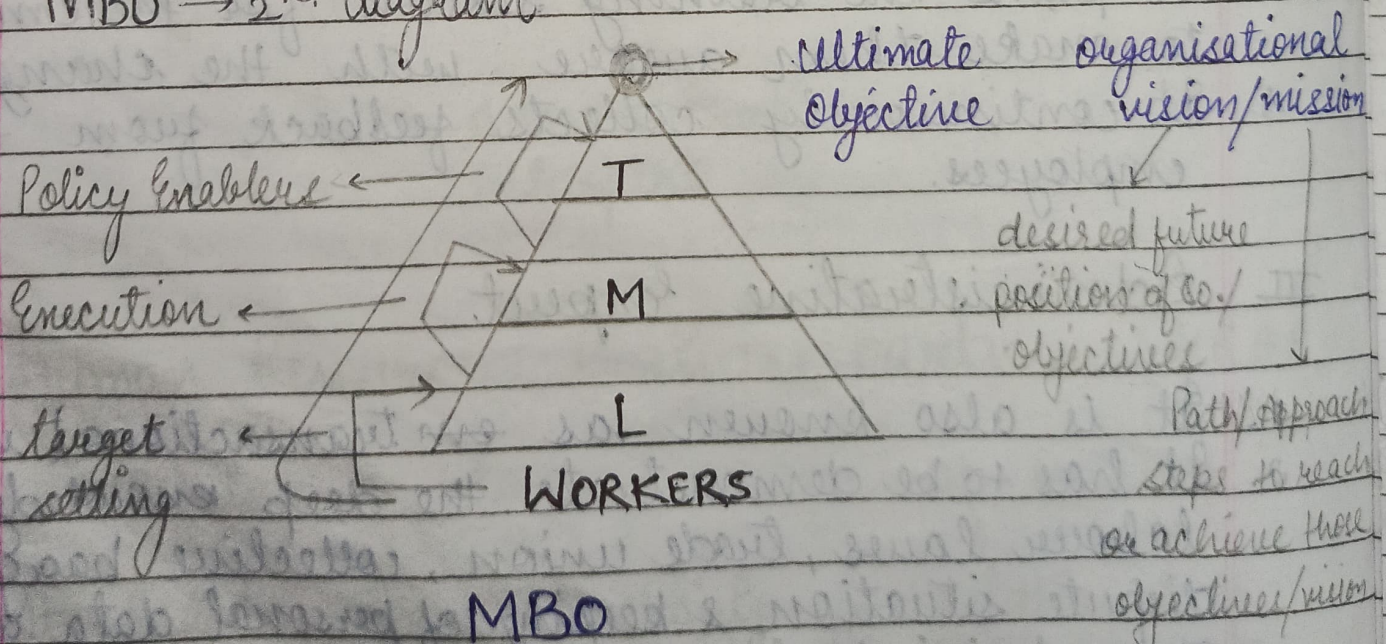
1. It is also known as ~~an~~ transactional role of HR.
2. It has to demonstrate the deep knowledge of labour laws, trade union, collective bargaining, dispute situation & keeping of personal data accurately.
3. The administrative expert introduces modern Human Resource Information System (HRIS) solutions.

& eliminates the manual entry of data

IV Employee Advocate

1. It is also known as employee champion
2. It is a core HR role.
3. It helps to represent employee, protect their interest and make sure that strategic initiatives are maintained.
4. HR ensures that employees have a fair chance to apply for a new role in the organisation.
5. HR runs various T & D sessions to develop the skills & competencies of the employees
6. HR manages the regular grievances and compliance procedure to ensure that employees get a fair treatment from the management.

MBO → 2nd diagram



MBO = Bottom up

Contribution by David McClelland

David McClelland is best known to managers for his theory of motivational needs. He was born in New York in 1917 and completed his bachelors in 1938. He has published many important books out of which following are world known - (i) The Achievement Motive (1953) (ii) The Achieving Society (1961), (iii) Human Motivation (1987)

Contribution

He made two primary contribution that manager should know about. He applied this to corporation, higher education and large scale economic development.

According to him people have motivating drivers that are linked to need regardless of age, gender, culture etc. He identified following four type of motivational needs

- (i) **Need for achievement** :- what motivates the individual and how can they make a contribution to the society because every individual wants to accomplish something in his life and to attain that he made his effort.

