

# IMPLICATIONS OF HUMANISTIC MANAGEMENT FOR THE EMPLOYER AND THE EMPLOYED

Debolina GUPTA

Ramaiah Institute of Management, Bengaluru, India

**Abstract:** Humanistic management may be among the latest buzzwords, but the older generation maintains that it knew all about it all along. Some of them had practised it at the workplace. It is all about workplace dignity. By giving it a fancy name, Generation Z is only reinventing the wheel. Upon interaction with the respondents selected for the study, the researcher concludes that humanistic management can help reduce attrition and raise employee productivity. As a result, the employer can become more price-competitive and quality-competitive at the workplace. Thus, the outcome is a virtuous cycle of enhanced productivity, enhanced competitiveness and reduced training costs. But what piqued the curiosity of the researcher was why, to this day, humanistic management remains an exception and not the rule, across the employer community. This is because employers placed more faith in authoritative managers than in individual workers and group dynamics. They ignored interpersonal relationships. They failed to acknowledge the value of dignity in the economics and management space! This amounts to being wise to the penny and foolish to the pound. At best, it may lead the employee to churn out products at the same dreary pace for the rest of his/her work life. For all one knows, the employee concerned may be capable of delivering more but no thanks to absence of humanistic management, the employee concerned is seldom motivated to excel himself/herself at the workplace. Humanistic management dispels the notion that productivity level is the same across employees.

**Keywords:** attrition, buzzword, humanistic management, reinvent, virtuous cycle.

## Introduction

Humanistic management may be among the latest buzzwords one comes across in the country today, but the older generation sees nothing new in it. The older generation maintains that it knew all about it all along and some of them had practised it at the workplace. None of them raised the decibels on the subject, though. The older generation shrugs off the buzz phrase by retorting that humanistic management is all about workplace dignity. By giving it a fancy name, Generation Z is only reinventing the wheel. The old generation is right in a way since it is well known that jargonizing the familiar may even impede communication. It is thus time one ascertained whether humanistic management is mere jargonization of the familiar or

something more than that. No better way to go about it than by interacting with the two main respondent categories associated with the subject, namely the employer and the subject experts/consultants!

## **1. Statement of the problem**

Humanistic management is being undertaken in our country in fits and starts. Still it has impacted a few businesses. Hence the impact has to be ascertained. Having said that one should identify the reasons behind humanistic management not taking off fully. It is this problem the present study seeks to address.

## **2. Review of literature**

### **2.3.1.**

Humanistic management has lately been drawing interest and criticism alike. It constitutes the basis for organizational practices in areas like learning, employee relations, development, motivation, culture and community (Arora & C, 2013). Being a component of the economic intent of organizations, it targets superior performance of individuals, organizations, and society, even as it retains human interest at its core.

### **2.3.2.**

The contrasting views on the subject however regard it to be an idealist and non-realistic perspective. According to McGuire et al, the humanistic management approach, in its attempt to promote caring and people-centric organizations and accounting for societal and employee concerns, does not reckon the real-world scenario where business objectives of ‘increasing shareholder returns, profit, market share, and, ... maximizing employee productivity at minimum cost’ are of prime consideration (McGuire, Cross, & O’Donnell, 2005).

### **2.3.3.**

Literature on humanistic management places emphasis on the need for and significance of the humanistic management approach. The approach encompasses ‘relationships, compassion, and virtuous actions’, the associated processes and their outcomes in generating ‘dynamic capabilities’ in an organizational context (Wooten, & Crane, 2004, p. 848).

#### **2.3.4.**

Humanistic management is a modern management imperative (Mele, 2003). It has its origins in the Greek word "Humanitas". The latter is associated with the humane concepts of 'understanding, benevolence, compassion, mercy ...[along with]... fortitude, judgment, prudence, eloquence and love of honour'.

### **3. Research gap**

The reviewed literature has not adequately examined the impact of humanistic management on the stakeholders of businesses. Nor has it identified the factors that led to the failure of humanistic management in some businesses. It is this gap the present study proposes to bridge.

### **4. Scope of the present study**

The study confines itself to employer respondents and consultant respondents based out of Bangalore city.

### **5. Objectives of the study**

The objectives of the study are to:

1. Ascertain the impact of humanistic management
2. Identify the factors that led to the failure of humanistic management in some businesses.

### **6. Hypothesis proposed to be tested**

The study proposes to test the following hypothesis:

"Businesses have placed more faith in authoritative managers than in individual workers and group dynamics".

## **7. Research design**

### **7.1. Research methodology**

The study is descriptive in nature and has used the ‘fact-finding’ survey method.

### **7.2. Sources of data**

Primary data has been collected from Bangalore-based employers and consultants covered by the study.

Secondary data has been collected from various publications , including books , journals and the financial press in soft and hard versions.

