

## **CHAPTER TWO**

### **Concepts and Development of Human Relations**

In the word of Jone et' al (2005) Human Relations movement advocates the idea that supervisors behaviourally trained to manage subordinates in ways that elicit their cooperation and increase their productivity.

According to Bateman and Snell (1999). Human Relation approach is aimed at understanding how psychological and social processes interact with the work situation to influence performance.

Human Relation was the first major approaches to emphasize informal work relationship and workers satisfaction.

“Human problem” become as important as the “Machine problem” or the sales problems.

The key concept of human relations can be said to be that, productivity and employee behaviours are influenced by the informal work group, cohesion status, and group norms determine output. Managers stress employee welfare, motivation and communication. Social needs have precedent over economic needs (Bateman & Snell 1999).

The emergence and development of human relations can be traced back to 1920s – 1955 in fact it emerged from a research project that began as a scientific management study. This approach owes much to other major school of thought for example, many of the ideas of the Gilbreths (scientific management) and Bernerd and Follet (Administration management) influenced the development of human relations (Bateman & Snell 1999).

Advance in the science of man, and his behaviour as an individual and in group, e.g. psychology, sociology e.t.c. have reveal a number of factors which helped business and industrial problems. The basis of the human relation movement was the integration of various disciplines i.e. industrial psychology and sociology, applied anthropology and social psychology and was concerned with the human problems

which management encountered (Appleby 1980).

### **The Hawthorne Studies and Human Relations**

Perhaps the most important contribution made to management during the human relations period came from the experiment of the Hawthorne plant of Western Electric Company. This experiment have become widely known as the Hawthorne experiment. They revealed that an organization was more than a formal structure or arrangement of the functions. Mayo wrote “(An organisation) is a social system, a system of cliques, grapevines, informal status system, virtuals and a mixture of logical, non-logical and illogical behaviour” Hicks and Sullet (1981). The research provided some of the most interesting results in the history of management (Bateman and Snell 1999).

To increase efficiency, the researcher studied ways to improve various characteristics of the work setting such as job specialization on the kinds of tool workers used. One series of study conducted from 1924 – 1932 at the Hawthorne work of the Western Electric Company, with the recent publication of the research findings. It revolutionized management thinking by focusing attention on the component of the job and work satisfaction on the part of employee (Jones et’ al 2000).

The research included people from the National Researcher Council, the Harvard Business School and the Massachusetts Institute of technology.

Among the people who wrote about the Hawthorne experiment was Elton Mayo (1888 – 1949 who is often quoted as having been a leader of the researcher. However, there appears to be some doubt as to the extent to which Mayo was actually innovated in conducting the experiments and his exact contribution to the human relation movement. There were five phases of the Hawthorne experiment.

- The illumination experiments

- The relay assembly experiments

- The interviewing programme

- The bank wiring observation room

- The final study (Cole 2000).

### **The Illumination Experiment (1924 – 1927)**

This investigation was conducted by the company's own staff under the direction of Messrs, Pennock and Dickson. This stage was concerned with the effect of lighting on output. Eventually, two groups of comparable performance were isolated from the rest and located in separate part of the plant. One group, the control group, had a consisted level of lighting; the other group, the experimental group has its lighting varied. To the surprise of the researchers, the output of both group increased. Even when the lighting for the experimental group was reduced to every low level, they still produced more! At this point Pennock sought the help of Mayo and his Harvard colleagues. (Cole 2006)

### **The Relay Assembly Test Room (1922 – 1929)**

The objective of this stage was to make closer and more detailed study of the effect of differing physical condition on productivity. All this stage, it is important to note, there was no deliberate intention to analyse social relationship or employee attitudes. Six women worker in the relay assembly section were segregated from the rest in a room their own. Over the cost of experiments, the effect of numerous changes in working conditions were observed. Rest pauses were introduced and varied, such times were varied in timing and in length. Most of the changes were discussed with the women before being implemented. Productivity increased whether the condition were made better or worst – later studies including altering the working week. Once again output increased regardless of the changes. By the end of stage two, the researcher realized they had not just been studying the relationship between physical working condition, fatigue, monotony and output, but had been entering into a study of employee attitude and values. The women's reactions to changes increased output regardless of whether conditions improved or worsened has come to be known as 'the Hawthorne Effect', that is to say the women were responding not so much to the changes as to the fact that they were the center of attention a special group.