(ii) Need for power :- People with a need for power, attach great value to status, reputation and recognition. They have a need to be known as an important person so that they can influence others. Such persons enjoy competition and winning.

(iii) The need for Affiliation :- When the need for affiliation is high, they want to be liked and they expect support and good wishes from the group.

(iv) Need for Avoidance :- When people do not wish to perform at the front & prefer to avoid unpleasant situations, this need came into existence.

Because people have fear of failure, fear of rejection and even fear of success and by avoiding such situations they think they have found a best solution.

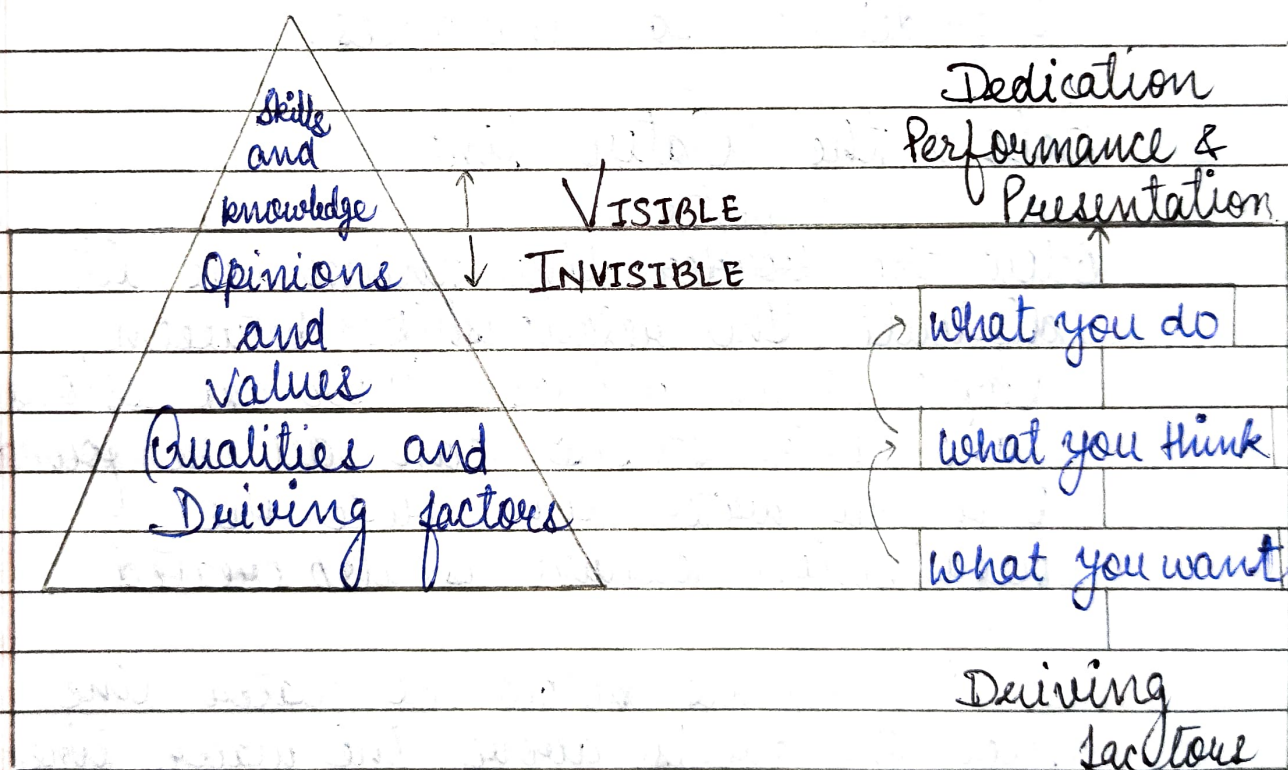
Maclelland Iceberg Model

Maclelland developed the Iceberg model using the motivational theory described by him. The Iceberg model looks at the person's visible behaviour, knowledge, skills and identifies the

unexpressed and driving factors.

In general a persons knowledge, skills & behaviour can be found above the ^{water} ~~border~~ line of the iceberg.

