

**TEERTHANKER MAHA VEER UNIVERSITY
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**CENTRE FOR ONLINE & DISTANCE
LEARNING**



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Programme: Bachelor of Business

Administration

Course: Fundamentals Organizational

Behaviour

Course Code: BBACC102

Semester-I

Syllabus

OBJECTIVE AND EXPECTED OUTCOME OF THE COURSE:

To understand organizational behaviour in its broadest multi-disciplinary context and to familiarise the students with the theoretical and practical aspects of organizational behaviour.

UNIT-I

Organisation: concept, features, significance, organizational goals

Organisational behaviour: concept, nature, role, application and disciplines contributing to OB, determinants, models, challenges and opportunities of OB.,

Foundations of individual behaviour: Personal factors; Environmental factors; Models of Individual behaviour.

UNIT-II

Personality: Meaning; Development of personality; Major determinants of Personality.

Perception: Meaning and definition; Factors influencing perception; Perceptual Process; Person Perception; Perceptual Errors.

Learning and Reinforcement: Meaning; Theories of Learning and Reinforcement; Reinforcement Contingencies; Behaviour Modification.

Motivation: Nature; Importance; Challenges; Theories of Motivation

UNIT-III

Work Stress: Meaning and definition; Sources of stress; Consequences of stress; Individual differences and stress; Coping with work stress.

Group Behaviour: Defining and classifying groups; Stages of Group development; Work group behaviour; External conditions imposed on the group; Group member resources; Group structure; Group decision making.

Team Dynamics: Nature; Teams vs. Groups; Types of Teams; Benefits from Teams; Implementing teams in Organisations.

Power and Politics Behaviour: Meaning; Power dynamics; Sources of power; Effective use of power; power tactics.

UNIT-IV

Leadership: Meaning; Importance; Approaches; Theories of Leadership.

Interpersonal Communication: Meaning; Nature; Objectives; Process; Nature of interpersonal communication; Organisational communication networks; Communication Problems.

Organisational Culture: Meaning; Importance; Organisational culture and effectiveness; Organisational culture and Ethics; Multicultural and Diverse organisations; Changing Organisational culture.

Organisational Change: Meaning; Importance; Dynamics of change; Forces for change; Resistance to change.

SUGGESTED READINGS/ BOOKS

1. Robbins; S.P., *Organizational Behaviour*, Prentice Hall of India Pvt. Ltd., New Delhi, 2008.
2. Luthans, Fred, *Organizational Behaviour*, Mc Graw Hill International, New York, 2007.

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LESSON NO 1 ORGANIZATION :MEANING ,NATURE AND SIGNIFICANCE

1.1 OBJECTIVES

1.2 INTRODUCTION

1.3 CHARACTERISTICS OF AN ORGANIZATION

1.4 ORGANIZATION CHARTS

1.5 SUMMARY

1.6 REFERENCES

1.7 ANSWER TO CHECK YOUR PROGRESS

1.8 SUGGESTED READINGS

1.9 TERMINAL & MODEL QUESTIONS

1.1 OBJECTIVES

- **Examine** the meaning, characteristics and typology of organizations
- **Learn** the principles and process of organizing
- **Understand** the meaning and significance of the span of management and the factors governing it
- **Describe** the advantages and disadvantages of different bases of departmentalization
- **Analyse** the advantages and disadvantages of two broad categories of organization structures, viz., mechanistic and organic

1.2 INTRODUCTION

There is no standard definition of the word –organization. Different writers have defined the word differently. According to Amitai Etzioni ‘an organization is a social unit or human grouping *deliberately structured* for the purpose of attaining specific goals. Sehein defines an organization as the *rational coordination of the activities* of a number of people for the achievement of some common explicit purpose or goal, through division of labour and function, and through a hierarchy of authority and responsibility. Allen defines the term as the process of *identifying and grouping of the work* to be performed, *defining and delegating responsibility and authority* and establishing relationships for the purpose of enabling people to work most effectively together in accomplishing their objectives. According to Pfiffner and Sherwood, an organization is the pattern of ways in which large numbers of people, too many to have intimate face to face contact with all others, and engaged in a complexity of tasks, relate themselves to each other in the conscious, systematic establishment and accomplishment of mutually agreed purposes.

In terms of all the above definitions, corporations, armies, schools, hospitals, churches, prisons, etc. are organizations. But tribes, ethnic and friendship groups and families are not organizations because they do not involve any significant amount of conscious planning, coordination or deliberate structuring.

Definitions

Louis Allen. –Organization is the process of identifying and grouping work to be performed, defining and delegating responsibility and authority and establishing relationships for the purpose of enabling people to work most effectively together in accomplishing objectives. In the words of Allen, organization is an instrument for achieving organizational goals. The work of each and every person is defined and authority and responsibility is fixed for accomplishing the same.

Wheeler. –Internal organization is the structural framework of duties and responsibilities required of personnel in performing various functions within the company. It is essentially a blue print for action resulting in a mechanism for carrying out function to achieve the goals set up by company management. In Wheeler’s view, organization is a process of fixing duties and responsibilities of persons in an enterprise so that business goals are achieved.

Koontz and O’Donnell. –The establishment of authority relationships with provision for co-ordination between them, both vertically and horizontally in the enterprise structure. These authors view organization as a coordinating point among various persons in the business.

Oliver Sheldon. –Organization is the process so combining the work which individuals or groups have to perform with the facilities necessary for its execution, that the duties so performed provide the best channels for the efficient, systematic, positive and co-ordinated application of the available effort. Organization helps in efficient utilization of resources by dividing the duties of various persons.

Spriegel. In its broadest sense organization refers to the relationship between the various factors present in a given endeavour. Factory organization concerns itself primarily with the internal relationships within the factory

such as responsibilities of personnel, arrangement and grouping of machines and material control. From the standpoint of the enterprise as a whole organization is the structural relationship between the various factors in the enterprise. Spriegel has given a wide definition of the organization. He has described it as the relationship among persons, factors in the enterprise. All factors of production are co-ordinated in order to achieve organizational objectives.

George Terry. –Organizing is the establishing of effective authority relationships among selected work, persons, and work places in order for the group to work together efficiently. According to Terry organization is the creation of relationship among persons and work so that it may be carried on in a better and efficient way.

C.H. Northcott. –The arrangement by which tasks are assigned to men and women so that their individual efforts contribute effectively to some more or less clearly defined purpose for which they have been brought together. According to Northcott the purpose of organization is to co-ordinate the activities of various individuals working in the organization for the attainment of enterprise goals.

L.H. Haney. –Organization is a harmonious adjustment of specialized parts for accomplishment of some common purpose or purposes. Organization is the adjustment of various activities for the attainment of common goals.

1.3 CHARACTERISTICS OF AN ORGANIZATION

An attempt to synthesize some important definitions indicates that every organization has:

1. A purpose, goal or goals which as already indicated in a previous chapter are the task of planning
2. A clear concept of the major duties or activities required to achieve the purpose,
3. classification of activities into jobs, and
4. establishment of relationships between these jobs in order to ensure coordination. This is achieved through division of labour and delegation of authority.

A group of organizations sharing a common profile of characteristics is called an organizational configuration.

1.3.1 Typology of Organizations

To the untrained eye, all organizations appear alike. But this is not so. Every organization has certain unique combination of the above characteristics which distinguish it from all other organizations. This makes classification of organizations into specific types difficult. Yet, in order to enable generalizations to be made on the basis of certain characteristic features of organizations within a particular grouping, it is necessary to group similar types of organizations together. Blau and Scott group organizations into four categories using the criterion of *cui bono*—who benefits:

1. Organizations which benefit their *owners*. All business organizations fall in this category.
2. Organizations which benefit their *members*. A wide class of unions, cooperatives and clubs come under this category.
3. Organizations which benefit their *clients*. Examples are insurance companies, private schools. etc.
4. Organizations which benefit the *whole society* (commonweal organizations) such as governmental departments, the armed services and the police.

1.3.2 Nature of Business Organization an Art or A Science

Generally, a controversy arises as to whether business organization is a science or an art. This controversy has created a good deal of confusion about the nature of business organization. To determine whether business organization is a science or an art, we must understand clearly the meanings of the terms ‘art’ and ‘science’.

Business Organization—An Art

An art is a system of rules for the attainment of a given end. T.L. Massie says, –In any activity that is classed as an art the emphasis is on applying skills and knowledge and accomplishing an end through deliberate effort. In the words of G.R. Terry, art is –bringing about of a desired result through application of skill. C.I. Barnard has remarked, –The function of an art is to accomplish concrete ends, effect result, produce situations that would not come about without the deliberate effort to secure them.

Art is, thus, concerned with the application of knowledge and skills. In this sense, business organization is an art as one has to use his skill and knowledge in solving many complicated problems of business to achieve the enterprise objectives. Organization is one of the most creative art as it is concerned with getting work done through others by motivating them to work and co-ordinating their activities. It was more so in the ancient times, when it was felt that the skills of organizing business cannot be codified and communicated. But with the passage of time, it was realised that the principles of business organization can be codified and communicated, which gave birth to business organization as a science.

Business Organization-A Science

The word science literally means knowledge. It is systematized body of knowledge acquired by mankind through observation and experimentation and which is capable of verification. In the words of Keynes, –science is a systematized body of knowledge which establishes relationship between cause and effect. Science has three basic features (i) it is a systematized body of knowledge that uses scientific methods for observation, (ii) the principles are evolved on the basis of continued observation, and (iii) the principles are exact and have universal applicability without any limitation.

Business Organization is viewed as a science as it is an organized body of knowledge built up by management practitioners, thinkers and philosophers over a period of years. It has certain principles and rules developed after continued observation. But it must be noted that organization is a science but unlike Physics, Chemistry and Biology, it is not an exact or accurate science. The principles of organization cannot be considered as fundamental truths. At times, they may bring desired results and may not have universal applicability. The main reason for the inexactness of science of organization is that it deals with human beings whose behaviour cannot be predicted. Thus, we can say that organization is a ‘soft science’ or ‘behavioural science’.

1.3.3 Formal and Informal Organization

When the activities of two or more persons are consciously co-ordinated towards a given objective, it is called a formal organization. Chester Bernard defines formal organization as a ‘system of consciously co-ordinated activities or forces of two or more persons.’ He found that the essence of formal organization is conscious common purpose and that formal organization comes into being when persons (1) are able to communicate with one another, (2) are willing to act, and (3) share a purpose. Informal organization, on the other hand, refers to the relationships between people in an organization based not on procedures and regulations, but on personal attitudes, whims, prejudices, likes and so on. It refers to what people actually do based not on procedures and regulations but on same taste, culture, etc. People work together because of their personal likes and dislikes. People with common interests may work beyond the confines of formal relationships.

Modern management realises the importance of both formal and informal organizations. Persons in the organization are encouraged to meet privately because it serves the management in a number of ways. Informal communication may help in sorting out many issues which may not find solution in a formal set up.

1.3.4 Importance of Organization

Organization is the mechanism which determines the relationship of various persons. With the help of a well defined organization management is able to perform the functions of direction, co-ordination and control. An ill-defined organization plan will not enable the management to make an effective exhibition of its managerial talents to realise business goals. Following are some of the advantages of a good organization:

1. Helps in Optimum Utilization of Technological Innovations. The test of a good organization is its success in adjusting to the new and changing situation. The technological improvements are taking place every time and management is required to make use of them to exist in competitive world. The organization should be flexible to incorporate all new requirements.

The adjustment to new changes will require re-scheduling and re-adjustment of duties and responsibilities in the organization. There may also be a need to delegate new powers for making best utilization of technological changes.

2. Helps in Administration. An organization provides sound foundation for effective managerial control. Various managerial functions will be effectively performed with the help of an organization. The functions like co-ordination and control require a proper division of various functions and their assignment to suitable persons.

An important function of planning will be effective only if there is an organization to implement it. Best plans may fail if these are not executed properly. The assignment of responsibilities among various persons for carrying out different functions will be essential for making the plans effective. There will be a need of proper authority to carry out the functions systematically and effectively.

A good organization is an asset to the management. It helps in achieving organization goals through the exercise of effective controls. Organization provides a channel for better management.

3. Promotes Growth and Diversification. Area and activities of a business grow if it has a well knit organization. There will be a need for employing more persons whenever expansion and diversification takes place. A flexible organizational structure will enable the employment of more persons without disturbing the working. Additional activities will not put any strain on the management.

4. Easy Co-ordination. Every enterprise has a number of departments and sections. These are assigned different duties for achieving business objectives. There is a need for co-ordinating the working of various segments.

A good organization will divide and sub-divide the activities in such a way that the activities of different segments become complementary. This will bring an automatic co-ordination in the business.

5. Training and Development of Personnel. A good organization offers an opportunity for the training and development of personnel. A clearly defined authority provides a scope for the use of talent. There will be a sufficient scope to try new ideas in improving the working of the organization.

The new entrants get sufficient training in their work. They are attached to experienced persons who guide them on undertaking various jobs. The job training is much better and gives good results as compared to class room training. A well devised organizational system will provide a sufficient opportunity for the training of new trainees and development of existing staff.

6. Encourages Initiative. A good organizational structure will provide sufficient scope for taking initiative. Persons are allowed to try new ideas for improving upon their work. The policies and procedures are laid down for the guidance of managerial personnel. But within these limits people are given freedom to show their talent.

The initiative and creativeness encouraged in the organization will make it dynamic and responsive to the new situations. If persons are not encouraged to take new initiative then the management may not be able to cope with the changing business environment. A good organization clearly defines the scope of work of every person and allows them to grow in that sphere.

7. Better Human Relations. Human relations improve in a good organizational set up. An organization consists of human beings and their satisfaction will help in improving human relations. A clearly defined work, authority, responsibility, accountability will enable individuals to work in a free atmosphere. Everybody will know his limitations and may try to remain in that sphere. This will give job satisfaction to employees.

1.3.5 Process of Organizing

Organizing means designing the organization structure. In performing the organizing function, the manager differentiates and integrates the activities of his organization. By differentiation is meant the process of departmentalization or segmentation of activities on the basis of some homogeneity. Integration is the process of achieving unity of effort among the various departments (segments or subsystems). We now describe this differentiation and integration in terms of a seven-step procedure.

Consideration of Objectives

The first step in organizing is to know the objectives of the enterprise. Objectives determine the various activities which need to be performed and the type of organization which needs to be built for this purpose. Management writers, such as Alfred D. Chandler refer to this phenomenon as one in which –structure follows strategy. For example, the structure required for an army is different from the structure required for a business enterprise. In view of this, consideration of objectives is the first step in the process of organizing.

Deciding Organizational Boundaries

After the consideration of objectives, the next step is to decide what to do inside and what outside the boundaries of the organization. This means making manufacture-versus-buy choices for different goods and services and choices about strategic alliances with other firms. Also choices have to be made about the extent to which the different parts of the organization interact directly with the outside environment. Should customers be allowed to interact directly with workers in the manufacturing plant or should they only interact with the sales force? Overall, these choices define the boundaries of the organization and how it interacts with its environment.

Grouping of Activities into Departments

The next step is to group all closely related and similar activities into departments and sections. For example activities of a manufacturing concern may be grouped into such departments as production, marketing, financing and personnel.

It should be remembered that sometimes even diverse activities may be deemed closely related and grouped in one department. Thus, one may find intraplant transportation, warehousing and entire traffic management function being placed with the major production department because it makes most use of it. Similarly, closely related activities may be deemed diverse and placed in different departments for development and enforcement of specific policies. For example, in order to ensure that the pressure for output imposed upon the average foreman may not influence inspection employees controlling the quality of his output, product inspection may be separated from product manufacturing.

The topic of departmentalization has been dealt with in a separate section in this chapter.

Deciding which Departments will be Key Departments

Key departments are those which are rendering key activities, i.e., activities essential for the fulfillment of goals. Such key departments demand key attention. Other departments exist merely to serve them. Experience suggests that where key departments are not formally identified, the attention of top management is focused on the minor issues raised by vocal managers. This is known as the –decibel system of management. The key departments should be placed directly under higher management.

Which department needs to be emphasised how much will depend, of course, on the company's objectives and the way it seeks to be distinctive. For example, a company which believes that advertising is a primary key to success will set up a separate advertising department that reports directly to the president. But another company which considers it much less important may only create a separate section for it under its sales department. Similarly, product development, which is treated as a key department in all chemical and pharmaceutical companies, with those in charge reporting directly to the president, may be treated only as a section of the production department in textile companies. The importance of an activity may also grow with times. Thus, personnel management which was hitherto considered less important is now treated as an important activity and has risen in organizational status.

Determining Levels at which Various Types of Decisions are to be Made

After deciding the relative importance of various departments, the levels at which various major and minor decisions are to be made must be determined. Each firm must decide for itself as to how much decentralization of authority and responsibility it wants to have. Extreme decentralization may lead to loss of control and effective coordination as a result of which the firm as a whole may fail to achieve its overall objectives. Extreme centralization, on the other hand, may lead to wrong decisions at wrong times and complete breakdown of the morale of employees.

Determining the Span of Management

The next step to be taken in designing a structure is to determine the number of subordinates who should report directly to each executive. The narrower the span, the taller would be the structure with several levels of management. This will complicate communication and increase the payroll. For these reasons, a flat structure is generally desirable. However, the span of management for each executive position must be tailored in the light of the description of this topic given in a subsequent section.