### **The Interview's Programme (1928 – 1930)**

Before the relay test had come to an end, the company had decided to implement an

interview programme designed to ascertain employee attitude towards working conditions, their supervision and their jobs. The interviews were conducted by selected supervision, initially on a half-hour, structure basis. Eventually the interview pattern becomes relatively unstructured and lasted for ninety minutes. Despite this, the numbers interviewed reached over 20,000 before the programme was suspended. The wealth of material gained was used to improve several aspects of working conditions and supervision. It also became clear from the responses that relationships with people were an important factor in the attitude of employees.

### **The Bank Wiring Observation Room (1932)**

In this study, fourteen men on bank wiring were removed to a separate observation room, where apart from a few differences, their principal working conditions were the same as those in the main wiring area. The aim was to observe a group working under more or less normal conditions over a period of six months or so. The group was soon developing its own rules and behaviour – it restricted production in accordance with its own norms; it short circuited the company wage incentive scheme and in general protected its own sectional interests against those of the company. The supervisions concerned were powerless to prevent this situation. The group had clearly developed its own unofficial organization, run in such a way that it was able to protect itself from outside influences whilst controlling its internal life too. The group believed that if they increase their output, management would raise the standard level of price rates.

### **The Final Stage (1936)**

This stage commenced some four years after stage four (The bank wiring observation room) because of the economic difficulties of the depression. This final stage was based on lessons learned from the earlier studies. Its focus was firmly on employee relations and too the form of personal counseling.

The counselor encouraged employees to discuss their problems at work, and their result led by improvement in personal adjustment. Employee supervision relations and employee management relations.

## **The Importance of the Hawthorne Experiment (Human Relations)**

Whatever the interpretation of the result of the Hawthorne experiment, they did generate new idea concerning the importance of work groups and leadership. Communication output restriction, motivation and job design.

The placed emphasis on the importance of personnel management and gave impetus to the hard work of human relations writers.

The Hawthorne experiment undoubtedly marked a significant step forward in providing a further insight into human behaviour at work and the development of management thinking. The Hawthorne experiment are regarded as one of the most important of all social science investigations and are recognized as probably the simple most important foundation of the human relations approach to management and development of the organizational behaviour.

The human relations movement has led to ideas on increasing production by humanizing the work organization it store for social needs at work as well as improving the process of Managaemtn. It is regard and management to show concern for industrial sociology.

The human relation approach recognized the important of the informal organization which will always be present with formal structure. This informal organization influences the motivation of employees who will view the organization for which they work through the values and attitude of their colleagues.

The view of the organization determines their approach to work and the extent of their motivation to work well or otherwise. Human relations demonstrated that people go to work to satisfy a complexity of needs and not simply for monetary reward. It emphasis the importance the wider social need of individuals and gave recognition to the work organization as a social organization and the importance of the group and the group norms and values in influencing individual behaviour at work it has been commented that the human relation school was concerned about people without organization (Mullins 1988).

## **The Effect of Human Relations to Management**

Perhaps the major shortcoming of Taylor's philosophy was his under estimation of the magnitude of these feeling in relations to his economic man concept. Mayo attempted to show that man is an emotional, non-logical being who often react unpredictably to the work environment.

The influence of human relation philosophy can be seen in much management training programme today. Topic such as communications, counselling, understanding people and leadership are common ingredients in many training programme and reflect that funding of the original Hawthorne that improved communication e.t.c. will increase moral (Gray & Stake 1998).