### **3.3. Sampling plan**

1. Employer respondents: Given the limited number of employers with exposure to humanistic management and operating in the vicinity where the researcher lives, and the time constraint involved, purposive or judgement sampling under the non-probability method has been employed. Applying a minimum exposure of five years to humanistic management as the criterion, the researcher selected 30 such employer respondents.
2. Consultant respondents: Given the limited number of consultants consulting in the humanistic management space and operating in the vicinity where the researcher lives, and the time constraint involved, purposive or judgement sampling under the non-probability method has been employed. Applying a minimum exposure of five years to humanistic management as the criterion, the researcher selected 30 such consultant respondents. The criteria applied is the most appropriate one for the present study. What is important is the typicality and the relevance of the sampling units to the study and not their overall representativeness to the population. Thus, it guarantees inclusion of the relevant elements in the sample. Probability sampling plans cannot give such a guarantee.

### **7.4. Data collection instruments**

Interview schedules, specially designed for the purpose, were administered to the respondents for collection of primary data.

### **7.5. Data processing and analysis plan**

Non-parametric statistical units were used to test the association between qualitative characters and conclusions were drawn on the basis of formation of  $H_0$  and  $H_1$ .

## 7.6. Limitations of the study

Primary data has sometimes been deduced through constant topic-oriented discussions with the respondents. Possibly, a certain degree of subjectivity, even if negligible, has influenced their views.

## 8. Employer respondents

In the following paragraphs, the primary data collected from the employer respondents is analysed.

### 8.1. Impact of humanistic management

With the virtues of humanistic management being increasingly bandied about in business circles, the researcher sought to know the impact of humanistic management from the respondents. Their replies to the query appear in the Table 1.

**Table 1.**

*Impact of humanistic management*

Impact	Number of respondents
It helps reduce attrition rate	24
It helps the employer become more price-competitive and more quality-competitive	23
It helps raise employee productivity	21
It helps reduce employee training costs	20

24 respondents aver that humanistic management helps reduce attrition rate. It helps the employer become more price-competitive and more quality-competitive, assert 23 respondents. It helps raise employee productivity, according to 21 respondents. It helps reduce employee training costs, according to 20 respondents.

### 8.2. Reasons behind humanistic management not taking off in some businesses

In some businesses, humanistic management has not taken off. Hence the researcher requested the respondents to disclose the reasons thereof. Their replies to the query appear in the Table 2.

**Table 2.***Reasons behind humanistic management not taking off in some businesses*

<b>Reasons</b>	<b>Number of respondents</b>
Businesses have placed more faith in authoritative managers than in individual workers and group dynamics	13
Businesses have failed to place emphasis on interpersonal relationships	11
The intrinsic value of dignity is yet to be acknowledged in the economics and management space.	10

Businesses have placed more faith in authoritative managers than in individual workers and group dynamics, admit 13 respondents. Businesses have failed to place emphasis on interpersonal relationships, admit 11 respondents. The intrinsic value of dignity is yet to be acknowledged in the economics and management space, admit 10 respondents.

## 9. Consultant respondents

In the following paragraphs, the primary data collected from the consultant respondents is analysed.

### 9.1. Impact of humanistic management

With the virtues of humanistic management being increasingly bandied about in business circles, the researcher sought to know the impact of humanistic management from the respondents. Their replies to the query appear in the Table 3.

**Table 3.***Impact of humanistic management*

<b>Impact</b>	<b>Number of respondents</b>
It helps reduce attrition rate	27
It helps raise employee productivity	27
It helps the employer become more price-competitive and more quality-competitive	26
It helps lower labour cost for the employer	26
It helps reduce employee training costs	26
It helps dispel the notion that productivity level is the same across employees	25
It helps improve the decision-making capability of employees	25
It helps reduce employee training costs	24

It helps reduce attrition rate, aver 27 employees. It helps raise employee productivity, over 27 respondents. It helps the employer become more price-competitive and more quality-competitive, state 26 employees. It helps lower labour cost for the employer, according to 26 respondents. It helps reduce employee training costs, according to 26 respondents. It helps

dispel the notion that productivity level is the same across employees, aver 25 respondents. It helps improve the decision-making capability of employees, aver 25 respondents. It helps reduce employee training costs, according to 24 employees.

## 9.2. Reasons behind humanistic management not taking off in some businesses

In some businesses, humanistic management has not taken off. Hence the researcher requested the respondents to disclose the reasons thereof. Their replies to the query appear in the Table 4.

**Table 4.**

*Reasons behind humanistic management not taking off in some businesses*

<b>Reasons</b>	<b>Number of respondents</b>
The intrinsic value of dignity is yet to be acknowledged in the economics and management space.	27
The relevance of dignity to society and social sciences has not been taken seriously by any stakeholder	27
Businesses have placed more faith in authoritative managers than in individual workers and group dynamics	25
Businesses have failed to place emphasis on interpersonal relationships	24

The intrinsic value of dignity is yet to be acknowledged in the economics and management space, aver 27 respondents. The relevance of dignity to society and social sciences has not been taken seriously by any stakeholder, aver 27 respondents. Businesses have placed more faith in authoritative managers than in individual workers and group dynamics, according to 25 respondents. Businesses have failed to place emphasis on interpersonal relationships, aver 24 respondents.