Setting up a Coordination Mechanism

A direct consequence of departmentalization is the need to coordinate the independent activities of the members of the organizations. Effective integration is as important as careful differentiation. As individuals and departments carry out their specialized activities, the overall goals of the organization may become submerged or conflicts among organization members may develop. For example, production managers in a manufacturing company may press for a standardized product line to hold down costs, when the larger interests of the company may be best served by a diversified product line. In a university various schools or departments may begin to compete for limited funds.

Managers have considerable discretion in the choices they make regarding the above seven issues. These are features of the organization that they can willfully manipulate and change. However, there are three other structural features of organizations that are equally important but over which managers have a limited influence.

1.3.6 Principles of Organizing

In order to develop a sound and efficient organization structure, certain principles need to be followed because if an organization is not founded on principles, then those directing it have nothing to fall back on, but personalities. In the words of E.F.L. Brech, –if there is to be a systematic approach to the formation of organization structure, there ought to be a body of accepted principles. These principles are as follows:

Objectives The objectives of the enterprise influence the organization structure and hence the objectives of the enterprise should first be clearly defined. Then every part of the organization should be geared to the achievement of these objectives.

Specialization Effective organization must promote specialization. The activities of the enterprise should be grouped according to functions and assigned to persons according to their specialization.

Span of Control As there is a limit to the number of persons that can be supervised effectively by one boss, the span of control should be as far as possible, the minimum. That means, an executive should be asked to supervise a *reasonable number* of subordinates only say six.

Management by Exception Principle As the executives at the higher levels have limited time, only exceptionally complex problems should be referred to them and routine matters should be dealt with by the subordinates at lower levels. This will enable the executives at higher levels to devote time to more important and crucial issues.

Scalar Principle This principle is sometimes known as the –chain of command. The line of authority from the chief executive at the top to the first-line supervisor at the bottom must be clearly defined.

Unity of Command Each subordinate should have only one superior whose command he has to obey. Multiple subordination must be avoided, for it causes uneasiness, disorder, indiscipline and undermining of authority.

Delegation Proper authority should be delegated at the lower levels of organization also. The authority delegated should be equal to responsibility, i.e., each manager should have enough authority to accomplish the task assigned to him. Inadequate delegation often results into multiplication of staff and service activities.

Responsibility The superior should be held responsible for the acts of his subordinates. No superior should be allowed to avoid responsibility by delegating authority to his subordinates.

Authority The authority is the tool by which a manager is able to accomplish the desired objective. Hence, the authority of each manager must be clearly defined. Further, the authority should be equal responsibility.

Efficiency The organization structure should enable the enterprise to function efficiently and accomplish its objectives with the lowest possible cost.

Simplicity The organization structure should be as simple as possible and the organization levels should, as far as possible, be minimum. A large number of levels of organization means difficulty of effective communication and coordination. Too many committees and excessive procedures also unduly complicate the structure.

Flexibility The organization should be adaptable to changing circumstances and permit corrections of demonstrated deficiencies in the existing structure without dislocation and disruption of the basic design.

Balance There should be a reasonable balance in the size of various departments, between centralization and decentralization, between the principle of span of control and the short chain of command and among all types of factors such as human, technical and financial.

Unity of Direction There should be one objective and one plan for a group of activities having the same objective. Unity of direction facilitates unification and coordination of activities at various levels.

Personal Ability As people constitute an organization, there is need for proper selection, placement and training of staff. Further, the organization structure must ensure optimum use of human resources and encourage management development programmes.

Acceptability The structure of the organization should be acceptable to the people who constitute it. Two things generally happen if people oppose the structure: it is modified gradually by the people, or it is used ineffectively.

1.3.7 Requisites of an Efficient Business Organization

An efficient organization is essential for the success of a business enterprise. The defining of duties and fixing responsibilities of all employees in the organization is essential. An effective organizational system ensures proper supervision and control. It facilitates expansion and diversification. An effective organization has the following pre-requisites :

1. Able Organisers. Success of an organization depends upon the competence and caliber of those who are at the helm of affairs. The entrepreneur should understand all aspects of the business so that he may properly organize various aspects of the concern. A well-defined organizational set-up will be helpful in smooth running of the business. The persons at the top should be well versed with everything. He should be dynamic and should be able to cope with the changing business environment.

2. Sound Business Policies. The management should be clear about the objective to be achieved. Various policies should be aimed to achieve the business goals. There should be no conflict and confusion regarding different policies. The policies should be clearly defined and different levels of management should be clear about the policies.

3. Proper Supervision and Control. The success of an organization will depend upon the effective supervision and control. If the activities of different individuals are not properly controlled, then business goals will not be achieved. The targets of work should be fixed and the performance should be recorded. A corrective action is necessary if the performance is less than the goals. The number of persons to be supervised (span of control) by the supervisors should also be realistic. The supervisors should be able to devote enough time in checking the work of every employee under his control.

4. Co-operation and Co-ordination. It is necessary to get the co-operation of everybody in the organization to make it a success. The goals of the business are common and everybody should try to achieve them in their respective fields. There should be some agency to co-ordinate the activities of various departments. Sales department must know the plans of purchase and finance department should also work in co-ordination with each other. The employees should develop an attitude of co-operation. A central agency should act as a co-ordinating body.

5. Efficient Personnel Organization. Management of personnel is an important aspect of organization. Proper personnel organization is necessary for enabling all persons to optimise their contribution towards realising the corporate objective. Personnel organization includes recruitment, training, job evaluation, merit rating and fixing of remuneration. Working conditions should be improved so that workers are encouraged to work more efficiently and have job satisfaction.

6. Capacity for Business Expansion. The organization should be elastic to enable expansion and diversification of the business. The production may be raised in the same line or more products may be added. The organizational structure should be such that it allows increase or decrease of production, as the case may be without disturbing the whole organization. If some change in production and sales require a change in organizational set up, it will discourage the growth of the enterprise.

1.3.8 Objectives of Organization

The organization aims at the achievement of the following aims :

(i) **To Help Management.** The organization helps management to have a control over various business functions. The work is divided properly and control centres are established. The authority is delegated and responsibilities are fixed. It helps management to have a co-ordinated administration.

(ii) **To Increase Production.** The duties are assigned according to the principle of division of labour. The efficient system of organization encourages every employee to make his best contribution in raising output. The increase in output and control of wasteful expenditure help to decrease the cost of production. The profitability of the concern will also go up.

(iii) **Co-operation of Employees.** The organizational structure will succeed only if employees co-operate with others. The manager introduces various incentive schemes and gives monetary and other benefits to the employees so that they work in a team spirit.

1.3.9 Organization Structure

Organization structure is the established pattern of relationships among components or parts of the organization. It prescribes the relationships among various positions and activities in business. Since various positions are held by persons so structure creates relationship among them. The organization structure provides a framework which holds the various functions together in accordance with the pattern determined by managers. A planned structure outlines the required functions, correlates the functions in a systematic manner and assigns authority and responsibility.

Every business sets some goals to be achieved. In order to achieve goals some activities are to be performed. These activities are to be specified, classified and grouped. The grouped activities are assigned to individuals or groups. The responsibility and authority is assigned to carry out various activities. A system of proper co-ordination is established to reach the organizational goals. The establishment of systematic relationship among various activities and persons is the framework of organization structure. There may be problems and difficulties if the structure is faulty. The structure should be suitable to the working of the organization and be helpful in achieving business goals.

1.3.10 Developing Organization Structure

While developing an organization structure, the two variables *i.e.* basic structure and operating mechanism are to be taken into consideration. The basic structure involves issues such as how the work of the organization is to be divided and assigned among positions, groups, departments, divisions etc. and how to bring the required coordination for achieving organizational goals. The operating mechanism includes factors like information system, control procedures and application of organizational principles and practices.

The development of organization structure requires decisions such as (i) the functions which are to be performed and (ii) the form of structure. The functions to be taken up will be decided by studying organizational needs and division of these activities and form of structures can be decided by studying the application of many organizational principles and practices. The organization structure establishes formal relationship among various positions in the organization. These relationships can be classified as :

(i) Relations between senior and subordinates and vice-versa

- (ii) Relations between line positions and specialists
- (iii) Staff relations
- (iv) Lateral relations.

1.3.11 Determining the Kind of Structure

Organizational structure acts as a channel for achieving organizational goals. Proper care should be taken to determine a structure which will suit the business needs. The following steps will help in deciding a specific structure.

(i) **Activities Analysis.** In first place the activities should be specified which will help in attaining enterprise objectives. Every business has to perform a number of functions like manufacturing, purchasing, personnel, finance, marketing etc. These functions should be specified after proper analysis. Every organization may have one or two dominating functions. For example, a manufacturing concern may have production as a main function, designing may be an important function for ready made garments producer, etc. After specifying all activities into functional areas, these may be listed in order of their importance. The activities may further be divided and sub-divided into smaller homogeneous units so that the same may be assigned to different individuals. The chief executive may divide the activities into functional departments and delegate authority to departmental managers. The departmental managers may be assisted by deputy managers, assistant managers, supervisors etc. A job is a basic building block in designing an organization structure.

(ii) **Decision Analysis.** In order to attain enterprise goals some decisions are required for reaching performance levels. What type of decisions are required? Who will take such decisions? When should these decisions be taken? Which managers should participate in these decisions? These are the questions which should be analysed and decided. Though it may not be possible to predict the future course of things yet the subject has a high degree of predictability. The foreseeable decisions to be taken at different levels of management will require a degree of authority and responsibility.

(iii) **Relations Analysis.** The type of relationship required at various levels should also be analysed. The relationship between superior- subordinates, line and staff, upward, downward, sideways relations must be analysed to determine the organization structure.

Role of Organization Structure

An organization structure serves various functions of the business. It is designed to serve specific motives. There should also be efforts to match organization structure with changing needs. A good structure not only facilitates communication but also brings efficiency in different segments. The structure provides the following roles :

1. Encourages Efficiency. The main objective of an organization structure is to infuse efficiency in various functions. A systematic structure will not leave anything to chance and every activity is co-ordinated to perform to its maximum. The organizational members try to maximise the output of goods and services from the given inputs. There is an effort to have systematic, rational and co-ordinated effort to control various waste and loss. Various organizational models are developed to bring efficiency in operations.

2. Communication. Communication is the number one problem of every organization. A good structure provides proper communication channel among persons working in the organization. A reporting relationship is established and a hierarchy of who reports to whom is also specified in a good structure. There is a need for horizontal, vertical and lateral communication process and it is done by a well planned structure.

3. Optimum Use of Resources. The proper allocation of resources helps in their optimum utilization also. The organization structure gives higher place to activities which are more important to the achievement of organizational objectives. The activities are placed according to their importance in the structure and proper guidelines are given for resource allocation. The optimum allocation of resources is important for the growth of a business.

4. Job Satisfaction. A good organization structure provides clear cut assignment of duties and responsibilities to various people working in the business. The jobs are assigned as per their knowledge, expertise and specialization. People get an opportunity to explain their jobs. There will be job satisfaction when persons are free to operate within prescribed limits.

5. Creative Thinking. In a good organization structure there is a freedom to plan and executing one's own work. It allows a person to think and develop new and better ways of doing work. Organization structure tries to put people at places where they are most suitable. Many people have contributed to the development of management thinking because of their creativity in a particular organizational structure.

6. Facilitates Management. There are a number of persons working in a business. Their work will have to be specified and duties will be assigned as per the requirements of the organization. A good structure will help in establishing relationship among persons working at different positions. An organization structure is a mechanism through which management directs co-ordinates and controls the activities of various persons. A well designed structure will help both management and operation of a business. It is ensured that no activity remains unattended and work is assigned as per the capacity of the persons undertaking it. A well thought organization structure is a great help for good administration.

1.3.12 Designing Organization Structure

An organization structure should satisfy the requirements of the business. It should ensure optimum utilization of manpower and different functions should be properly performed. There is a need for harmonious relationship among persons at different positions. Designing of a structure is an important task and it should be undertaken carefully. Following steps are essential for designing an organization structure :

1. Identifying Activities. The activities which are required to be performed in achieving organizational objectives should be identified. The functions to be performed for achieving different goals should be ascertained and activities relating to these functions should be identified. The major activities are classified into a number of sub-activities. While identifying activities it should be borne in mind that no activity has escaped, there is no duplication in activities and various activities are performed in a co-ordinated way.

2. Grouping of Activities. The closely related and similar activities are grouped together for departments, divisions or sections. The co-ordination among activities can only be achieved through proper grouping. The grouped activities can be assigned to different positions. The assignment of activities to individuals creates authority and responsibility. The authority is delegated to the lower levels of various departments and responsibility is fixed.

3. Delegation of Authority. Delegation is an administrative process of getting things done by others by giving them responsibility. When different positions are created in the organization then work is assigned to these persons. For getting the work done there is a need for authority. The authority is delegated to different persons in accordance with the assignment of responsibility. Through the process of delegation, authority, structure is created in the organization defining who will formally interact with whom.

1.3.13 Features of a Good Organization Structure

A good organization structure should meet various needs and requirements of the enterprise. The following are the features of a good organization structure :

1. Clear line of authority. There should be a clear line of authority from top to the bottom. The delegation of authority should be step by step and according to the nature of work assigned. Every body in the organization should be clear about his work and the authority delegated to him. In the absence of this clarity there will be confusion, friction and conflict.

2. Adequate delegation of authority. Delegation of authority must be commensurate with the responsibility assigned. If the authority is not sufficient for getting the assigned task then the work will not be completed. Sometimes managers assign work to subordinates without giving them proper authority, it shows lack of decision-making on their part.

An inadequate authority will create problems for the subordinates because they may not be able to accomplish the task.

3. Less managerial levels. As far as possible minimum levels of management may be created. More the number of these levels, more the delays in communication. It will take more time to convey the decisions from the top to the bottom. Similarly, information from lower levels will take much time in reaching at the top.

The number of managerial levels depends upon the nature and scale of operations. No specific number of levels may be specified for each and every concern but efforts should be made to keep them at the minimum.

4. Span of control. Span of control refers to the number of people a manager can directly supervise. A person should supervise only that number of subordinates to whom he can directly keep under contact. The number of people to be supervised may not be universally fixed because it will be influenced by the nature of work. Efforts should be made to keep a well managed group under a supervisor otherwise there will be inefficiency and low performance.

5. Simple and flexible. Organizational structure should be very simple. There should not be unnecessary levels of management. A good structure should avoid ambiguity and confusion. The system should also be flexible to adjust according to the changing needs. There may be an expansion or diversification which required reclassification of duties and responsibilities. The organization structure should be able to incorporate new changes without altering the basic elements.

CHECK YOUR PROGRESS

Q1 Every organization has

- a. Goal
- b. Status
- c. Behaviour

Q2 Business Organisation is

- a. Science
- b. Art
- c. Both

Q3 Modern management realises the importance of both formal and informal organisation

- a. True
- b. False

1.4 ORGANIZATION CHARTS

Organization chart is a diagrammatical presentation of relationships in an enterprise. The functions and their relationships, the channels of authority and relative authority of different managers etc. are depicted in an organizational chart. George Terry defines an organization chart as –a diagrammatical form which shows important aspects of an organization, including the major functions and their respective relationships, the channel of supervision and the relative authority of each employer who is incharge of each respective function. So a chart is a pictorial and indicating functions and their relationship, clear lines of authority and responsibility, channels of communication and span of control and supervision. Organization charts can be divided into (i) master charts and (ii) supplementary charts. The master chart shows the whole formal organizational structure while supplementary chart shows details of relationships, authority and duties within the prescribed area of a department.

1.4.1 Types of Organization Charts

There are three ways in which organization charts can be shown: (i) Vertical (ii) Horizontal (iii) Circular

(i) **Vertical or Top to Bottom.** In this chart major functions are shown at the top and subordinate functions in successive lower positions. In this chart scalar levels run horizontally and functions run vertically. The supreme authority is shown at the top while lowest authority at the bottom. The vertical chart is shown in the following diagram. In this diagram Board of directors is at the top of the organization. The chief executive controls various functional managers, who in turn have downward staff as the requirement of respective departments.

(ii) **Horizontal or Left to Right.** In this chart highest positions are put on the left side and those with diminishing authority move towards the right. The organizational levels are represented by vertical columns, the flow of authority from higher to lower levels being represented by movement from left to right. In other words it presents scalar levels in a vertical position and functions horizontally.

In horizontal chart the supreme authority *i.e.* Board of Directors is shown on the left and chief executive and functional managers and other levels move towards right.

(iii) **Circular.** In circular chart the centre of the circle represents the position of supreme authority and the functions radiate in all directions from the centre. The higher the positions of authority, they nearer they are to the centre and the lesser the positions of authority, more distant they are from the centre. The positions of relative equal importance are located at the same distance from the centre. The lines forming different blocks of functions or positions indicate the channels of formal authority, the same as in other arrangements. The circular chart depicts the actual condition of outward flow of formal authority from the Chief Executive in many directions.

1.4.2 Principles of organization Charts

Following principles should be kept in mind while framing organization charts :

- (i) The top management should faithfully follow the line of authority while dealing with subordinates. Any attempt to by pass the organization chart will make it meaningless.
- (ii) The chart should define lines of position. The lines of different individuals should be so defined so that there is no overlapping and no two persons should be given the same position.
- (iii) The undue concentration of duty at any point should be avoided.
- (iv) The organization chart should not be influenced by personalities. Balance of organization should be given more importance than the individuals.
- (v) The organization chart should be simple and flexible.

