

Behavioral approach of enterprise management

The **Behavioral Approach of Enterprise Management** emerged as a reaction to the limitations of the classical management theories (Scientific, Administrative, and Bureaucratic Management), which were often criticized for their mechanistic view of employees and their lack to consider the human and social aspects.

The Behavioral approach emphasizes understanding human behavior, motivation, and social interactions to improve organizational efficiency and effectiveness.

The Behavioral Theory is generally divided into three main branches :

I. Human Relations School (Elton Mayo, 1883 -1949)

A significant movement that emerged in the early to mid-20th century as a response to the classical school. It emphasizes the social and psychological aspects of human behavior in organizations.

Elton Mayo and the Hawthorne Studies:

Conducted at Western Electric's Hawthorne plant by Elton Mayo and his associates between (1927 – 1932) to investigate the impact of physical working conditions (like lighting) on productivity, and the results indicates that productivity increased not necessarily due to changes in the physical environment. Elton Mayo show that the following factors also could affect the productivity:

- **Non-economic awards:** The nature of management which observes, feels and cares about employees
- **Social system and human relations:** The importance of social relationships and group dynamics in the workplace.

Core Principles of Human Relations Theory of Management

1. **Motivation:** this theory considers the different powerful motivational factors (recognition, opportunities for growth, and a positive work environment in addition to financial motivations) which lead to high productivity and high morale.
2. **Social System:** It is based on social system of organization, by focusing on human factors, and includes different roles and needs of employees (like job satisfaction, morale, teamwork, communication, and leadership)as well as the role of informal groups in the organisation.
3. **Employee Participation and Involvement:** Encouraging employee involvement in decision-making and creating a sense of belonging are seen as crucial for motivation and commitment.

4. **Employee Development:** It is concerned with the continued upgrading of employee skills and managerial skills.
5. **Understanding Group Dynamics and informal groups:** this approach acknowledges the influence of workgroups, informal organizations, and social interactions on individual and organizational behavior.

II. Maslow's Hierarchy of Needs (Abraham Maslow, 1908 -1970)

was created by American psychologist Abraham Maslow in 1943. Although not strictly a management theorist, Maslow's theory posits that individuals are motivated by a hierarchy of needs, significantly influenced the behavioral approach by providing a framework for understanding employee motivation.

Maslow's hierarchy of needs



From lowest to top, the levels are as follows:

1. **physiological requirements** (rest, food, water, and shelter)
2. **Safety needs** (security, stability, freedom from fear)
3. **Social and belonging needs** (friendship, intimacy, acceptance)
4. **Esteem needs** (respect, acknowledgment, reputation)
5. **Self-actualisation needs** (achieving one's full prospective, creativity)

The key idea, from Abraham Maslow, is that lower-level needs must be satisfied before higher-level needs can become motivators.

Maslow's hierarchy of needs in the workplace Management

Here are a few ways of the application of this theory in the workplace:

1. **Ensuring basic needs are fulfilled (physiological and safety needs):** by

- ❖ Providing adequate remuneration and incentives that allow employees to meet their physiological and safety needs.
- ❖ Create a safe work environment and develop job security.

2. Building a sense of ad belonging and esteem: by

- ❖ Create a welcoming environment where everyone feels accepted and valued.
- ❖ Employee contributions should be recognized, and chances for development and advancement should be provided.
- ❖ Encourage your teamwork to work together and build good and strong relationships.

3. Support of self-actualization

- ❖ Give employees freedom and chances to express their innovative ideas and creativity.
- ❖ Provide challenging work that allows people to learn, grow, and achieve their full capabilities.
- ❖ Integrate work with employees' own values and interests and objectives.

III. Theory X and Theory Y (Douglas McGregor, 1906 -1964):

McGregor proposed two contrasting sets of assumptions about human nature and their implications for management that are summarized in the following table:

Feature	Theory X (Traditional View)	Theory Y (Humanistic View)
Assumptions about Employees	- Inherently dislike work	- Can view work as natural as rest or play.
	- Need to be controlled, directed, and threatened with punishment	- Can exercise self-direction and self-control if committed to objectives.
	- Prefer to be directed, avoid responsibility, and have little ambition.	- Can learn to accept and seek responsibility.
		- Have the capacity to apply a high degree of innovation and creativity in the solution of organizational problems.
Managerial Style	- Autocratic, directive, and controlling.	- Participative, empowering, and collaborative.
	- Centralized decision-making.	- Decentralized decision-making, employee involvement.
	- Emphasis on strict rules, supervision, and punishment.	- Emphasis on creating a supportive and trusting environment.
Motivation	- Primarily motivated by extrinsic rewards (salary, bonuses) and fear of punishment.	- Motivated by intrinsic rewards (achievement, recognition, growth, responsibility).
Organizational Structure	- Tall hierarchy, clear chain of command, centralized authority.	- Flatter hierarchy, more decentralized authority, teamwork.

Employee Relations	- unfriendly, unreliable relationship between labor and management.	- Trusting, collaborative relationship between management and employees.
Goal	- Maximize output through control and efficiency.	- Maximize employee potential and organizational effectiveness through engagement and commitment.

Impact of the Behavioral Approach on Enterprise Management:

This approach has had a profound impact on how organizations are managed. It led to:

- A stronger focus on human resource management policies,
- A move towards more participative and democratic leadership styles.
- A stronger attention to teamwork and group dynamics.
- Recognition of the importance of effective communication and interpersonal relationships.
- The development of strategies to improve employee motivation and job satisfaction.

⇒ In conclusion, the Behavioral Approach to Enterprise Management marked a significant shift in management thinking, and it laid the foundation for many modern management styles focused on employee engagement, motivation, and a positive organizational culture.

Classical school contrasted to the human relations school of thought

	‘Classical School’ approach	‘Human Relations’ approach
Theorists	Henry Fayol Frederick Taylor Max Weber	Elton Mayo Abraham Maslow Frederick Herzberg
History	Late 19 th century	Early 20 th century.
Management Style	Autocratic, lack of consultation.	Participative, democratic.
Motivation	Extrinsic Reward e.g. money.	Intrinsic Reward e.g. job enrichment.
Management Control	Carrot and stick approach.	Contented cows produce more milk.
Management Focus	Task planning and design	Human welfare and psychology.