The certain element is what they do below the ^{water} ~~border~~ line we find think and want which focus on the term such as standards, values & belief, self-esteem, characteristics, personality and motives



McClelland Iceberg Model

Above the Water line

Anything above the ^{water} ~~border~~ line is powerful and visible in which the focus is not on "what" but on "How". In an organisation this can be translated into a organisational vision and strategy, structure, finance and especially the result of work, training & giving feedback. This will create a guideline for employees.

Below the Water line

Below the ^{water} ~~border~~ line things are bit difficult. The relationships between people, their feelings, their expressions and their senses can all be found below the water line. Here the organisation culture is also created.

The events below the water line affect the events above the water line. This is the reason why both levels must be taken into consideration in change processes.

The theory suggested by McClelland & his iceberg model links what the person does (above the water line)

and what they think & want (below the water line).

Contribution by T. V Rao Rao & Uday Pareek

Professor T. V Rao is known as the father of human resource development. He has developed the term OCTAPACE.

These octapace values helps in developing and maintaining climate of continuous development of the employees of the organisation.

O :- Openness

C :- Confrontation

T :- Time Trust

A :- Authenticity

P :- Pro-active / Pro-action

A :- Autonomy

C :- Collaboration

E :- Experimentation

1. Openness :- The degree of openness in the organisation will be an important factor in determining the various dimension of HRD.

It involves freedom to communicate, share and interact without hesitation, inviting ideas & suggestion from the employees so that they can work freely in.

the organisation.

2. **Confrontation**:- The term signifies the actual problem which team or employees face in the day to day work. It implies to face the problem and find out the best possible solution to get over it.

Facing the problem and challenges boldly and not ignoring is the main theme of confrontation.

3. **Trust**:- The trust factor come with openness which include maintaining the confidentiality of information shared by company.

If the level of trust is low the various dimensions of HRS (Human Resource system) are likely to be seen with suspicious and therefore the credibility of the system goes down. Trust ensures timely support, reduced stress and simplification of procedure.

4. **Authenticity**:- It is reflected in the very short gap between the stated values + actual behaviour. This value is important for the development of culture of mutuality. It ensures sharing of

feelings freely to improve inter-personal communication.

5. **Pro-active** :- It consists of taking initiative pre-planning and taking preventing action etc. Organisation must be pro-active in terms of their planning. They must be ready for future.
6. **Autonomy** :- It is the ~~best~~ willingness to use power without fear and helping others to do same. Autonomy is all about using & giving freedom to plan and act. It develops mutual relationship.
7. **Collaboration** :- It involves working together in a team for a common cause. Individuals solve their problem by sharing their concern with one another & prepare strategies for future actions. It is helpful for completion of work on time, improve communication etc.
8. **Experimentation** :- If an organisation wants to survive for longer duration & they have to ensure research & experimentation in the organisation so that they will come out with innovative practices. It is helpful in development of new product, method & procedure.

Contribution by C.K. Prahalad

C.K. Prahalad was born in 1941 and entered into management field from the world of physics. He is regarded as a influential thinker.

He has given strategic concept which is very much different from traditional strategic thinking.

His outstanding work on strategy is contained in a book 'Competing for the Future' written in association with Gary.

They coined the term 'Core Competence' a fountain head from which stronger competitive advantage.

They develop core competence as a process of competence building which enables small organisations to face against stronger organisations.

C.K. Prahalad has given a new shape and orientation to strategic thinking & his work has been widely acknowledged specially in USA.

A Core Competence is a bundle of skills

& technology that enables a company to provide a particular benefit to a customer?

This theory of Prahalad leads to the concept of BPO which advise business enterprises to identify their core competence areas & put more emphasis on that.

Salient features of core competencies

1. It is that strength of the organisation which competitors cannot match easily.
2. It is a dynamic concept rather than an absolute.
3. It gives advantage for specific period because new competitors may come out with superior core competence.
4. Core competence is largely a technological competence because new innovations are outcome of technology.
5. Core competence does not reside in one particular product rather it covers wide range of products.
6. Development of core competence requires a learning organisation which represents the sum of learning of individual skills.
7. It is developed through collective learning of ~~indus~~ organisational members.
8. Core competence requires corporate imagination to find out its potential.

9. Core competence insures the optimum utilisation of resources
10. Core competence also focusses on - the individual development, accomplishment of organisational objective, satisfying & fulfilling customer needs & take care of the success & growth of the organisation.