1.4.3 Advantages of Organization Charts

1. An organization chart is a managerial tool. It helps in specifying authority and responsibility of every position. The relationships among different persons are also established for smooth working of the organization.
2. As organization chart specifically defines authority and responsibility of people in the enterprise there will be no duplication and overlapping of duties etc. Even if it happens in a particular instance it can be rectified immediately.
3. The organization chart will help in pointing out the faults, deficiencies, dual command etc. in the organization. The management will be able to take prompt remedial action in case of certain lacuna.
4. The organization chart acts as an information centre to the new entrants and they can easily understand different levels of authority and responsibility.
5. The charts are also helpful in decision-making process. They act as a guide to the decision makers.

1.4.4 Limitations of Organization Charts

The organization charts suffer from the following drawbacks :

1. The organization charts show the relationship of different positions and not the degree of authority and responsibility. The size of boxes or circles in the chart cannot show the level of authority, etc.
2. A chart only depicts formal organizational relationship whereas informal organization is ignored. Practically informal organization is as useful as formal organization. Informal organization greatly helps management in knowing the reactions of the people and is an important channel of communication.
3. A chart shows organizational position and status at different levels. It gives rise to superior-inferior feeling among people and it retards the feeling of team work.

Activity

Draw organisation Chart of any Bank.

1.5 SUMMARY

- ❖ The word organization has two common meanings. The first meaning refers to the process of organizing. The second meaning signifies the institution or group which comes into existence as a result of organizing.
- ❖ The organizing process involves a number of steps, viz., consideration of objectives, grouping of activities into departments, deciding which departments will be treated line and which will be treated staff, determining the levels at which various types of decisions are to be made, determining span of supervision and setting up a coordination mechanism. There are a number of principles organizing, which should be remembered in the process of organizing.

- ❖ The organization structure is made up of various departments. Departmentalization is the grouping together of similar or logically related work activities. There are several bases of departmentalization. This departmentalization is usually shown on an organization chart.
- ❖ Two broad categories of organization structures are classical and behavioural. But none of them can be said to be useful in all circumstances. Hence a contingency view of structures is gaining ground nowadays.
- ❖ Recent phenomenal growth in electronic communication has given rise to the concept of virtual organization. The essential feature of this organization is that it has no office as such because its executives with mobile phones and laptop computers can work at any place and at any time.
- ❖ A team is a small group of people with skill diversity. It differs from a formal work group in several ways. Its chief strength lies in the dictum -Together Everyone Achieves More. Social loafing and sucker effect are its principal weaknesses. There are three broad types of teams: project teams, problem-solving teams and permanent work teams.

1.6 REFERENCES

- R.K. Sharma, Shashi K. Gupta (2010)**, -Organization and Management, *Kalyani Publishers*.
R.K. Sharma, Shashi K. Gupta (2003), — Business Organization & Management, *Kalyani Publishers*.
L.M. Parsad (2000), — Principal & Practice of Management, *Sultan Chand and Sons*.
P.C. Tripathi, P.N. Reddy (2012), -Principal of Management, *Tata McGraw Hill Private Limited*.

1.7 Answer to check your Progress

Q1A, Q2 C, Q3A

1.8 SUGGESTED READINGS

- Principal & Practice of Management: L.M. Parsad, (*Sultan Chand and Sons*)
 Business Organization & Management: R.K. Sharma, Shashi K. Gupta, (*Kalyani Publishers*)
 Organization and Management: R.K. Sharma, Shashi K. Gupta, (*Kalyani Publishers*)
 Principal of Management: P.C. Tripathi, P.N. Reddy (*Tata McGraw Hill Private Limited*)

1.9 TERMINAL AND MODEL QUESTIONS

1. Discuss the nature and importance of organization.
2. What is organization ? Describe the objectives and steps in organisation ?
3. What are organization charts? Describe various types of charts.
4. Describe the principles and advantages of organization charts.

LESSON NO 2: ORGANISATION BEHAVIOUR - AN INTRODUCTION

STRUCTURE OUTLINE

- 2.0 Learning objectives and outcomes
- 2.1 Introduction
- 2.2 Manager's job in the organization.
- 2.3 Enter OB
 - 2.3.1 Why Study Organizational Behavior at the first place.
 - 2.3.2 Meaning, Definition and Features of Organizational Behavior
- 2.4 Key Forces affecting OB
- 2.5 Determinants of OB
- 2.6 Disciplines contributing to OB
- 2.7 Challenges and Opportunities of Organizational behavior
- 2.8 Let us Sum up the chapter
- 2.9 Answer key to check your progress
- 2.10 Glossary
- 2.11 Questions
- 2.12 References
- 2.13 Suggested Readings

2.0 LEARNING OBJECTIVES AND OUTCOMES

After going through the lesson, you will be able to:

- Recall the significance, role and the skills required of a manager in the organization to enhance performance and commitment of the employees in the organization.
- Understand the meaning and definition of organizational behavior.
- Comprehend the contribution of various disciplines to the field of organization behavior.
- Delineate the Key Forces affecting OB and the determinants of OB
- Examine the challenges and opportunities of organizational behavior in the globalized era.

2.1 INTRODUCTION

Organizational behavior is a systematic study of individuals, groups and organizations to create high performing organizations that engender high levels of outcomes for all organizational stakeholders, including employees, shareholders and the community.

Some of the great organizations have exhibited exemplary application of the theory and the concepts of organization behavior to garner employee support and in turn becoming great places to work and forces to reckon with in the corporate world.

2.2 MANAGER'S JOB IN THE ORGANIZATION:

Before venturing into the area of organizational behavior, it is imperative to recall What Managers Do in the organizations? What is their role and what are the skills required in them to be effective managers?

The Managers (or Administrators) are the Individuals who are responsible for achieving organisational goals through the effective cooperation, willingness and abilities of others.

The various Managerial Activities encompass the following;

- Making decisions
- Allocating resources
- Directing activities of others to attain goals

Where do the Managers Work?

In the Organization of course which is 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 of the organisation.

The various Management Functions performed by the managers are:

- **Planning:** A process that includes defining goals, establishing strategy, and developing plans to coordinate activities
- **Organizing,** Determining what tasks are to be done, who is to do them, how the tasks are to be grouped, who reports to whom, and where decisions are to be made
- **Leading:** A function that includes motivating employees, directing others, selecting the most effective communication channels, and resolving conflicts.

Controlling: Monitoring activities to ensure they are being accomplished as planned and correcting any significant deviations thereof.

Roles of managers

There are various hats donned by the manager which eventually enables him to perform effectively and efficiently. A very comprehensive classification of managerial roles has been given by Mintzberg which is exhibited and explained below:

The Managerial Roles are that of playing the interpersonal roles, providing the requisite information to the various stakeholders and taking the right decisions at the right time for the benefit of the organization and the society as whole. (See Exhibit 1 below)

Exhibit 1: Mintzberg's managerial roles

Interpersonal	
Figurehead	Symbolic head; required to perform a number of routine duties of a legal or social nature
Leader	Responsible for the motivation and direction of employees
Liaison	Maintains a network of outside contacts who provide favors and information

Informational	
Monitor	Receives wide variety of information; serves as nerve center of internal and external information of the organization
Disseminator	Transmits information received from outsiders or from other employees to members of the organization
Spokesperson	Transmits information to outsiders on organization's plans, policies, actions, and results; serves as expert on organization's industry

Decisional	
Entrepreneur	Searches organization and its environment for opportunities and initiates projects to bring about change
Disturbance handler	Responsible for corrective action when organization faces important, unexpected disturbances
Resource allocator	Makes or approves significant organizational decisions
Negotiator	Responsible for representing the organization at major negotiations

Source: Adapted from The Nature of Managerial Work by H. Mintzberg.

Management Skills

The various management skills to be exhibited by competent managers include;

- **The Technical Skills** ;The ability to apply specialized knowledge or expertise

- **The Human Skills;** The ability to work with, understand, and motivate other people, both individually and in groups.
- **The Conceptual Skills;** The mental ability to analyze and diagnose complex situations

2.3 ENTER ORGANIZATIONAL BEHAVIOR

Organizational behavior is the study of many factors that have an impact on how individuals and groups respond to and act in organizations and how organizations manage their environments. Although many people assume that understanding human behavior in organizations is intuitive, many commonly held beliefs about behavior in organization, such as the idea that a -happy worker is a productive worker," are either entirely false or true only in specific situations.

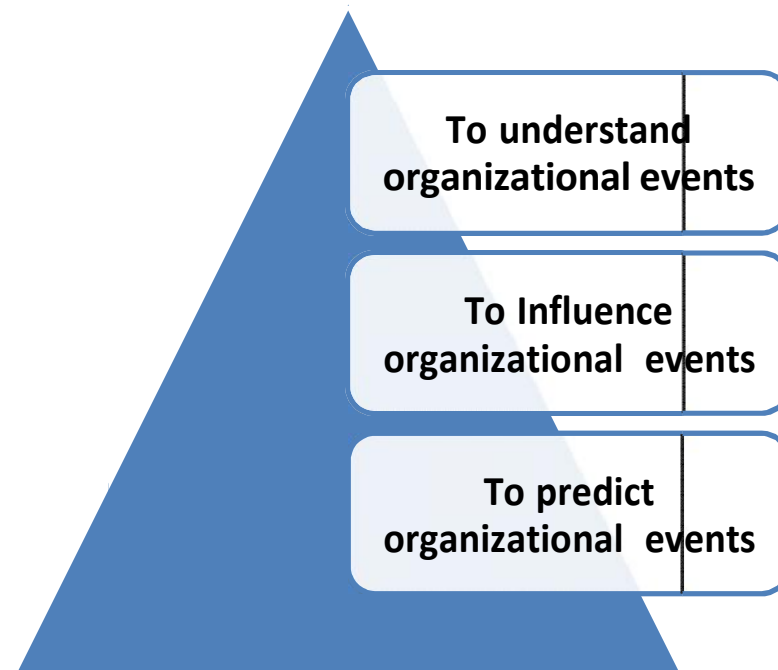
Before we move ahead it is very important to understand as to;

2.3.1 Study Organizational Behavior at the first place.

To begin with, an organization is a collection of people who work together to achieve a wide variety of goals of both the individuals as well as the organizations,

The study of organizational behavior provides a set of tools-concepts and theories-that help people understand, influence and predict what goes on in the organizations. (See Exhibit 2 below)

EXHIBIT 2: Why Study Organizational Behavior



It enables the managers to comprehend as to how do the characteristics of individuals, groups, work situations, and the organization itself affect how members feel about their organization?

- Thus the ability to use the tools of organizational behavior to understand behavior in organization is one reason for studying this subject.
- A second reason is to learn how to apply these concepts, theories, and techniques to improve behavior in organization so that individuals, groups and organizations can achieve their goals.
- Last but not the least, Managers are challenged to find new ways to motivate and coordinate employees to ensure that their goals are aligned with organizational goals.

A complete understanding of organisational behaviour requires both an understanding of human behaviour and an understanding of the organisational context within which human behaviour is acted out. The organisational context is the specific setting within which organisational behaviour is enacted.

The organizational context includes:

1. **Organisations as Systems:** Organisations are systems of interacting components, which are people, tasks, technology and structure. These internal components also interact with components in the organization's task environment. Organisations as open systems have people, technology, structure and purpose, which interact with elements in the organization's environment.

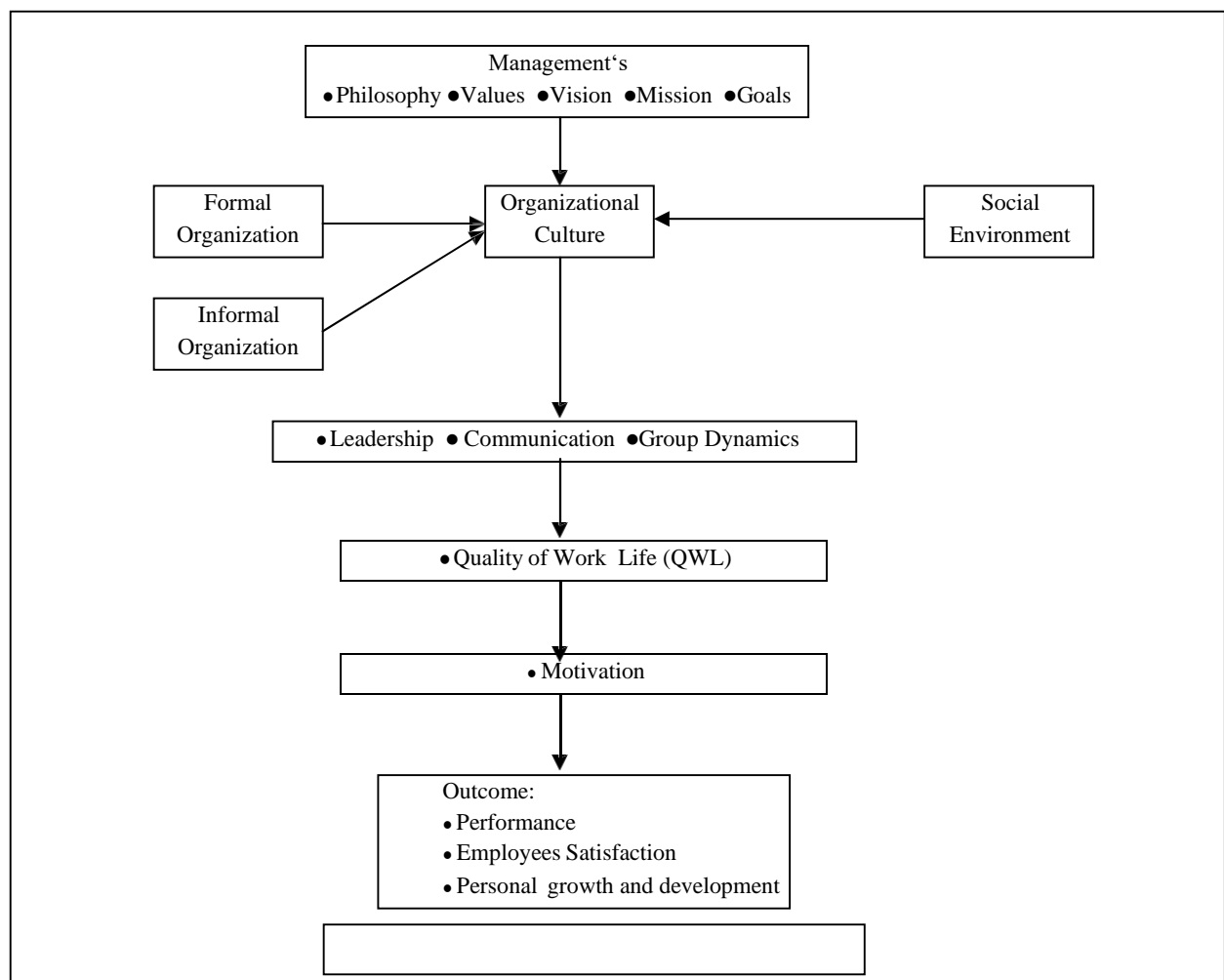
2. **The Formal and Informal Organisation:** The formal organisation is the part of the system that has legitimacy and official recognition. The informal organisation is the unofficial part of the organisation. The informal organisation was first fully appreciated as a result of the Hawthorne studies conducted during the 1920s and 1930s. It was during the interview study, the third of the four Hawthorne studies that the researchers began to develop a fuller appreciation for the informal elements of the Hawthorne works as an organization.

2.3.2 MEANING, DEFINITION AND FEATURES OF ORGANIZATIONAL BEHAVIOUR

Organisational behaviour (OB) is the systematic study of the actions and attitudes that people exhibit within organisations. It is individual behaviour and group dynamics in organisations. The study of organisational behaviour is primarily concerned with the psychosocial, interpersonal and behavioural dynamics in organisations. However, organisational variables that affect human

behaviour at work are also relevant to the study of organisational behaviour. These organisational variable include jobs, the design and organisational structure. Therefore, although individual behaviour and group dynamics are the primary concern in the study of organisational behaviour, organisational variables are important as the context in which human behaviour occurs. (See Exhibit 3 ,below to understand the organizational behavior system)

Exhibit 3 , Organizational Behavior System



The term 'organisational behaviour' is defined by Stephen P Robbins as "a field of study that investigates the impact of individuals, groups and structures on behavior within organizations for the purpose of applying such knowledge towards improving an organization's effectiveness".

OB: A Recap

It's a field of study that focuses on three levels of behaviors in the organizations. It studies the impact that individuals, groups and structure have on behavior within organizations for the purpose of applying such knowledge towards improving organizations effectiveness. Impact of individuals, groups and structure on behavior Organisation behaviour is studied and understood at three levels in the organisation; at the individual level, at the group level and the organisational level. (See Exhibit 4) the basic OB model stage 3 is shown in exhibit 5 .