The researcher at the Hawthorne plant discover the positive impact of supervisory style that permit employees in the way they do their work. Infact the Hawthorne studies produced the first scientific evidence of the relationship between employee, participation, and producing the Hawthorne studies also led to other studies, including the classic coach and Bench and Lewin research which provided evidence that participation by subordinates could lead to higher level of productivity, satisfaction and efficiency (Ivancevich & Matteson 1999).

The effect seems to suggest that worker attitudes toward their managers affect level of workers performance. In particular the significant findings was that a manager behaviour or leadership approach can effect performance. It is finding led many researchers to turn their attention to managerial behaviour and leadership. If supervisor could be trained to behave in ways that around elicit cooperative behaviour from their subordinate then productivity could be increased (John et 'al 2000).

## **Human Relations in Banking Industry**

Human relations in organization is a term used today to denote a systematic developing body of knowledge devoted to explaining the behaviour of man.

Therefore, the impact of human relations cannot be over emphasized in the banking industry. The terms Human Relations, in its broadest sense cover all types of

interaction among people; their conflict, cooperative effects and group relationships. It is the study of why our beliefs, attitudes and behaviour sometimes cause interpersonal lives and in work related situation.

The study of human relations emphasizes the analysis of human behaviour, prevention strategies, and resolution of behavioural problems. Reece Brand (1992)

Onasanya (1990) define human relations as the relationship between one person and another or a group of people within a community whether at work or social gathering. He went further that good Human Relations between executives and other staff will lead to an understanding which can generate corporation and hence attainment of organizational productivity. The executive and subordinate staff will have to maintain sound relationship with people at different levels.

The ability to maintain cordial relationships among workers and immediate community helps in promoting effectiveness.

The realization that no two individuals are alike when it comes to dealing with people and the situation in which people find themselves at any particular time has a great influence on mental attitude and consequences on behaviour, so care should be taken in handling individuals on different issue. The management cooperation with all politeness in addressing people showing appreciation and qualification when need be and offering reward all contribute to good human relations and high productivity in an organization.

According to Hicks and Byers (1972) Human Relations is an integration of people into work situation in a way that motivates them to work together productivity, cooperatively and with economic psychological and social satisfaction.

They went further to say that many factors influence a persons behaviours and attitude, such as age, sex, appearance, health, emotion, environment, education, region, nationality and culture. They also influence reaction of others to the individual and more so, frustration makes people to be in disagreement.

Human relations according to Lorging (1983) is an exasting aspect of workers meeting

new people of all kind, such as meeting broaden their horizon hopefully other derive pleasure from meeting them.

The key element in Human Relation is basis observation of making organizational members fill useful and important. This process is viewed as the means of building a cooperative and participative workforce.

### **Dimension of Human Relations in Banking Industry**

The relations at work concern relationship with people at different levels and this relationship can be categorized into three (3) dimensions.

Upward Relationship such as between the boss and his subordinates.

The horizontal relationship between officers of the same level and equal ranks.

Downward relationships between the boss and subordinate which are placed under their supervisions.

Ezinwa and Agoma, (1993) stressed that there is a link between these dimension and the closest in relationship is between workers and the boss.

A good relationship therefore entails having the knowledge of technicalities of ones job as such the process of good human relations with ones subordinate and boss is equivalent in human reform terms to establishing job responsibilities.

A cordial relationship depends upon having a clear understanding of ones job and the attitude evident to both. It involves areas of authority match with responsibilities and pull resource for the attainment or performance of activities.

They went to classify an organization in term of how it relates to its clients, members and encompassing society.

Organizational goals range from individual to organization of how it relates with a variety of social unit between each of the groups.

Mullins (1985) state that “good management is intimately connected with good Human relation at an efficient management is two aspect at the same time.

He also makes it clear that Human relation at work cannot be the responsibility of the executive alone. So good human relation involves moral attitude, teaching everyone



whatever their positions with respect and caring about employees.

## **EFFECTIVENESS OF HUMAN RELATIONS IN THE BANKING INDUSTRY**

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