## 10. Summary of findings

In the following paragraphs, the findings arrived at in respect of the two categories of stakeholders are furnished:

### 10.1. Employer respondents

24 respondents aver that humanistic management helps reduce attrition rate. It helps the employer become more price-competitive and more quality-competitive, assert 23 respondents. It helps raise employee productivity, according to 21 respondents. It helps reduce employee training costs, according to 20 respondents.

Businesses have placed more faith in authoritative managers than in individual workers and group dynamics, admit 13 respondents. Businesses have failed to place emphasis on

interpersonal relationships, admit 11 respondents. The intrinsic value of dignity is yet to be acknowledged in the economics and management space, admit 10 respondents.

### **10.2. Consultant respondents**

It helps reduce attrition rate, aver 27 employees. It helps raise employee productivity, over 27 respondents. It helps the employer become more price-competitive and more quality-competitive, state 26 employees. It helps lower labour cost for the employer, according to 26 respondents. It helps reduce employee training costs, according to 26 respondents. It helps dispel the notion that productivity level is the same across employees, aver 25 respondents. It helps improve the decision-making capability of employees, aver 25 respondents. It helps reduce employee training costs, according to 24 employees.

The intrinsic value of dignity is yet to be acknowledged in the economics and management space, aver 27 respondents. The relevance of dignity to society and social sciences has not been taken seriously by any stakeholder, aver 27 respondents. Businesses have placed more faith in authoritative managers than in individual workers and group dynamics, according to 25 respondents. Businesses have failed to place emphasis on interpersonal relationships, aver 24 respondents.

## **11. Conclusions**

Conclusions relate to the hypotheses. They are answers to the research questions.

### **Hypothesis testing**

#### **Hypothesis**

The following is the hypothesis proposed to be tested:

“Businesses have placed more faith in authoritative managers than in individual workers and group dynamics”.

Hence  $H_0$  and  $H_1$  are as follows:

$H_0$ : Businesses have not placed more faith in authoritative managers than in individual workers and group dynamics.

$H_1$ : Businesses have placed more faith in authoritative managers than in individual workers and group dynamics.

On the basis of the primary data collected from the respondents, vide Tables: 2 and 4, a chi-square test was applied to ascertain the association, if any, between the two variables. The Table 5 reveals the computation made using MS-Excel:



**Table 5.***Reasons behind humanistic management not taking off in some businesses*

Category	Observed Values		
	Yes	No	Total
Employers	13	17	30
Consultants	25	5	30
Total	38	22	60
Category	Expected Values		
	Yes	No	Total
Employers	19	11	30
Consultants	19	11	30
Total	38	22	60
	Yes	No	
o-e	-6.0000	6.0000	
	6.0000	-6.0000	
(o-e) <sup>2</sup>	1.0000	1.0000	
	1.0000	1.0000	
((o-e) <sup>2</sup> )/e	0.0526	0.0909	
	0.0526	0.0909	
CV	0.1053	0.1818	0.2871
TV			3.8415
p			0.0351

The calculated value of  $\chi^2$  is 0.2871, lower than the table value of 3.8415 for an alpha of 0.05 at one degree of freedom. Hence the alternate hypothesis is rejected, and the null hypothesis is not rejected.

## 12. Researcher's recommendations

Humanistic management does help reduce the attrition rate for the employer. This should come as a great relief to businesses that have to otherwise preoccupy themselves with appointing people every now and then and training them for the job, only for the cycle to repeat once the next round of attrition occurs.

An employee who has been exposed to humanistic management at the workplace, contributes more to the employer by way of vastly improved productivity and what is more, sticks with the organisation. This reduces the employee cost for the employer. Since such an employee becomes more involved in the work assigned to him/her, he/she goes the extra mile to ensure that the quality of his/her output is of a higher order. In other words, such an employee will help the business concerned become more price-competitive and more quality-competitive at the marketplace, eventually.

Businesses unfortunately have been placing more faith in authoritative managers than in individual workers and group dynamics. This amounts to being wise to the penny and foolish to the pound. At best, it may lead the employee to churn out products at the same dreary pace

for the rest of his/her work life. For all one knows, the employee concerned may be capable of delivering more but no thanks to absence of humanistic management, the employee concerned is seldom motivated to excel himself/herself at the workplace.

The intrinsic value of dignity is yet to be recognised in fields like economics and management and this is unfortunate. Workplace dignity is the essence of humanistic management and businesses that miss out on humanistic management miss out on their bottom-lines too. The researcher strongly recommends that workplace dignity is given its due in the economics and management space in the interest of the business concerned and its growth.

Employees exposed to humanistic management outpace their workplace colleagues in areas like production, productivity, precision, innovation and quality. These tributes enhance their decision-making capabilities too. This should help the management since many issues are sorted out at the lower level of the organisational hierarchy rendering management intervention superfluous.

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