Exhibit 4: OB is studied and understood at three levels in the organisation;

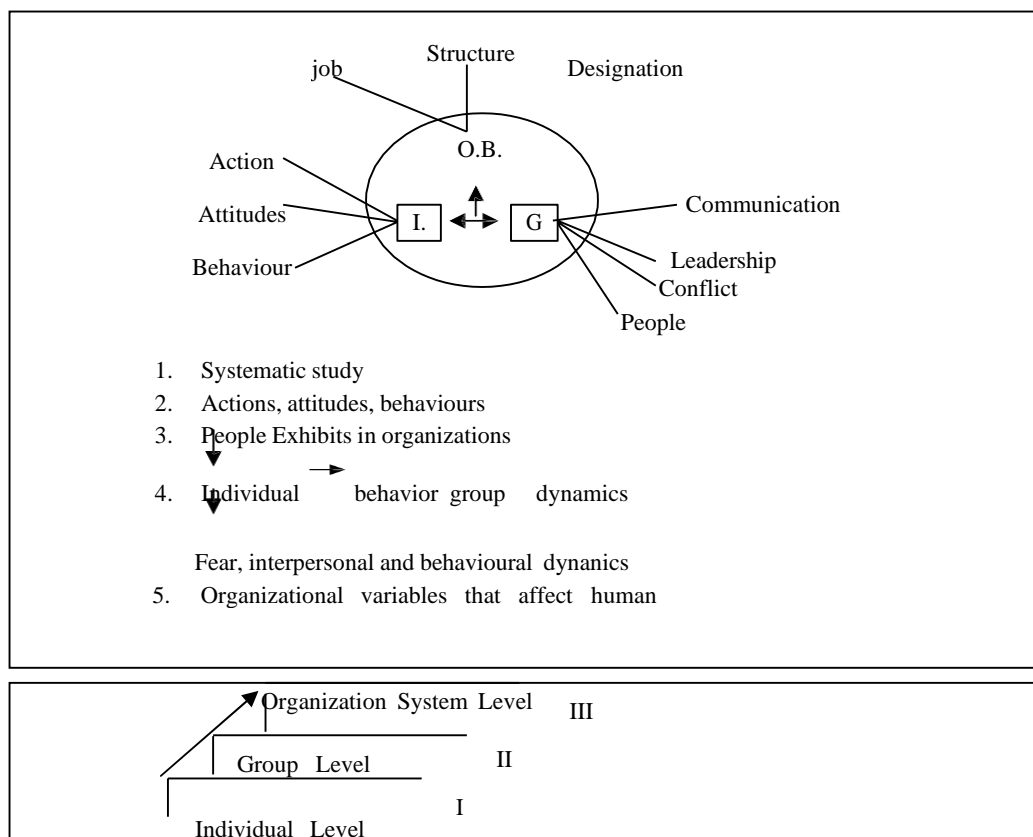
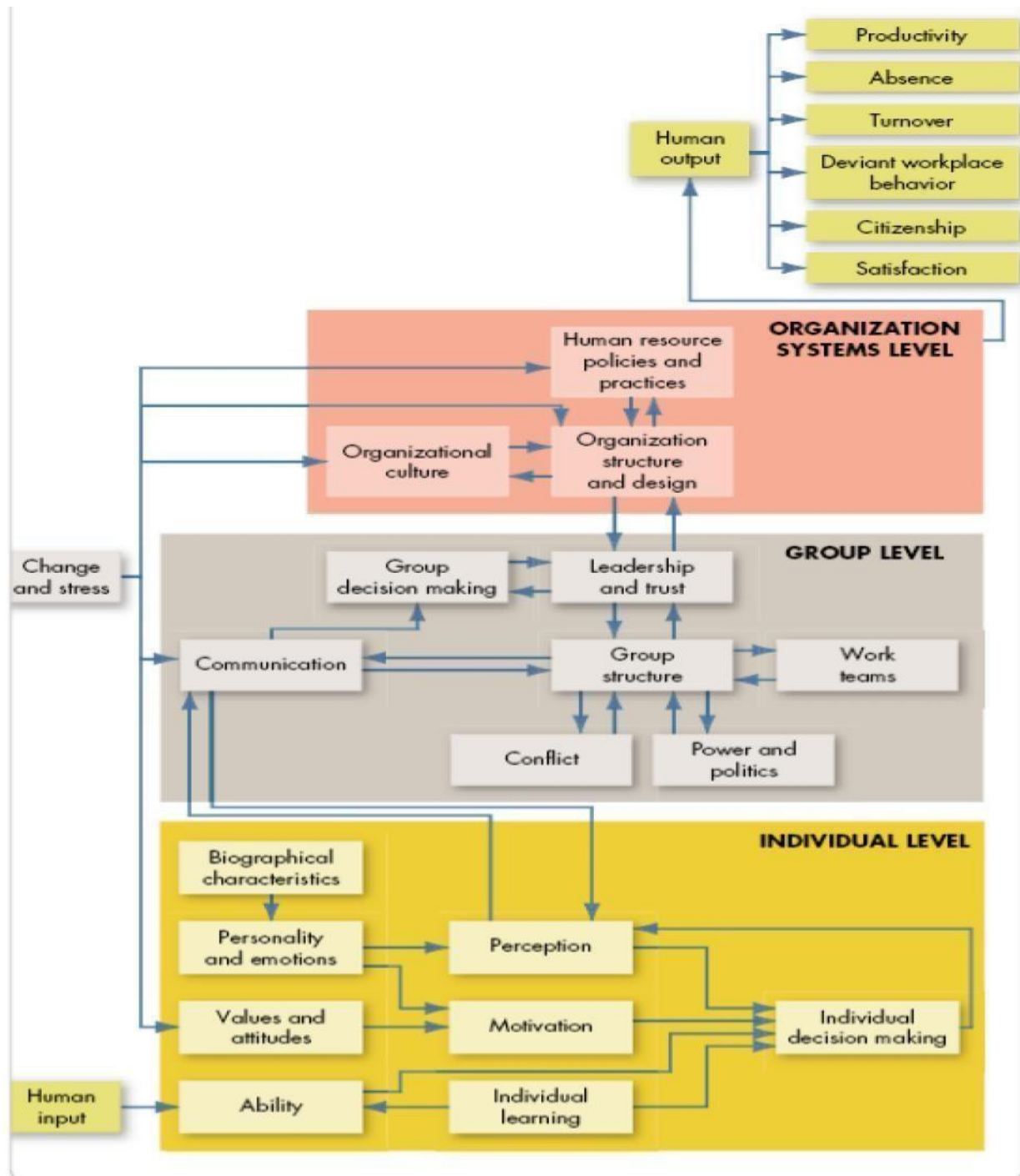


Exhibit 5 : Basic OB Model Stage – 3



FEATURES OF OB

- Organization behavior is a field of study with a common body of knowledge.
- It studies three determinants of behavior in organizations. They are individuals, groups and structures.

- It applies the knowledge gained about individuals, groups and the effect of structure on behavior in order to make organizations work more effectively.
- Organizational Behavior (OB) is the systematic study of the actions and attitudes that people exhibit within Organizations.
- It is individual behavior and group dynamics in Organizations.
- The study of Organizational behavior is primarily concerned with the psycho-social, interpersonal and behavioral dynamics in organizations.

Activity A

What are the basic approaches to study organization behavior.

Check your progress: 1

FILL IN THE BLANKS

- The ability to work with, understand, and motivate other people, both individually and in groups is-----
- The mental ability to analyze and diagnose complex situations is -----
- The ability to apply specialized knowledge or expertise is -----

2.4 KEY FORCES AFFECTING OB

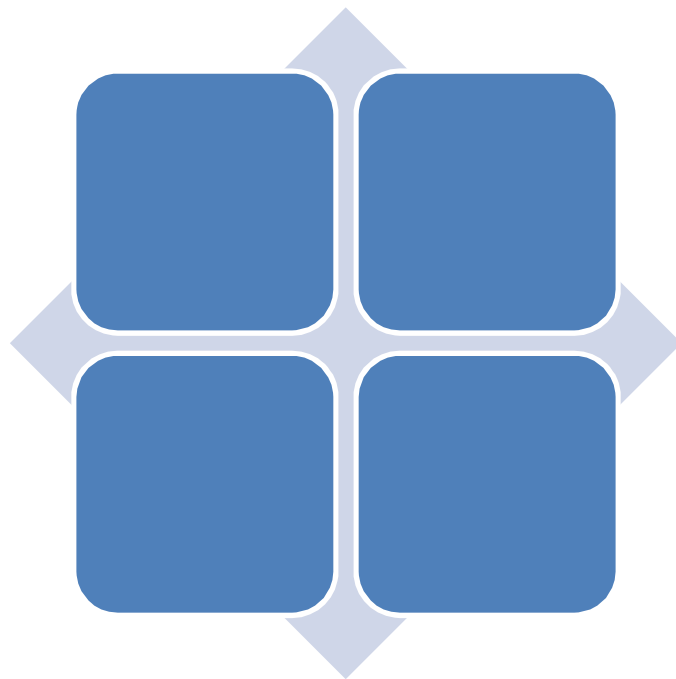
Organizations are systems of interacting components which are people, tasks, technology and structure. These internal components also interact with

components in the Organization's task environment. Organizations as open systems have people, technology, structure and purpose, which interact with elements in the organization's environment.

Organizations may manufacture products such as steel or deliver services, such as managing money or providing insurance. To understand how organizations do these things require an understanding of the open system components of the organization and the components of its task environment. Leavitt sets out a basic framework for understanding organizations, a framework that emphasizes four major internal components. They are:

1. **Task:** The task of the organization is its mission, purpose or goal for existing.
2. **People:** The people are the human resources of the organization.
3. **Technology:** The technology is the wide range of tools, knowledge and/or techniques used to transform inputs into outputs.
4. **Structure:** The structure is how work is designed at the micro level as well as how departments, divisions, and the overall organizations are designed at the macro level. (See Exhibit 6)

Exhibit 6: Key Forces Affecting OB



2.5 DETERMINANTS OF ORGANIZATIONAL BEHAVIOUR

Organizational Behavior is the study of individuals and group dynamics in any organization. When people interact in any organization, many factors/

determinants play their roles in one or the other form. It is utmost important to understand factors affecting organizational behavior, which is ultimately influenced by individuals and group dynamics. People from different cultures and background interact with each other and work together to accomplish common goals and objectives. OB helps to understand the behavior in organizations and develop competencies in foreseeing how people behave at work place. The knowledge regarding behavior also helps in controlling those behaviors which are not giving fruitful results to the organization concerned. Further OB also provides strategies for effective management of difficulties, differences and conflicts.

Thus the Determinants of OB are;

➤ **Personality and OB**

Personality refers to qualities, traits, competencies, skills and patterns of behavior of an individual in a particular situation. On the basis of characteristics, certain inferences can be drawn from the behavior of the individual. Example could be aggressiveness or politeness.

➤ **Work Motivation and OB**

Motivation is the drive that is aimed to achieve the goal described. The process starts with physiological and psychological needs. The behavior of the individual is affected by motivation that regulates the flow of potential energy from the reservoir and channelizes this energy to achieve the objectives in a particular behavior. Work motivation is closely linked with the overall performance of workers and hence organizational performance.

➤ **Job satisfaction and OB**

Job satisfaction refers to individual's overall attitude towards his job resulting from the appraisal of his job or job experience. It is regarded as the general attitude with specific dimensions of the job such as compensation, the work itself, promotion opportunities, scope of growth, co-workers etc. Attitude of job satisfaction is linked with broader approach to improve the job design, quality of work life and work performance.

➤ **Compensation Management, Employee Recognition and OB**

Compensation Management pertains to how fairly pay benefits are distributed. Employee recognition is a communication tool that reinforces and rewards the most important outcomes created by people for the organization. When any organization recognizes people effectively, the actions and behaviors of the workforce are positive for the organization itself. Therefore effective employee recognition system and compensation management can become a powerful tool to generate desired behavior of individuals.

➤ **Leadership and OB**

Leadership plays a dominant role in any organization. Leadership is engaged in managing an organization on the basis of individual and situational qualities of managers.

➤ **Power, Authority and OB**

Power is the ability to make desired outcomes happen in organizations concerned to influence others. Authority is the right to command by virtue of the position held by the individual and the responsibilities entrusted to him to perform the tasks. Power can be enhanced by following measures:

- Expanding the internal and external networks.
- Enhancing one's skills and knowledge.
- Building expertise through additional training programs.
- Associating with professionals and experts and keeping abreast of new technology to ensure advancements.
- Exercising political astuteness
- Improving interpersonal skills.

➤ **Politics and OB**

Politics in organization tends to activities/behavior that is not required as part of one's formal role in the organization, but that influence the organization and the workforce within the organization. It involves 'Legitimate Political Behavior' concerned with normal everyday politics including complaining and obstructing. Illegitimate Political Behavior relates to violations of the implied rules of the game i.e. indulging into protest, whistle-blowing etc. Limited resources also lead to political behaviors, -Blaming others or -fixing responsibility also account for politics. Lack of an objective standard discourages reality and shows facts far away from truth.

Organizational politics may give ill effects in the form of:

- Job dissatisfaction
- Increased stress and anxiety
- Increased employee turnover

Running or managing a set up involves determinants of organizational behavior, which are to be kept in mind and follow while performing various tasks so that goals can be achieved effectively and efficiently. There is focus on leadership, power and authority, employees' recognition, compensation management and work motivation so as to develop competencies in foreseeing how people are likely to behave. This knowledge may help in controlling those behaviors that are not befitting the objectives of the organizations and become the constraint in effective execution of policies, procedures and practices.

Check your progress:2

State true or false

1. Organizational Behavior is the study of individuals only.
2. Politics in organization tends to activities/behavior that is not required as part of one's formal role in the organization, but that influence the organization and the workforce within the organization.
3. Organizational politics may not lead to Job dissatisfaction
4. Power is the ability to make desired outcomes happen in organizations concerned to influence others.

2.6 DISCIPLINES CONTRIBUTING TO OB

Organizational behavior is a blended discipline that has grown out of contributions from numerous earlier fields of study. These interdisciplinary influences are the root for what is increasingly recognized as the independent discipline of organizational behavior. Organizational behavior is an applied behavioral science that is built on contributions from a number of behavioral disciplines. The sciences of psychology, sociology, anthropology, political science, engineering, management and medicine are the primary fields of study out of which organizational behavior has grown. Each of these sciences has had its own importance and unique influence on the discipline of organizational behavior.

Psychology

Psychology is the science of human behavior and dates back to the closing decades of the nineteenth century. Psychology traces its origins to philosophy and the science of physiology. Psychology is the science that seeks to measure, explain and sometimes change the behavior of humans. Psychologists concern themselves with studying and attempting to understand individual behavior. Since its origin, psychology has itself become differentiated into a number of specialized fields, such as clinical, experimental, military, and organizational and Psychology. The topics in organizational psychology, which include work teams, work motivation, training and development, power and leadership, human resource planning and workplace wellness, are very similar to the topics covered by organizational behavior.

Those who have contributed and continue to add to the knowledge of OB are learning theorist, personality theorists, counseling psychologists and most important, industrial and organizational psychologists. Industrial and organizational psychologists concern themselves with problems of fatigue,

boredom, perception, learning motivation, job, satisfaction, personality, performance appraisals, employee selection, job designing, work stress etc. The science that seeks to measure, explain, and sometimes change the behavior of humans and other animals

Sociology

Sociology, the science of society, has made important contributions to knowledge about group and inter group dynamics in the study of organisational behaviour. Because sociology takes the society rather than the individual as a point of departure, the sociologist is concerned with the variety of roles within a society or culture, the norms and standards of behaviour that emerge within societies and groups, and the examination of the consequences of compliant and deviant behaviour within social group. Sociologists have made their greatest contributions to organisational behaviour through their study of group behaviour in organizations, particularly formal and complex organisations. Some of the areas within organisational behaviour that have received inputs from sociologists are group dynamics, design of work teams, organisational culture, formal organisations theory and structure, organisational culture, formal organisation theory and structure, organisational technology, bureaucracy, communications, power, conflict and inter group behaviour.

Social Psychology

Social psychology is a branch of psychology which borrows concepts from psychology and sociology. Social psychology focuses on the influence of people on one another. Social psychologists have made significant contributions in the area of measuring, understanding and changing attitudes; communication patterns; the way in which group activities can satisfy individual needs, and group decision-making processes.

Anthropology

It is the science of human learned behaviour and is especially important to understand organisational culture. Anthropologists study societies to learn about human beings and their activities. Their work on cultures and environments has helped us understand differences in fundamental values, attitudes, and behaviour between people in different countries and within different organisations.

Cultural anthropology focuses on the origins of culture and the patterns of behaviour as culture is communicated symbolically. Current research in this tradition has examined the effects of different cultures on organisation performance and how pathological personalities may lead to dysfunctional organisational cultures. Much of our current understanding of organisational

culture, organisational environments, and differences between national cultures is the result of anthropologists.

Political Science

Political scientists study the behaviour of individual and groups within a political environment. Political scientists have become increasingly aware that organisations are political entities and if we are able to accurately explain and predict the behaviour of people in organisations, we need to bring a political perspective to our analysis. The contributions of political scientist, are significant to the understanding of behaviour in organisations.

Engineering

Engineering has made important contributions to our understanding of the design of work. By taking basic engineering ideas and applying them to human behaviour in work organisations, Fredrick Taylor had a profound influence on the early years of the study of organisational behaviour. Taylor's engineering background led him to place special emphasis of human productivity and efficiency in work behaviour. His notions of performance standards and differential piece-rate system have contributed to the growth of organizational behaviour.

Management

Originally called administrative science, is a discipline concerned with the study of overseeing activities and supervising people in organisations. It emphasizes the design, implementation, and management of various administrative and organisational systems. Management is the first discipline to take the modern corporation as the unit of analysis, and this viewpoint distinguishes the discipline's contribution to the study Of organizational behaviour.

Activity B

Discuss the effect of technology on other key components organization particular, its structure, people and nature of tasks

This image shows a single sheet of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page. There is no handwriting or other markings on the paper.

