

# Digital Transformation Strategy & Leadership

Session on

Fundamentals and Evolution of Management

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# Topics of discussion

- Historical Development
- Introduction to Organizational Behavior
- Contributing Fields

# Industrial Revolution:

- 1<sup>st</sup> IR: Steam (1760):
  - Age of mechanical production
  - Transportation (railroads). Rural to Urban
  - Agrarian to Urbanization (textile manufacturing)
  - Birth of factory
  - Poor working conditions
- 2<sup>nd</sup> IR (1870-1914):
  - Science (in labs): invention of gasoline engines, airplanes, chemical fertilizer
  - Mass Production (in factories)
  - Assembly line, Ford model: Car with gasoline engine built on an assembly line in Ford factory
  - Later inventions such as: electric lighting, radio, telephones
- 3<sup>rd</sup> IR ( beginning 1950):
  - Digital Technology: semiconductors, mainframe and personal computing, internet
  - Analog to digital
  - Global communications and energy
  - E&IT began to automate production and take supply chain global

- The Classical Period

- Focus on controlling workers and maximizing efficiency and productivity
- People were seen as extensions of their tools and machines
- Assumption: workers find work unpleasant
- Motivation: based on compensation and punishment
- Fredrick Taylor Scientific Management: How to make lazy workers more productive
- Humanistic voices: Hugo Muntsberg, Mary Parker Follett

- The Humanistic Period

- GE funded study (1927-32) to understand workers productivity at Hawthorne Works plant of Western Electric Company, Chicago
  - Fundamental shift in how employee behavior was to be understood
  - No direct relationship between light/illumination and workers efficiency
  - Infact, dark environment also increased productivity
  - Conclusion: 1. People change behavior when they are being observed (Hawthorne effect). 2. Human behavior and motivation is complex and are influenced by relationships, attitudes and feelings and meaning people assign to their work and the relationships at work
- Chester Barnard's definition of a 'Formal Organization' focusing on individual cooperation at work
- Douglas McGregor Theory X and Theory Y
  - Theory X lead people to behave in the same expected way
  - Theory Y suggested more optimistic and humanistic view of people
- Maslow's Hierarchy Theory
- Max Weber on power and control within a bureaucracy

- Modern Behavioral Science

- Anthropologist, Sociologist, Industrial Psychologist
- Peter Drucker, Peter Senge, Jim Collins, Focus on knowledge workers

# Management by Objective



## What is an organisation?

- A consciously coordinated social unit composed of two or more people that functions on a relatively continuous basis to achieve a common goal or set of goals. According to Steve Jobs , CEO Apple, a company is one of humanity's most amazing inventions.