2.7 CHALLENGES AND OPPORTUNITIES OF ORGANISATIONAL BEHAVIOUR

The challenges and opportunities of organisational behaviour could be understood through the following areas:

Understanding Global Organisational Behavior

Globalization reflects a business orientation based on the belief that the world is becoming more homogeneous and that distinctions between national markets are not only fading, but, for some products will eventually disappear. International firms have found it necessary to institute formal global strategic

planning to provide a means for top management to identify opportunities and threats from all over the world, formulate strategies to handle them and stipulate how to finance the strategies of this implementation. Keeping these changes in mind the challenges are to understand global organisational behaviour. The issues include:

1. The creation of a global village and media literacy
2. Work force diversity
3. TQM and reengineering
4. Improving ethical behavior
5. Coping with multiculturalism and cultural diversity
6. Moving towards employee empowerment.

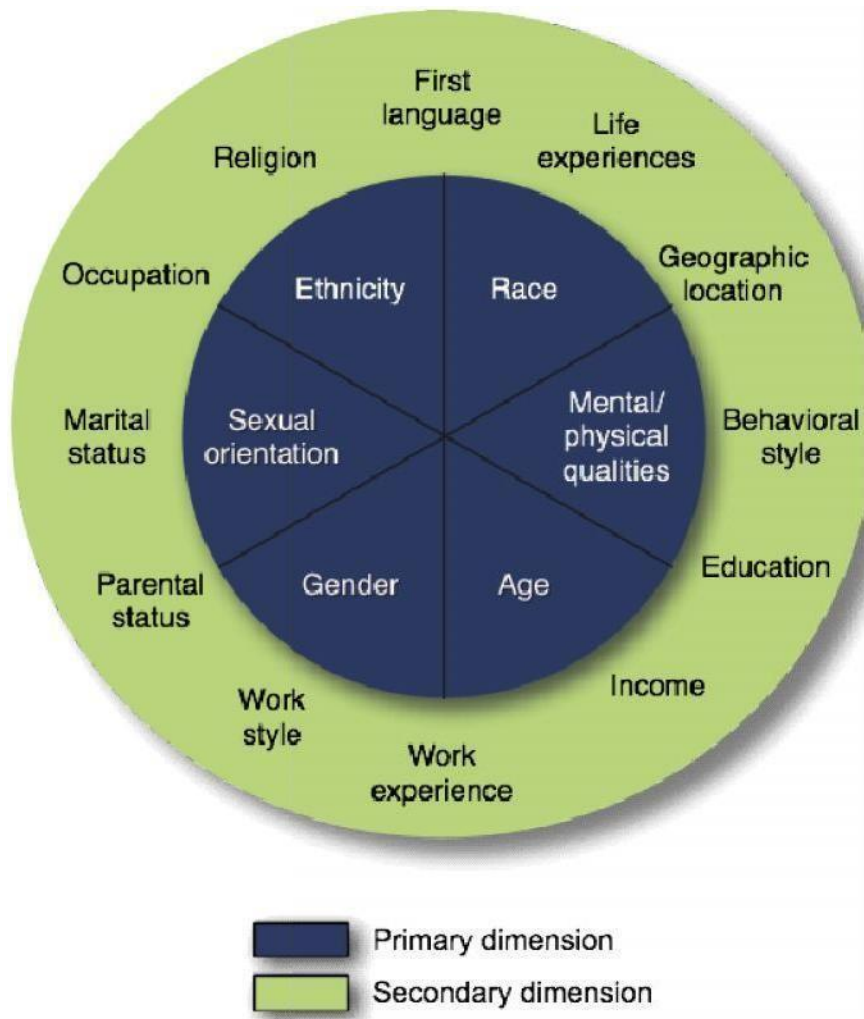
1. Creation of Global Village

Globalization is a phenomenon involving the integration of economies, cultures, governmental policies, and political movements around the world. Linking of electronic information would create an interconnected global village by collapsing communication space and time barriers thus enabling people to interact and live on a global scale. Today the global village acts as a metaphor for the complex interconnected electronic world that McLuhan predicted would emerge and provides a framework for helping us analyze our relationship with the media today and most importantly prepare for the future.

2. Work Force Diversity

It refers to policies and practices that seek to include people within a workforce who are considered to be, in some way, different from those in the prevailing constituency. It is also so being defined as similarities and differences among employees in terms of age, cultural background, physical abilities and disabilities, race, religion, sex, and sexual orientation. While globalization focuses on differences between people from different countries, workforce diversity addresses differences among people within a given country. Workforce diversity means that organizations are becoming more heterogeneous in terms of gender, age race etc. (see exhibit 7 below to understand the components of cultural diversity)

Exhibit 7: Components of Cultural Diversity



3. TQM & Re-engineering

Total Quality Management is the organization wide management of quality. Management consists of planning, organizing, directing, control, and assurance. Total quality is called total because it consists of two qualities: quality of return to satisfy the needs of the shareholders, and quality of products.

Benefits of TQM

- ✓ Reduction of defects because TQM promotes quality awareness and participation of all members of the organization, not just the QA or QC department. It means quality at the source.
- ✓ Total quality management system leads to ease of problem solving. Through measurements such as SPC and other techniques such as failure analysis, defects and failures (even potential failures) can be identified and addressed.
- ✓ TQM also leads to continuous improvement of processes and products. TQM system should also improve the efficiency of people and machine.
- ✓ TQM leads to quality products which leads to customer satisfaction.
- ✓ And finally, by reducing defects and improving machine and personnel efficiency, TQM should lead to cost savings and profitability improvement (bottom-line).

Reengineering

Reengineering is radical redesign of an organization's processes, especially its business processes. Rather than organizing a firm into functional specialties (like production, accounting, marketing, etc.) and considering the tasks that each function performs; complete processes from materials acquisition, to production, to marketing and distribution should be considered. The firm should be re-engineered into a series of processes.

Re-engineering is the basis for many recent developments in management. The cross-functional team, for example, has become popular because of the desire to re-engineer separate functional tasks into complete cross-functional processes. Also, many recent management information systems developments aim to integrate a wide number of business functions. Enterprise resource planning, supply chain management, knowledge management systems, groupware and collaborative systems, human Resource Management Systems and customer relationship management systems all owe a debt to re-engineering theory.

Criticisms of re-engineering

Reengineering has earned a bad deputation because such projects have often resulted in massive layoffs. This reputation is not altogether unwarranted, since companies have often downsized under the name of reengineering. Further, reengineering has not always lived up to its expectations. The main reasons seem to be that:

- Reengineering assumes that the factor that limits an organization's performance is the ineffectiveness of its processes (which may or may not be true) and offers no means of validating that assumption.
- Reengineering assumes the need to start the process of performance improvement with a "clean slate," i.e. totally disregard the status quo.

- According to Eliyahu M. Goldratt (and his [Theory of Constraints]) reengineering does not provide an effective way to focus improvement efforts on the organization's constraint.

Business process reengineering (BPR) is the analysis and redesign of workflow' within and between enterprises. BPR reached its heyday in the early 1990's when Michael Hammer and James Champy published their best-selling book, "Reengineering the Corporation". The authors promoted the idea that sometimes radical redesign and reorganization of an enterprise (wiping the slate clean) was necessary to lower costs and increase quality of service and that information technology was the key enabler for that radical change. Hammer and Champy felt that the design of workflow in most large corporations was based on assumptions about technology, people and organizational goals that were no longer valid. They suggested seven principles of reengineering to streamline the work process and thereby achieve significant levels of improvement in quality, time management, and cost:

- Organize around outcomes, not tasks.
- Identify all the processes in an organization and prioritize them in order of redesign urgency.
- Integrate information processing work into the real work that produces the information.
- Treat geographically dispersed resources as though they were centralized.
- Link parallel activities in the workflow instead of just integrating their results.
- Put the decision point where the work is performed, and build control into the process.
- Capture information once and at the source.

4. Improving Ethical Behaviour

Ethics involves the study · of moral issues and choices. It is concerned with right versus wrong, good versus bad, and the many shades of gray in supposedly black-and-white issues. Relative to the workplace, the terms business ethics and management ethics are often heard. But, according to James K. Baker, chairman of the US Chamber of Commerce and head of a Fortune 500 company, "There is no such thing as business ethicsThere is only ethics. What you do over here is no different from what you do over there. -Moral implications spring from virtually every decision, both on and off the job. Managers are challenged to have moral imagination and the courage to do the right thing. To meet that challenge, present and future managers need a conceptual framework for making ethical decisions.

A model of Ethical Behaviour

Ethical and unethical conduct is the product of a complex combination of influences. Let examine key aspects of this model.

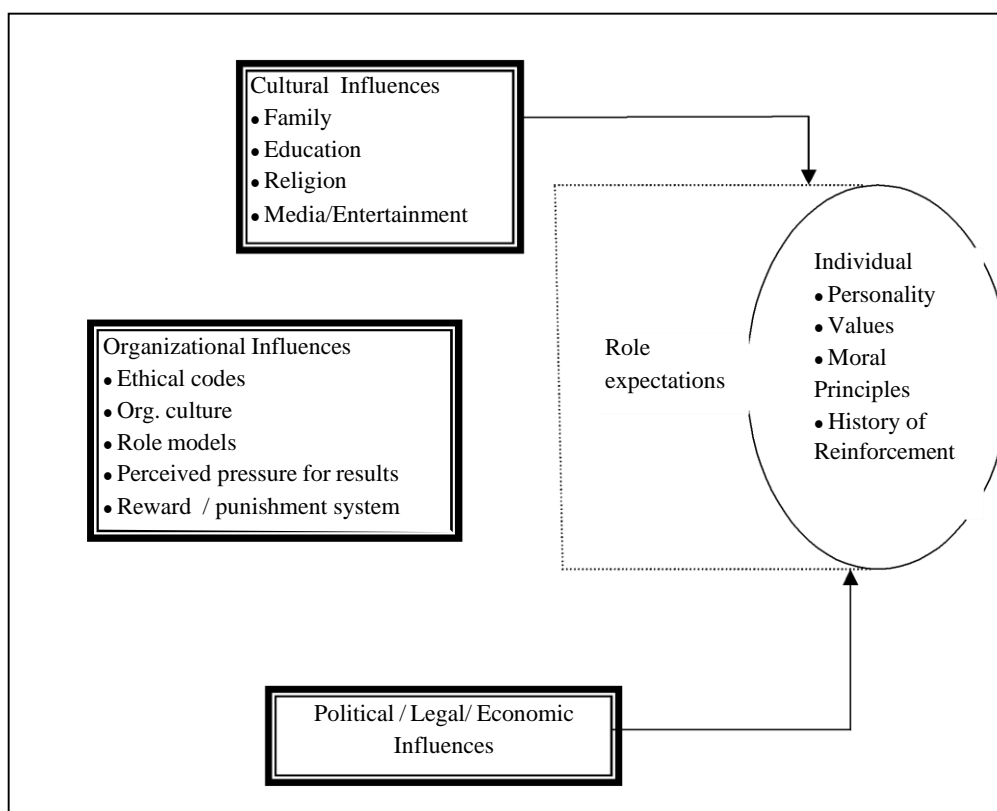
Ethical behaviour include: An environment of safety, respect and dignity is your right

- Be courteous, honest, fair, and ethical in their dealings with one another.
- Not unduly interfere with the work or working environment of another.
- Offer services, benefits, opportunities, and facilities without discrimination.
- Use authority over others appropriately.

The policy applies to all members of the community and all activities.

At the center of the model in Exhibit 8, is the individual decision-maker. He or she has a unique combination of personality characteristics, values, and moral principles, leaning toward or away from ethical behaviour. A personal experience with being rewarded or reinforced for certain behaviors‘ and punished for others also shapes the individual's tendency to act ethically or unethically.

Exhibit 8 : A Model of Ethical Behaviour in the Workplace



Unethical Behaviour :

Some specific behaviors which are not okay or acceptable within the corporate milieu are considered to be unethical, which are manifested in behaviors' like;

- **Sexual Harassment:** requesting sex in return for favors, or any sexual behaviour or communication which is unwelcome or offensive.
- **Racial Harassment:** any behaviour or communication which shows hostility or contempt to anyone because of their color, race, or ethnic or national origins and which is hurtful or offensive.
- **Discrimination:** any behaviour which results or is likely to result in less favorable treatment on the grounds of gender, marital status; religious belief, ethical belief or origins, color, race, disability, age, political opinion, employment status, family status, or sexual orientation.
- **Personal Harassment:** any objectionable or offensive behaviour which intimidates or involves abusive or threatening language, or any form - or threat - of physical assault. And bullying - behaviour which is persistent and malicious, undermines the self-confidence of the recipient and makes them feel vulnerable and isolated.
- **Abuse of Supervisory Authority:** any behaviour by a supervisor which exceeds their normal authority, including inappropriately criticizing, or making unreasonable demands, or not disclosing a conflict of interest (i.e. any kind of family, financial or sexual relationship between someone and a staff member who has responsibility for assessment or other decisions relating to them).

5. Coping with multiculturalism & cultural diversity

The term multiculturalism generally refers to an applied ideology of racial, cultural and ethnic diversity within the demographics of a specified place, usually at the scale of an organization such as a school, business, neighborhood, city or nation.

Some countries have official, or de jure policies of multiculturalism aimed at recognizing, celebrating and maintaining the different cultures or cultural identities within that society to promote social cohesion. In this context, multiculturalism advocates a society that extends equitable status to distinct cultural and religious groups, with no one culture predominating.

Cultural Diversity

Cultural diversity is tricky to quantify, but a good indication is thought to be a count of the number of languages spoken in a region or in the world as a whole. By this measure, there are signs that we may be going through a period of precipitous decline in the world's cultural diversity.

6. Employee Empowerment

Employee empowerment is a strategy and philosophy that enables employees to make decisions about their jobs. Employee empowerment helps employees own their work and take responsibility for their results. Employee empowerment helps employees serve customers at the level of the organization where the customer interface exists.

2.8 LET US SUM UP

Organisational behaviour (OB) is the systematic study of the actions and attitudes that people exhibit within organisations. It is individual behaviour and group dynamics in organisations. It has only been since the Industrial Revolution of the nineteenth century that relatively large numbers of individuals have been required to work together in manager-subordinate relationships. The major step on the way to current organisational behaviour theory was the Human Relations Movement that began in the 1930's and continued in various forms until the 1950's. The Human Relations Movement, popularized by Elton Mayo and his famous Hawthorne studies conducted at the Hawthorne Plant of the Western Electric Company, in many ways it remained the foundation of much of our management thinking today.

Today it is common to picture modern management theory as a blend of the extremes of the principles contained in scientific management and human relations, with each contributing valuable insights for managing organisations. Regardless of one's interpretation of the Hawthorne experiments or perceptions of their social significance, that series of investigations stand as a monumental research study in the field of organisational behaviour. Elton Mayo and his associates should be considered as the founding fathers of modern organisational behaviour concepts. Organisational behaviour is a blended discipline that has grown out of contributions from numerous earlier fields of study. These interdisciplinary influences are the root for what is increasingly recognized as the independent discipline of organisational behaviour

. Organizational Behaviour addresses following points :

- Organizational behavior studies the factors that impact individual and group behavior in organizations and how organizations manage their environments. Organizational behavior provides a set of tools-theories and concepts to understand, analyze, describe, and manage attitudes and behaviour in organizations.
- The study of organizational behavior can improve and change individual, group, and organizational behavior to attain individual, group, and organizational goals.

- Organizational behavior can be analyzed at three levels; the individual, the group, and the organization as a whole. A full understanding must include an examination of behavioral factors at each level.
- A manager's job is to use the tools of organizational behavior to increase effectiveness, an organization's ability to achieve its goals. Management is the process of planning, organizing, leading, and controlling an organization's human, financial, material, and other resources to increase its effectiveness.

2.9 ANSWER KEY TO CHECK YOUR PROGRESS

Check your progress 1

1; The Human Skills, 2; The Conceptual Skills, 3; The Technical Skills)

Check your progress 2

1; false , 2;true , 3; false , 4; true

2.10 GLOSSARY

Organizational behaviour: Organizational behaviour is the study of human behaviour within an organization by applying certain knowledge, theories & researches. Management explains the method to control and influence the behaviour of employees.

Workforce diversity It refers to policies and practices that seek to include people within a workforce who are considered to be, in some way, different from those in the prevailing constituency. It is also so being defined as similarities and differences among employees in terms of age, cultural background, physical abilities and disabilities, race, religion, sex, and sexual orientation

Employee empowerment is a strategy and philosophy that enables employees to make decisions about their jobs,

Unethical behaviour Some specific behaviors which are not okay or acceptable within the corporate milieu are considered to be unethical,

TQM Total Quality Management is the organization wide management of quality & **Reengineering** is radical redesign of an organization's processes, especially its business processes

Anthropology: The scientific study of the origin, the behavior, and the physical, social, and cultural development of humans.

2.11 QUESTIONS

1. What do you understand by OB? Discuss its features.
2. Outline the role of managers in organisations success.
3. What are the factors affecting OB outline the importance of studying OB for the success of any organization?
4. Define Organizational Behaviour. Outline the challenges of OB in the post globalized era for the OB practitioners.
5. Outline the contribution of various disciplines to the growth and development of OB
6. What is unethical behavior
7. Explain employee Empowerment
8. What is the significance of TQM and Reengineering as a challenge to the organisations today.

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LESSON NO 3: FOUNDATIONS OF INDIVIDUAL BEHAVIOUR ,LEARNING & REINFORCEMENT

STRUCTURE OUTLINE

- 3.0 learning Objectives and outcomes
- 3.1 Introduction
- 3.2 Foundations of Individual Behaviour
 - 3.2.1 Biological characteristics of Behaviour.
 - 3.2.2 Inherited Characteristics
 - 3.2.3 Learned Characteristics
- 3.3 Learning ability
 - 3.3.1 Theories of learning
- 3.4 Let us sum up
- 3.5 Answers key to check your progress
- 3.6 Glossary
- 3.7 Questions
- 3.8 References
- 3.9 Suggested Readings

3.0 LEARNING OBJECTIVES AND OUTCOMES:

After going through the lesson, you should be able to:

- Outline the foundations of Individual/ Human Behaviour
- Discuss the Causes of Human Behaviour
- Understand the significance of individual learning abilities, values, Attitudes and its impact on organisational performance and commitment.

3.1 INTRODUCTION

Individual Behaviour is something which is very enigmatic by nature because no two individuals are alike. Owing to the differences in Individuals behavior which may be due to inheritance or Environment, all the people and the work is duly affected because of the Individual differences and their differences in approach. The individual's values and attitudes are directly co-related to Job Satisfaction. Apart from this you will be exposed to the effect of individual learning abilities, values, attitudes owing to Individual differences and its impact on organisational performance and commitment.

3.2 FOUNDATIONS OF INDIVIDUAL BEHAVIOUR

Individual Behaviour is a very complex phenomenon. It is very difficult to define the same. It is primarily a combination of responses to external and internal stimuli. These responses would reflect psychological structure of the person and may be a result of a combination of biological and psychological processes. It is a system by which a human being senses external events and influences, interprets them, responds to them in an appropriate manner and learns from the results of these responses.

Psychologist Kurt Lewin has conducted considerable research into the human behavior and its causes. He believes that people are influenced by a number of diversified factors, both genetic and environmental and the influence of these factors determines the pattern of behavior. He called his conception of these influences the field theory and suggested that:

$$B = F(P, E)$$

So the behavior (B) is a function (F) of the person (P) and environment (E) around him. It is important to recognize the effect of the -person and then of environment individually as well as their interaction and dependence upon each other in order to understand the pattern of behaviour. These two factors are highly linked with each other. Any one of these two factors individually cannot explain fully the behaviour characteristics. An individual behaviour may change due to change in the same environment or exposure to a different environment, For example a person who loses a well paying job may behave differently when he is unemployed. Similarly, just the environment in itself cannot be the cause of or explain a given behavior. Different people behave differently in the same or similar environment. However, when the situation demands, the environment may change the behavior of an individual. For example, certain training programmes or rehabilitation programs have changed the human attitudes and behavior. Sometime a sudden and unexpected turn of events or a shock can also influence significant and permanent changes in the human behavior. Thus the environment can change the individual in his or her behavior. Similarly, the individuals can also change the environment by setting goals and standards and by determination and motivation.

3.2.1 Biographical characteristics of individuals

It has been established that certain characteristics of behavior are genetic in nature and a human being inherits a certain degree of similarity to other individuals, as well as uniqueness in the form of genes and chromosomes. Some

of the characteristics such as physical traits including physical height, slimness, dexterity, intellectual capacity and the ability to learn are all inherited and have a wide impact on behavioral patterns which are very clearly manifested in his day today dealings with others in the organisation which are outlined below. .

3.2.2. The Inherited Characteristics

Some of the inherited characteristics which may or may not be changed by external forces and may or may not be important determinants of performance are:

(a) Physical Characteristics: Some of these characteristics relate to physical height, vision, dexterity, and stamina and have some bearing on performance, Manual dexterity, for example results in quality performance in such jobs that require artistic maneuvering .men are considered to be physically stronger than women and thus are better in some jobs which require physical strength.

(b) Intelligence : Intelligence is primarily an inherited trait, even though children of some very intelligent parents have turned out to be less intelligent and vice-versa.in any case the Intelligent people are easy to convince if the point is right and they can be expected to be much more stable and predictable in their interactions and behaviors‘ with others.

(c) Gender: Being a male or female is genetic in nature .However, it is highly debatable whether being male or a female in itself is indicative of any behavioral patterns. Men are considered to be tough while a woman is expected to be gentle; Men don't cry and women are emotional are some of the stereotype assumptions that have no basis in genetic influence. Even though some work roles are assumed to be exclusive domain of women, such as nurses or airline stewardesses, these roles are being modified to accommodate men in these positions. As far as the administration of the management is concerned, women in general do not differ from men in their operative behaviour.

(d) Age: age may affect the individual behaviour in physiological as well as psychological ways. Psychologically, young people are expected to be more energetic, innovative, risk taking and adventurous, while old people are supposed to be conservative and set in their ways. Physiologically, with age, older people experience waning of some of their faculties such as memory, stamina, coordination etc. and hence the related behaviors change as well. According to Leman, the peak of creative ability lies among people between the age group of 30 and 40.

(e) Religion: Religion and religiously based cultures play an important role in determining some aspects of individual behavior, especially those that concern morals, ethics and code of conduct. Highly religious people have high moral standards and usually do not tell lies or talk ill of others. They are highly

contented and thus strive for the goal of achievement and self-fulfillment. Additionally, the religion and culture also determine attitudes towards work, and towards financial incentives.

3.2.3 Learned Characteristics

Some of the behavioral characteristics that account for enormous diversity in human behaviour are a product of our exposure to various situations and stimuli both within the family and the outside environment. These characteristics are acquired by learning where learning is defined as a relatively permanent change in behavior resulting from interactions with the environment.¶

These characteristics involve an individual's attitudes, value, personality, and perceptions about the environment around him. They are the result of the parental values and expectations and the values and norms of our cultures and sub-cultures. The children learn the need and values of being honest and truthful and the value of love and affections from the family environment. If the parents are always fighting, if the father is always drunk or if the mother resents the child, it is most likely that the child will grow up lacking the closeness of love and respect. Similarly, a loving family instills certain positive values about life in the minds of the children which they carry along with them in their respective organisations.

The physical environment itself has a profound effect on the individual behavior. Persons who have come through the rigorous routine of the armed forces or students who have been active sportsmen may have learned the spirit of competition as well as cooperation. Similarly, students who have studied in religious school and convents may have learned different values about truth and human decency.

Since inherited behavioral characteristics are more difficult to change or modify, it is the learned characteristics that the managers want to study, predict and control. Hence these will be discussed in more detail in the following chapters.

3.3 LEARNING ABILITY

Let's look into some of the well defined definitions of learning which is a very important part in behavior modification in the organizations. It should be understood at this point of reference that apart from learning, unlearning the old behavior is equally important for the people in the organization to bring changes in their behavior and performance.

Learning is a persisting change in human performance or performance potential . . . (brought) about as a result of the learner's interaction with the environment

-The relatively permanent change in a person's knowledge or behavior due to experience

-An enduring change in behavior or in the capacity to behave in a given fashion, which results from practice or other forms of experience

Well an intriguing question which seems to have a very obvious answer at the outset is that how do people learn? Nobody really knows.

3.3.1 THEORIES OF LEARNING

The theories of learning can however be classified into the following;

1. Behavioral models of learning;

- Classical conditioning
- Operant conditioning
- Reinforcement theory

2. Social and cognitive theories of learning

- Bandura's social learning theory
- Cognitive theory of learning

Before we move ahead, let us understand the three important concepts of Behaviorism, Cognitivism and Constructivism to have a better understanding of the theories of learning.

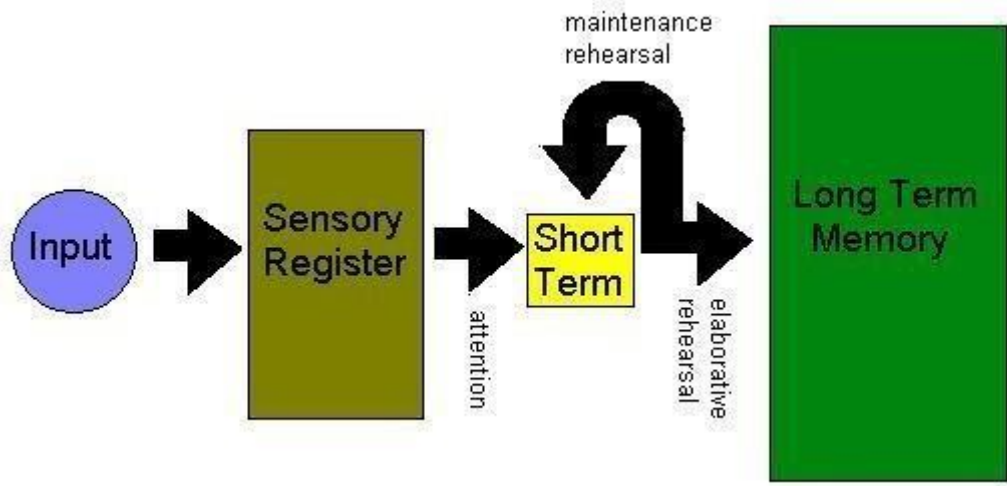
Behaviorism

The theory basically originates from the works of Ivan Pavlov's, classical conditioning, and B. F. Skinner's, operant conditioning. Stimuli are effective in controlling behavior. As a result, the behaviors can be measured to record learning success.

Cognitivism

- This theory focuses on how to store and retrieve information.
- Information Processing looks at how information is retrieved and stored.
- Learning is attained through rehearsal and consistent use of the information.
- Retention strategies such as breaking down information and comparing the information to long term storage are great techniques.

Exhibit 1: Information Processing In Cognitivism.



Constructivism

Constructivism views learning as a process in which the learner constructs knowledge based on their past experiences. For example, The teacher only acts as a facilitator who encourages students to explore within a given framework. Learners may collaborate with others to organize their ideas and learn from each other to construct their own knowledge

Putting It All Together

Learning Theory	Learning Process	Technology Support
Behaviorism	Through positive/ negative reinforcement and punishment	Educational software can be used to measure the students assessment

Cognitivism	Rehearsing information and then storing it for long term use	Flashcards and memory games can help retain information taught in a lesson
Constructivism	Constructing ones own knowledge through past experiences and group collaboration	Group PowerPoint projects allow students to work together and combine their knowledge to learn

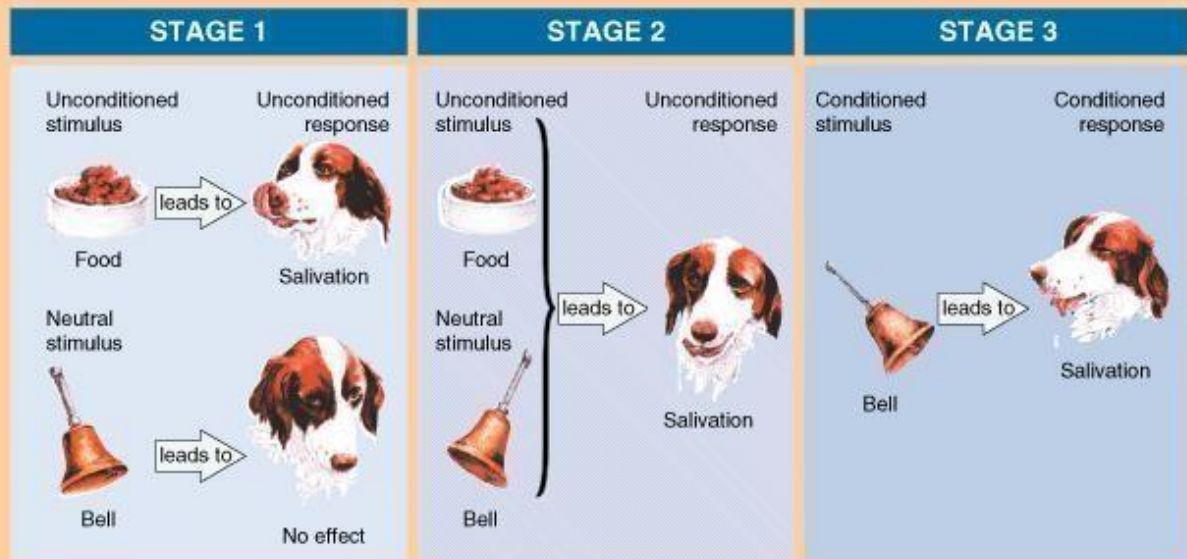
Behavioural Theories of Learning

1. Classical conditioning theory:

Classical Conditioning is when an unconditioned stimulus and response is manipulated with a conditioned stimulus to create a conditioned response. It is the process of behavioral modification which aims at pairing the conditioned stimulus with an unconditioned stimulus to elicit unconditioned response. See Exhibit 2 Below. As can be seen from the, classical conditioning builds on the natural consequence of an unconditioned response to an unconditioned stimulus in dogs as experimented by Pavlov, this is the natural production of saliva (an unconditioned response) in response to the presentation of meat (unconditioned stimulus).on the other hand by presenting a conditioned stimulus (a bell) simultaneously with the unconditioned stimulus (meat),the researcher was able to elicit a conditioned response of salivation from the dog.

Exhibit 2: Pavlov's Experiment Of classical Conditioning.

► The Three Stages of Classical Conditioning



However classical conditioning has limited applicability in organizations due to the following reasons;

1. Human beings are more complex than animals and thus less amenable to simple cause and effect conditioning.
2. The behavioral environments in the organizations are also complex and are not amenable to single stimulus response manipulations.
3. The complex human decision making abilities can have an overriding effect on simple conditioning.

Thorndike – Law of Effect

- Thorndike went beyond Pavlov by showing that stimuli that occurred after a behavior had an influence on future behaviors
- An act that is followed by a favorable effect is more likely to be repeated in similar situations; an act that is followed by unfavorable effect is less likely to be repeated.

2. Operant Conditioning theory of B F Skinner

Operant Conditioning is a controlled response with a reward/ punishment system according to the behavior. This theory aims at modifying behavior through the use of positive or negative consequences following specific behaviors where the positive consequences are the results of a behavior that a person finds attractive or pleasurable. On the other hand, negative consequences are the results that a person finds unattractive.

Exhibit 3: Skinners Experiment on Rats For Operant Conditioning



In skinners operant conditioning experiment , the rat was taught to press the lever to get food through positive reinforcement of behaviour. See exhibit 3 above.

3. Reinforcement theory of Behaviour Modification:

Fred Luthans extensively applied organizational behavior modification (OBM) to bring requisite changes in the behavior of individuals, using three types of consequences: financial reinforcement, non financial reinforcement and social reinforcement. It enhances desirable behavior while punishment and extinction diminishes undesirable behavior. Thus reinforcement attempts at strengthening desirable behavior by either bestowing positive consequences or withholding negative consequences.

Punishment: aims at eliminating or weakening undesirable behavior by either bestowing negative consequences or withholding positive consequences.

Extinction: aims at attempting to weaken a behavior by attaching no consequences to it.

Social and Cognitive theories of learning

1. Bandura's Social learning theory (Bobo Doll Experiments)

In 1961, Bandura and colleagues published the first paper on the results of the now-famous Bobo doll experiments. The Bobo doll is a child-sized inflatable doll with a weighted bottom that causes it to pop back up after being knocked down. In the first iteration of these studies, preschool-aged children were divided into three groups: one group that observed an adult behaving aggressively towards the Bobo doll (punching, kicking, striking with a mallet, yelling), another group that observed the adult playing peacefully, and a control group.

To control for possible peer influences, each participant viewed their assigned scenario individually. Later, the child was allowed to play independently in the play room which contained a variety of aggressive and non-aggressive toys, including the Bobo doll. Participants' acts of verbal and physical aggression toward the Bobo doll were then recorded. Results revealed significant group differences, such that children exposed to the aggressive model were more likely to imitate what they had seen and behave aggressively toward the doll. Bandura and colleagues argued that the results supported that children could rapidly acquire novel behaviors through the process of observation and imitation, and this occurred even in the absence of any kind of reinforcement.

Subsequent variations on the original experiment provided additional insights into the social nature of learning. In a 1963 paper, Bandura and colleagues demonstrated that children imitated aggressive behavior witnessed on video, in addition to live observation, and children also imitated aggressive behaviors enacted by a cartoon character. An additional study, published in 1965, showed that witnessing the model being punished for the aggressive behavior decreased the likelihood that children would imitate the behavior, a process he referred to as **vicarious reinforcement**.

Social Learning or Observational learning involves four phases:

Attention, retention, production process and motivation to perform according to the observed behavior.

- **Attention:** In order to learn, observers must attend to the modeled behavior. Attention is impacted by characteristics of the observer (e.g., perceptual abilities, cognitive abilities, arousal, past performance) and characteristics of the behavior or event (e.g., relevance, novelty, affective valence, and functional value).

- **Retention:** In order to reproduce an observed behavior, observers must be able to remember features of the behavior. Again, this process is influenced by observer characteristics (cognitive capabilities, cognitive rehearsal) and event characteristics (complexity).
- **Reproduction:** To reproduce a behavior, the observer must organize responses in accordance with the model. Observer characteristics affecting reproduction include physical and cognitive capabilities and previous performance.
- **Motivation:** The decision to reproduce (or refrain from reproducing) an observed behavior is dependent on the motivations and expectations of the observer, including anticipated consequences and internal standards.

An important factor in social learning theory is the concept of **reciprocal determinism**. This notion states that just as an individual's behavior is influenced by the environment, the environment is also influenced by the individual's behavior. In other words, a person's behavior, environment, and personal qualities all reciprocally influence each other. For example, a child who plays violent video games will likely influence their peers to play as well, which then encourages the child to play more often. This could lead to the child becoming desensitized to violence, which in turn will likely affect the child's real life behaviors.