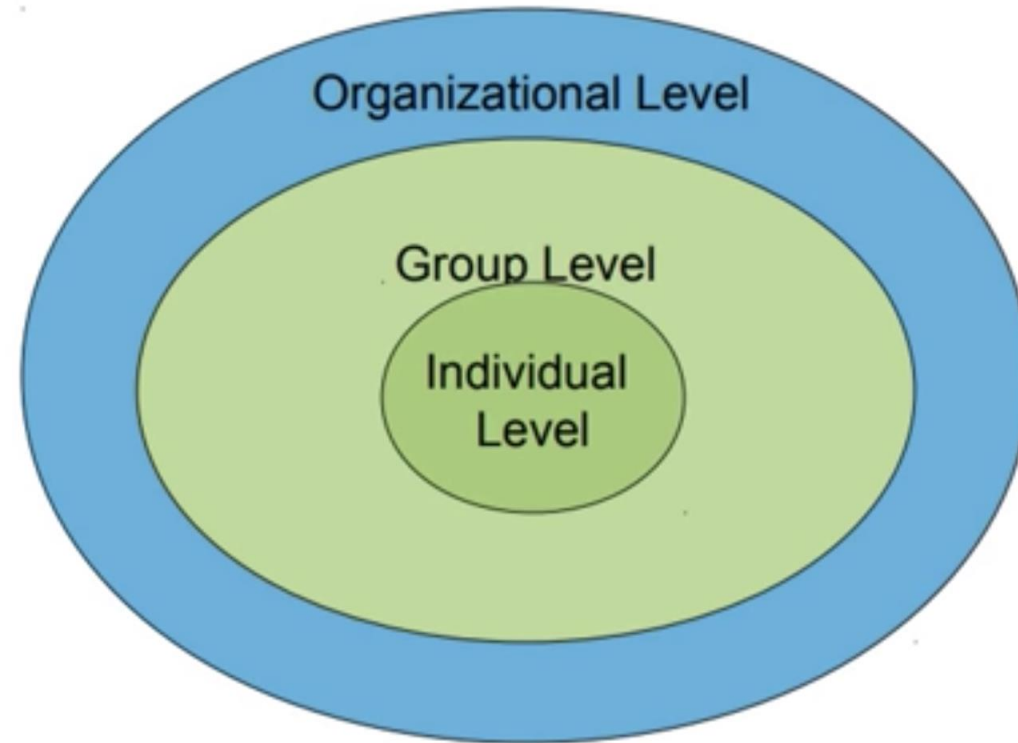
## What is Behavior

Behavior is socially driven and purposeful action.

It is an outcome or response to certain external or internal forces called stimuli.

In OB subject, we will explore behavior in scientific way and in an organizational context.

# Levels of Analysis



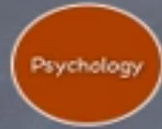
# Definition

- Organizational behaviour, is “... a study and application of knowledge about human behavior – as individuals and in groups – in organisation – strives to identify ways in which people can act more effectively.”
- “The understanding, prediction and management of human behaviour in organisations.”
- Is an applied science- best practices in one organisation can be communicated to others

## Goals

- Describe how people behave under a variety of conditions
- Understand why people behave as they do
- Predict future employee behaviour
- Control and develop human activity at work to improve productivity, skill improvement, team effort, etc

Contributing Field



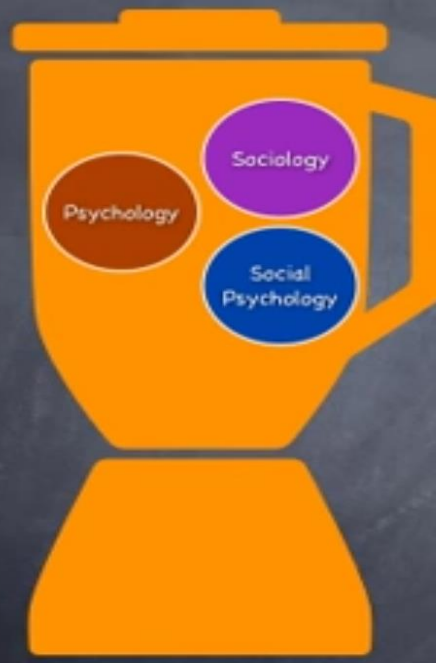
measure, explain &  
sometimes change human  
behavior



studies people's  
influence on  
one another



study people in relation  
to social environment &  
culture



study of societies  
to learn about  
humans & our  
activities



Behavioral Sciences  
(Probability sciences)



Approach to  
management  
which is  
conceptually  
sound and  
practical in  
application

## psychology

The science that seeks to measure, explain, and sometimes change the behavior of humans and other animals.

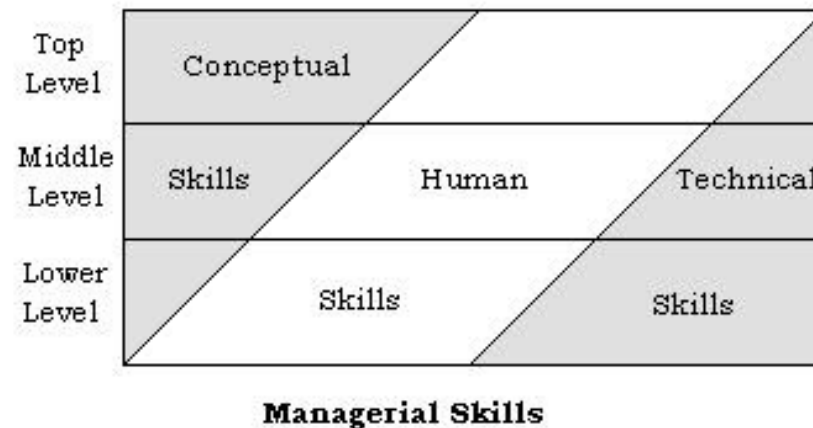


## sociology

The study of people in relation to their fellow human beings.



- Learn Behavioral Theories and Frameworks To
  - Make sense of the workplace
  - question and rebuild your personal mental models
  - To understand and predict the world we live in
  - To learn how to work in harmony and togetherness
  - They provide knowledge and various tools for working with and through others



# Personality

- Measuring Personality
  - MBTI
  - Big Five
- Linking Individual Personality and Values to the Workplace
  - Person Job Fit
  - Person Organization Fit

**Thank You**