He noted that Skinnerian emphasis of the consequences of behavior largely ignored the phenomena of modeling – the imitation of others. He believed that we tend to modify our behavior by observing others. E.g. if somebody is performing really well and is appreciated in the organization, people with high self efficacy would like to follow them and improve their performance as well.

According to Social Learning Theory, people are not driven by either inner forces or environmental stimuli in isolation; instead behaviors are learned through continuous interaction of personal and environmental determinants and all learning from direct experience occurs by observing other people's behavior. (Burton, Moore, & Magliaro, 1996).

2. Cognitive theory of learning

The cognitive approach to learning is based on the Gestalt school of thought and draws on the Jung's theory of personality differences. It says that people with different personalities have different methods of learning and gathering and processing the information. E.g. introverts learn best when they are alone, while extroverts learn faster in others company.

Ability

Another very significant aspect which differentiates one individual from another is his ability vis a vis others in terms of cognitive ability, emotional ability or physical ability. All these abilities together enable the organization to find ability job fit for the individuals. Research has shown that there is a positive correlation between high cognitive abilities and job performance and organizational commitment. The various types of abilities are summarized below in **Exhibit 4**.

Exhibit 4: showing the various types of abilities in an employee.

cognitive ability	emotional ability	physical ability
<ul style="list-style-type: none"> • verbal • quantitative • reasoning • spatial • perceptual 	<ul style="list-style-type: none"> • self awareness • others awareness • emotion regulation • use of emotions 	<ul style="list-style-type: none"> • strength • stamina • flexibility • coordination • psychomotor • sensory

CHECK YOUR PROGRESS 1

FILL IN THE BLANKS

1. When an unconditioned stimulus and response is manipulated with a conditioned stimulus to create a conditioned response_____.
2. A controlled response with a reward/ punishment system according to the behavior_____.
3. This theory says that people with different personalities have different methods of learning and gathering and processing the information. E.g. introverts learn best when they are alone, while extroverts learn faster in others company_____.

Activity A

Differentiate between Cognitive and Emotional Abilities.

3.4 LET US SUM UP

The foundations of individual behavior include the biographical characteristics, the learning abilities, the values and the attitudes of the individual. All these factors together determine his commitment and performance in the organisation which also is a major factor in the individual's job satisfaction.

The various theories of learning can be classified into behavioral and social and cognitive theories. The behavioral theories can be better understood as classical conditioning, operant conditioning, and reinforcement theories. While the social theory implies the role of others in behaviour modification and the cognitive theories rests on the premise that the individuals owing to their personality differences have different learning methodologies.

The values and attitudes of the individuals have also significant bearing on their performance and commitment; the most prominent of the values are the terminal and the instrumental values.

3.5 ANSWERS KEY TO CHECK YOUR PROGRESS

1. (Answers ;1; Classical Conditioning,2; Operant Conditioning,3; Cognitive theory of learning)

3.6 GLOSSARY

1. **Individual Behavior:** It is a very complex phenomenon. It is very difficult to define the same. It is primarily a combination of responses to external and internal stimuli
2. **Learning:** It is a persisting change in human performance or performance potential . . . (brought) about as a result of the learner's interaction with the environment
3. **Attitude:** It is the perception with a frame of reference i.e. your way of thinking which may be positive or negative.
4. **Values:** These are the specific mode of conduct which outlines the concept of good or bad and right or wrong in behavior.

3.7 QUESTIONS

1. Discuss the foundations of Individual Behaviour? How far are they responsible for organizational effectiveness and individual performance?
2. Discuss the relationship between values attitudes and Job Satisfaction and dissatisfaction. And outline the causes of Turnover in the organization.
3. Do you think the behavioral and the social and cognitive theories are applicable in the organizations for behaviour modifications. Discuss.
4. Discuss the various functions of attitudes
5. What are the important Components of attitudes?
6. Outline the Determinants of Work Attitudes?

3.8 REFERENCES

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LESSON NO. 4: PERSONALITY AND EMOTIONS

STRUCTURE OUTLINE

- 4.0 Learning Objectives and Outcomes
- 4.1 Introduction
- 4.2 Meaning and Definition of Personality
- 4.3 Major determinants of Personality.
- 4.4 Theories of Personality
- 4.5 Personality attributes affecting OB
- 4.6 Emotions
- 4.7 let us Sum Up
- 4.8 Answer key to check your progress
- 4.9 Glossary
- 4.10 Questions
- 4.11 References
- 4.12 Suggested Readings

4.0 LEARNING OBJECTIVES AND OUTCOMES

After going through the lesson, you should be able to;

- Comprehend the Meaning and Definition of Personality
- Delineate the Major determinants of Personality
- Deliberate upon the theories of personality and its impact on organizational effectiveness.
- Understand the various Personality attributes affecting OB
- Find out the significance of emotions in the organization.

4.1 INTRODUCTION

When we talk of personality, we usually ascribe it as a person's charm, a positive attitude toward life, a smiling face, or is as a finalist for — Happiest and Friendliest in this year's Miss /Mr. Universe contest.

But when psychologists talk of personality, they mean a dynamic concept describing the growth and development of a person's whole psychological system made up of his heredity and the environment surrounding him.

Rather than looking at parts of the person, personality looks at some aggregate whole that is greater than the sum of the parts.

The word personality has an interesting derivation. It can be traced to the Latin words "personare" which translates as "to speak through", The Latin term was used to denote the masks worn by actors in ancient Greece and Rome. This Latin meaning is particularly relevant to the contemporary analysis of personality. Personality traditionally refers to how people-influence others through their external appearances and actions. But for the psychologists personality includes:

- I. External appearances and behaviour
- ii. The inner awareness of self as a permanent organizing force, and
- iii. The particular organization of measureable traits, both inner and outer.

Personality is an individual difference that lends consistency to a person's behaviour; Personality is defined as a relatively stable set of characteristics that influence an individual's behaviour. **For our purposes, you should think of personality as the sum total of ways in which an individual reacts and interacts with others.** This is most often described in terms of measurable personality traits that a person exhibits.

Thus personality is not confined to physical attributes only it is a totality of what a person is made up of.

His mental, Emotional , cognitive, technical , managerial skills , knowledge, abilities, motivation, learning and unlearning abilities, his negotiation and conflict management skills, communication skills, values and attitudes , experience, academic qualifications, spatial background, the genetic make up, the ambitions and aspirations of the parents ,the socio economic background etc are some of the attributes which considerably contributes towards the development of one's personality.

Needless to mention that when a person joins an organisation he carries with him the whole of himself i.e his total personality made up of physical , mental and emotional self, which in turn determines his efficiency and effectiveness in the organisation. Thus owing to individual differences and the personalities thereof it becomes all the more important to understand the individuals and manage them accordingly. That is why it is quite significant for the OB practitioners to understand individual personalities and apply different motivational techniques for different individuals/ personalities.

4.2 MEANING AND DEFINITION OF PERSONALITY

Though psychologists and social scientists unanimously agree to the importance of personality, they are unable to come out with a unanimous definition. Many

authorities on the subject have defined personality in different ways. Some of the definitions are reproduced below:

Probably the most meaningful approach would be to include both the person and the role as **Floyd L Ruch** does in his definition. He states that:

The human personality includes:

- (i) External appearance and behavior or social stimulus value
- (ii) Inner awareness of self as a permanent organizing force
- (ii) The particular pattern or organization of measurable traits, both "inner and "outer"

Gordon Allport gave the most frequently used definition of personality nearly 70 years ago. He said personality is "**the dynamic organization within the individual of those psychophysical systems that determine his unique adjustments to his environment**".

J.B Kolasa defines personality as - "Personality is a broad, amorphous designation relating to fundamental approaches of persons to others and themselves. To most psychologists and students of behavior, this term refers to the study of the characteristic traits of an individual, relationships between these traits and the way in which a person adjusts to other people and situations".

James D Thompson and Donald Van Houten define personality as - "a very diverse and complex psychological concept. The word "personality" may mean something like outgoing, invigorating interpersonal abilities ... but we must also recognize and explain the fact that development results in man acquiring a distinctiveness or uniqueness which gives him identity which enables him and us to recognize him as apart from others. These distinguishing characteristics are summarized by the term personality".

From the above definitions we can say that personality is a very diverse and complex psychological concept. It is concerned with external appearance and behavior, self-measurable traits, and situational interactions.

The words of Clyde Kleeckholn and H. A Murray can be used to sum up the meaning of this complex term personality whey they said "that to some extent, a person's personality is like all other people's, like some other people's, like no other people's".

4.3 MAJOR DETERMINANTS OF PERSONALITY

What determines personality? Of all the complexities and unanswered questions in the study of human behavior, this question may be the most difficult. People are enormously complex; their abilities and interests and attitudes are diverse. An early argument in personality research was whether an individual's personality was the result of heredity or environment. Was the personality predetermined at birth, or was it the result of the individual's interaction with his

or her environment? Personality appears to be a result of both influences. Additionally, today we recognize another factor - the situation. The problem lies in the fact the cognitive and psychological processes, plus many other variables, all contribute to personality.

The determinants of personality can perhaps best be grouped in five broad categories: biological, cultural, family, social and situational.

I. Biological Factors: These factors further encompass heredity, brain and the biofeedback and the physical features as delineated below;

(a) Heredity: Heredity refers to those factors that were determined at conception. Physical stature, facial attractiveness, sex, temperament, muscle composition and reflexes, energy level, and biological rhythms are characteristics that are considered to be inherent from one's parents. The heredity approach argues that the ultimate explanation of an individual's personality is the molecular structure of the genes, located in the chromosomes.

Research on animals has exhibited that both physical and psychological characteristics can be transmitted through heredity. But research on human beings is inadequate to support this viewpoint. However, psychologists and geneticists have accepted the fact that heredity does play an important role in one's personality.

(b) Brain: The Second biological approach is to concentrate on the role that the brain plays on personality. Though researchers make some promising inroads, the psychologists are unable to prove empirically the contribution of human brain in influencing personality. The most recent and exciting possibilities come from the work done with electrical stimulation of the brain (ESB) and split-brain psychology. Preliminary results from the electrical stimulation of the brain (ESB) research give indication that better understanding of human personality and behavior might come from the study of the brain. Work with ESB on human subjects is just beginning. There seem to be definite pleasurable and painful areas in the human brain. This being true, it may be possible physically to manipulate personality through ESB.

(c) Biofeedback: Until recently, physiologists and psychologists felt that certain biological functions such as brainwave patterns, gastric secretions, and fluctuations in blood pressure and skin temperature were beyond conscious control. Now some scientists believe that these involuntary functions can be consciously controlled through biofeedback. In BFT the individual learns the internal rhythm of a particular body process through electronic signals feedback from equipment that is wired to the body area. From this biofeedback the person can learn to control the body process in question. More research is needed on biofeedback before any definitive conclusions can be drawn. But its potential impact could be extremely interesting for the future.

(d) Physical Features: A vital ingredient of the personality, an individual's external appearance, is biologically determined. The fact that a person is tall or short, fat or skinny, black or white will influence the person's effect on others and this in turn, will affect the self-concept. Practically all would agree that physical characteristics have at last some influence on the personality. According to Paul H Mussen "a child's physical characteristics may be related to his approach to the social environment, to the expectancies of others, and to their reactions to him. These, in turn, may have impacts on personality development".

If personality characteristics were completely dictated by heredity, they would be fixed at birth and no amount of experience could alter them. But personality characteristics are not completely dictated by heredity. There are other factors, which also influence personality like the socio- cultural, economic, technological and the political environment to some extent.

II. Cultural Factors

Among the factors that exert pressures on our personality formation are the culture in which we are raised, our early conditioning, the norms among our family, friends and social groups and other influences we experience. Traditionally, cultural factors are usually considered to make a more significant contribution to personality than biological factors. The culture largely determines attributes toward independence, aggression, competition, and cooperation. According to Paul H Mussen "each culture expects, and trains, its members to behave in the ways that are acceptable to the group. To a marked degree, the child's cultural group defines the range of experiences and situations he is likely to encounter and the values and personality characteristics that will be reinforced and hence learned". Culture requires both conformity and acceptance from its members. There are several ways of ensuring that members comply with the dictates of the culture. The personality of an individual to a marked extent is determined by the culture in which he or she is brought up. It follows that a person reared in a western culture has a different personality from a person reared in our Indian culture.

III. Family Factors

Whereas the culture generally prescribes and limits what a person can be taught, it is the family, and later the social group, which selects, interprets and dispenses the culture. Thus, the family probably has the most significant impact on early personality development. A substantial amount of empirical evidence indicates that the overall home environment created by the parents, in addition to their direct influence, is critical to personality development. For example, children reared in a cold, unstimulating home are much more likely to be socially and emotionally maladjusted than children reared by parents in a warm, loving and stimulating environment.

The parents play an especially important part in the identification process, which is important to the person's early development. According to Mischel, the process can be examined from three different perspectives.

- (i) Identification can be viewed as the similarity of behavior including feelings and attitudes between child and model.
- (ii) Identification can be looked at as the child's motives or desires to be like the model.
- (iii) It can be viewed as the process through which the child actually takes on the attributes of the model.

From all three perspectives, the identification process is fundamental to the understanding of personality development. The home environment also influences the personality of an individual. Siblings (brothers and sisters) also contribute to personality.

IV. Social Factors

There is increasing recognition given to the role of other relevant persons, groups and especially organizations, which greatly influence an individual's personality. This is commonly called the socialization process. Socialization involves the process by which a person acquires, from the enormously wide range of behavioral potentialities that are open to him or her. Socialization starts with the initial contact between a mother and her new infant. After infancy, other members of the immediate family - father, brothers, sisters and close relatives or friends, then the social group - peers school friends and members of the work group, play influential roles.

Socialization process is especially relevant to organizational behaviour because the process is not confined to early childhood, taking place rather throughout one's life. In particular, evidence is accumulating that socialization may be one of the best explanations for why employees behave the way they do in today's organizations.

V. Situational Factors

Human personality is also influenced by situational factors. The effect of environment is quite strong, Knowledge, skill and language a obviously acquired and represent important modifications of behavior. An individual's personality, while generally stable and consistent, does change in different situations. The different demands of different situations call forth different aspects of one's personality. According to Milgram "Situation exerts an important press on the individual. It exercises constraints and may provide push. In certain circumstances it is not so much the kind of person a man is, as the kind of situation in which he is placed that determines his actions". We should therefore not look at personality patterns in isolation.

CHECK YOUR PROGRESS

- Give your own definition of personality keeping in mind the personality that has influenced you the most.
- What are the other determinants of Personality according to you apart from the one's given in the lesson.

4.4 THEORIES OF PERSONALITY

1. The Psychoanalytical theory; this is the -First Comprehensive Theory of Personality given by Sigmund Freud.

The Fundamental Assumptions underlying Psychoanalytic Theory are;

1. The Basic Instincts
2. Unconscious Motivation
3. Psychic Determinism
4. Energy Model

1. The Basic Instincts: Sex and Aggression

It closely follows Darwin's theory of natural selection: i.e. selection by reproduction and selection by survival. Although he initially believed that the life and death instincts worked to oppose one another, he later argued that they could combine in various ways. He believed that from these instincts comes the energy that powers all human behaviors. Freud believed that everything humans do can be understood as manifestations of the life and death instincts

2. Unconscious Motivation

According to Freud the mind is made up of 3 parts: the conscious, preconscious, and unconscious. The latter is the largest part of the mind and manifests itself in the dreams, -slips of the tongue, irrational feelings, physical symptoms, or inexplicable anxiety. Individuals control their sexual and aggressive urges by placing them in the unconscious. These take on a life of their own and become the motivated unconscious.

3. Psychic Determinism

It says that nothing happens in our lives by chance or accident, Everything that we do, think, say, and feel is an expression of our mind only.

4. Energy Model

It says that humans are viewed as energy systems in which energy is transformed but not destroyed.

Levels of Consciousness: there are three levels of Consciousness

Conscious - current awareness

Preconscious - not aware of material but it's retrievable (via ordinary retrieval)

Unconscious - not aware of material but it's **not** retrievable (via ordinary retrieval)

The Techniques for Revealing the Unconscious nature are :

- Free Association
- Dream Analysis
- Projective Techniques

Free Association: Speaking whatever comes into your mind without censoring your thoughts. Psychoanalysts must be able to recognize the subtle signs that something important has just been mentioned.

Dream Analysis: Uncovering unconscious material in a dream by interpreting the content of a dream. Consists of manifest content (what the dream actually contains) and latent content (what the elements of the dream actually represent)

Projective Techniques: Uses the idea that what a person sees in an ambiguous figure reflects his or her personality.

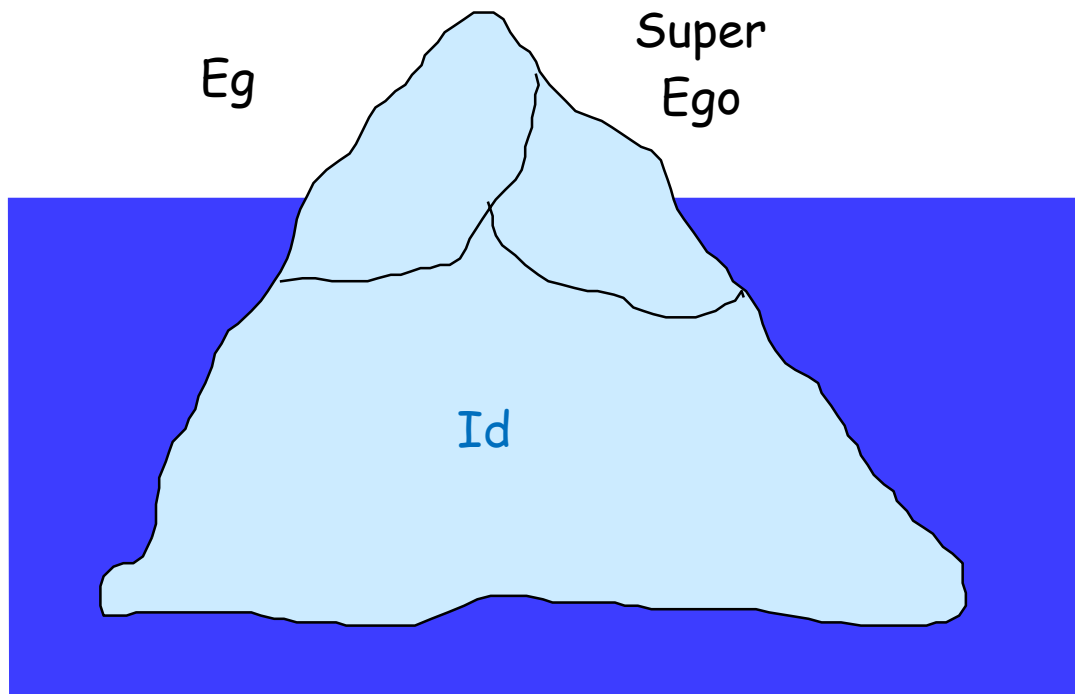
Sigmund Freud emphasized on the unconscious determinants of behaviour.

The Unconscious part is mostly hidden, -the mind is like an iceberg - mostly hidden

FREUD & PERSONALITY STRUCTURE

Psychoanalytic theory concerns how people cope with their sexual and aggressive instincts within the constraints of a civilized society. One part of the mind creates urges, another has a sense of what civilized society expects, and another part of the mind tries to satisfy the urges within the bounds of reality and society. These parts of the mind are in constant interaction. They have

different goals, provoking internal conflicts with in an individual.



Every individual has three states namely: The Id, The Ego and the Super Ego

The Id – Reservoir of Psychic Energy

- Id – this is the energy constantly striving to satisfy basic drives, rests on the Pleasure Principle. The pleasure principle is the desire for immediate gratification.
- This is the most primitive part of the mind; what we are born with.
- It is the source of all drives and urges in the individual.
- Operates according to the pleasure principle and primary process thinking
- Primary process thinking is thinking without logical rules of conscious thought or an anchor in reality.

The Ego

- Seeks to gratify the Id in realistic ways, rests on the Reality Principle.
- The part of the mind that constrains the id to reality
- Develops around 2-3 years of age
- Operates according to the reality principle and secondary process thinking
- Mediates between id, superego, and environment
- The ego recognizes under the reality principle that the urges of the id are often in conflict with social and physical reality.

- The ego engages in secondary process thinking which refers to the development and devising of strategies for problem solving and obtaining satisfaction.

Super Ego

- This is the voice of conscience that focuses on how we ought to behave. The Superego is the Upholder of Values and Ideals in the individual.
- The part of the mind that internalizes the values, morals, and ideals of society.
- Develops around age 5.
- Not bound by reality.
- The superego determines what is right and what is wrong, and enforces this through the emotion of guilt. It sets the moral goals and ideals of perfection.

2. Trait Theory

Personality traits are essentially;

- Characteristic pattern of thinking, feeling and acting.
- A person's general style of interacting with the world.

People differ from one another in ways that are relatively consistent over time and place. Trait theory states that People differ on personality traits such as dependency, aggressiveness or anxiety etc.

Now let us look into some of the important Personality traits that are engrained in the individuals. Personality traits are the enduring characteristics that describe an individual's behavior with others in the social or organizational setting. See exhibit.

Exhibit: Personality Traits

1. Reserved	vs.	Outgoing
2. Less intelligent	vs.	More intelligent
3. Affected by feelings	vs.	Emotionally stable
4. Submissive	vs.	Dominant
5. Serious	vs.	Happy-go-lucky
6. Expedient	vs.	Conscientious
7. Timid	vs.	Venturesome
8. Tough-minded	vs.	Sensitive
9. Trusting	vs.	Suspicious
10. Practical	vs.	Imaginative
11. Forthright	vs.	Shrewd
12. Self-assured	vs.	Apprehensive
13. Conservative	vs.	Experimenting
14. Group dependent	vs.	Self-sufficient
15. Uncontrolled	vs.	Controlled
16. Relaxed	vs.	Tense

THE BIG FIVE MODEL OF PERSONALITY

This model states that there are five traits which are predominant in an individual and exemplifies his personality.

1. EXTRAVERSION: Someone who is sociable, gregarious and assertive.

Leadership and extraversion traits.

- Interesting in getting ahead
- Leading through influencing
- Individuals are outgoing
- Likes to meet new people
- Willing to confront others

2. AGREEABLENESS: A good natured, cooperative and trusting personality.

Traits related to getting along with others.

- Characteristics include warm, easygoing, compassionate, friendly, and sociable.
- Individuals typically are sociable and have lots of friends.

3. EMOTIONAL STABILITY: A personality characterized as calm, self-confident, secure vs. nervous, depressed and insecure.

Traits related to emotional stability.

- The fine line between stable and unstable.
- Stable is being calm, good under pressure, relaxed, and secure
- Unstable is nervous, poor under pressure, insecure

4. CONSCIENTIOUSNESS: Someone who is responsible, dependable, persistent and organized

Includes traits related to achievement.

- Traits include high credibility, conformity, and organization.
- Individuals typically work hard and put in extra time and effort to meet goals.

5. OPENNESS TO EXPERIENCE

Trait related to being willing to change and try new things.

- Individuals typically are willing to take risks.

An imaginative, sensitive and curious personality.

Check your progress 1

Fill in the blanks ;state the theory of personality;

1. unconscious motivations (Sigmund Freud) is -----
2. specific dimensions of personality (Big Five Model) -----

Activity A

Describe the implications of Big Five Personality Traits in determining individual's behaviour at work with suitable examples.

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and extend across the width of the page. There are no margins, text, or other markings on the paper.

4.5 PERSONALITY ATTRIBUTES AFFECTING OB

Managers should learn as much as possible about personality in order to understand their employees. Hundreds of personality characteristics have been identified. Eight prominent characteristics have been picked up because of their particular influences on individual behaviour in organizations. They are:

1. Locus of Control
2. Machiavellianism
3. Self-esteem
4. Self-efficacy
5. Self-monitoring
6. Positive I Negative Affect
7. Risk Taking
8. Type A Personality,

1. Locus of Control: Some people believe they are masters of their own fate. Other people see themselves as pawns of fate, believing that what happens to them in their lives is due to luck or chance. An individual's generalized belief

about internal (self) versus external (situation or others) control is called locus of control.

Internals: Those who believe they control their destinies have been labeled internals. Internals (those with an internal locus of control) have been found to have higher job satisfaction to be more likely to assume managerial positions, and to prefer participative management styles. In addition, internals have been shown to display higher work motivation, hold stronger beliefs that effort leads to performance, receive higher salaries and display less anxiety than externals (those with an external locus of control).

Externals: Externals are those individuals who believe that what happens to them is controlled by outside forces such as luck or chance. Externals prefer a more structured work setting and they may be more reluctant to participate in decision-making. They are more compliant and willing to follow directions.

Research on locus of control has strong implications for organizations. A large amount of research comparing internals with externals has consistently shown that individuals who rate high in externality are less satisfied with their jobs, have higher absenteeism rates, are more alienated from the work setting, and are less involved on their jobs than internals. Why are externals more dissatisfied? The answer is probably because they perceive themselves as having little control over those organizational outcomes that are important to them. Knowing about locus of control can prove valuable insights to managers. Because internals believe that they control what happens to them, they will want to exercise control in their work environment. Allowing internals considerable voice in how work is performed is important. Internals will not react well to being closely supervised. Externals, in contrast, may prefer a more structured work setting, and they may be more reluctant to participate in decision-making.

Therefore, internals do well on sophisticated tasks - which includes most managerial and professional jobs that require complex information processing and learning. Additionally, internals are more suited to jobs that require initiative and independence of action. In contrast, externals should do well on jobs that are well structured and routine and where success depends heavily on complying with the directions of others.

2. Machiavellianism: Niccolo Machiavelli was a sixteenth century Italian statesman. He wrote "The Prince", a guide for acquiring and using power. The primary method for achieving power that he suggested was manipulation of others. Machiavellianism then is a personality characteristic indicating one's willingness to do whatever it takes to get one's way. An individual high in Machiavellianism is pragmatic, maintains emotional distance and believes that ends can justify means. "If it works, use it", is consistent with a high-Mach perspective.

High-Machs believe that any means justify the desired ends. They believe that manipulations of others are fine if it helps achieve a goal. Thus, high-Machs are likely to justify their manipulative behaviour as ethical. They are emotionally detached from other people and are oriented towards objective aspects of situations.

R Christie and F.L Geis, have found that high-Machs flourish;

- When they interact fact-to-face with others rather than indirectly.
- When the situation has a minimum number of rules and regulations, thus, allowing latitude for improvisation, and
- When emotional involvement with details irrelevant to winning distracts low- Machs.

A high-Mach individual behaves in accordance with Machiavelli's ideas, which include the notion that it is better to be feared than loved. High-Machs tend to use deceit in relationships, have a cynical view of human nature and have little concern for conventional notions of right and wrong. They are skilled manipulators of other people, relying on their persuasive abilities. High-Machs are suitable in jobs that require bargaining skills or where there are substantial rewards for winning (example: commissioned sales).

3. Self-esteem Self-esteem is an individual's general feeling of self-worth. Individuals with high self-esteem have positive feelings about themselves perceive themselves to have strength as well as weaknesses, and believe their strengths are more important than their weaknesses. Individuals with low self-esteem view themselves negatively. They are more strongly affected by what other people think of them, and they compliment individuals who give them positive feedback while cutting down people who give them negative feedback.

Research on self-esteem (SE) offers some interesting insights into organizational behaviour.

High-SEs: People with High SEs Believe they possess more of the ability they need in order to succeed at work.

Individuals with high SE will take more risks in job selection and are more likely to choose unconventional jobs. They are more satisfied with their jobs.

Low-SEs: People with low SEs are susceptible to external influence. They depend on the receipt of positive evaluations from others. They tend to be concerned with pleasing others and therefore, are less likely to take unpopular stands. They are less satisfied with their jobs.

Self-esteem may be strongly affected by situations. Success tends to raise self-esteem, whereas failure tends to lower it. Given that high self-esteem is generally a positive characteristic; managers should encourage employees to raise their self-esteem by giving them appropriate challenges and opportunities for success.

4. Self-Efficacy: Self-efficacy refers to an individual's belief that he or she is capable of performing a task. The higher your self-efficacy, the more confidence you have in your ability to succeed in a task. So, in difficult situations, we find that people with low self-efficacy are more likely to slacken their effort or give up altogether, whereas those with high self-efficacy will try harder to master the challenge. In addition, individuals high in self-efficacy seem to respond to negative feedback with increased effort and motivation; those low in self-efficacy are likely to reduce their effort when given negative feedback.

Individuals with high self-efficacy believe that they have the ability to get things done, that they are capable of putting forth the effort to accomplish the task, and that they can overcome any obstacles to their success. There are four sources of self-efficacy:

- Prior experiences
- Behaviour models – witnessing the success of others.
- Persuasion from other people and
- Assessment of current physical and emotional capabilities.

Believing in one's own capability to get something done is an important facilitator of success. There is strong evidence that self-efficacy leads to high performance on a wide variety of physical and mental tasks. Managers can help employees develop their self-efficacy. This can be done by providing avenues for showing performance, and rewarding an employee's achievements.

5. Self-monitoring: A characteristic with great potential for affecting behaviour in organizations is self-monitoring. Self-monitoring refers to an individual's ability to adjust his or her behaviour to external situational factors.

High self-monitors pay attention to what is appropriate in particular situations and to the behaviour of other people, and they behave accordingly. Low self-monitors, in contrast, are not as vigilant to situational cues, and act from internal states rather than paying attention to the situation. As a result, the behaviour of low self-monitors is consistent across situations. High self-monitors, because their behaviour varies with the situation, appears to be more unpredictable and less consistent. High self-monitors are capable of presenting striking contradictions between their public persona and their private self. Low self-monitors can't disguise themselves this way.

6. Positive / Negative Affect: Individuals who focus on the positive aspect themselves, other people, and the world in general are said to have positive affect. In contrast, those who accentuate the negative in themselves, others, and the world are said to possess negative affect. Employees with positive affect are absent from work less often. Individuals with negative affect report more work stress. Negative individual affect produces negative group affect and this leads to less cooperative behavior in the work group. Managers can do several things

to promote positive affect including allowing participative decision making and providing pleasant working conditions.

7. Risk-taking: People differ in their willingness to take chances. This propensity to assume or avoid risk has been shown to have an impact on how long it takes managers to make a decision and how much information they require before making their choice. High-risk-taking managers make more rapid decisions and use less information in making their choices than low-risk-taking managers.

While, it is generally correct to conclude that managers in organizations are risk averse, there are still individual differences on this dimension. As a result it makes sense to recognize these differences and even to consider aligning risk-taking propensity with specific job demands. For example, a high-risk taking propensity may lead to more effective performance for a stockbroker but these personality characteristics might prove a major obstacle for an auditor.

8. Type A Personality: Type a behaviour pattern is a complex of personality and behavioral characteristics, including competitiveness, time urgency, social status, insecurity, aggression, hostility and a quest for achievements. Type A personality individual is aggressively involved in a chronic, incessant struggle to achieve more and more in less and less time, and if required to do so, against the opposing efforts of other things or other persons".

Type A personalities:

- (i) Are always moving, walking, and eating rapidly;
- (ii) Feel impatient with the rate at which most events take place;
- (iii) Strive to think or do two or more things simultaneously;
- (iv) Cannot cope with leisure time; and
- (v) Are obsessed with numbers, measuring their success in terms of how much of everything they require.

The alternative to the Type A behavior pattern is the Type B behavior pattern. People with Type B personalities are relatively free of the Type A behaviors characteristics. Type B personalities are "rarely hurried by the desire to obtain wildly increasing number of things or participate in an endless growing series of events in an ever decreasing amount of time".

Type B Personality:

- (i) Never suffer from a sense of time urgency with its accompanying impatience;
- (ii) Feel no need to display or discuss either their achievements or accomplishments unless such exposure is demanded by the situation;
- (iii) Play for fun and relaxation, rather than to exhibit their superiority at any cost; and
- (iv) Can relax without guilt.

Organizations can also be characterized as Type A or Type B organizations. Type A individuals in Type B organizations and Type B individuals in Type A organizations experience stress related to a misfit between their personality type and the predominant type of the organization.

Check your progress 2

Fill in the blanks

1. This type of personality feel impatient with the rate at which most events take place-----
2. This type of personality feel no need to display or discuss either their achievements or accomplishments unless such exposure is demanded by the situation-----
3. This type of personality never suffer from a sense of time urgency with its accompanying impatience;
4. This type of personality cannot cope with leisure time_____.

4.6 LET US SUM UP

Simply put personality is the sum total of ways in which an individual reacts and interacts with others. According to Gluck - "Personality is a pattern of stable states and characteristics of a person that influences his or her behavior toward goal achievement. Each person has unique ways of protecting these states" The determinants of personality can perhaps best be grouped in five broad categories: i.e. biological, cultural, family, social and situational.

The four major perspectives / theories on personality are;

Psychoanalytical theory - unconscious motivations (Sigmund Freud)

Trait theory - specific dimensions of personality (Big Five Model)

Humanistic theory - inner capacity for growth (Maslow's Need Hierarchy)

Social-Cognitive theory - Interaction of Environment & Intellect

The various personality attributes affecting OB are Locus of Control, Machiavellianism, Self-esteem, Self-efficacy, Self-monitoring, Positive I Negative Affect, Risk Taking Type A Personality. Emotions are also an important part of individual's personality and affect his behavior in the organizations. On the other hand the understanding of how emotion regulation relates to job satisfaction concerns two models: Emotional Dissonance: Emotional dissonance is a state of discrepancy between public displays of emotions and internal experiences of emotions, that often follows the process of emotion regulation. Emotional dissonance is associated with high emotional exhaustion, low organizational commitment, and low job satisfaction and Social Interaction Model: Taking the social interaction perspective, workers' emotion

regulation might beget responses from others during interpersonal encounters that subsequently impact their own job satisfaction.

4.7 ANSWER KEY TO CHECK YOUR PROGRESS

Answers to check your progress 1:

1; Psychoanalytical theory

2; Trait theory,

3; Humanistic theory,

4; Social-Cognitive theory

Answers to check your progress 2

1; Type A,

2; Type B

3; Type B,

4; Type A.

4.8 GLOSSARY

Personality is a dynamic concept describing the growth and development of a person's whole psychological system made up of his heredity and the environment surrounding him. It is the sum total of ways in which an individual reacts and interacts with others.

Heredity refers to those factors that were determined at conception. Physical stature, facial attractiveness, sex, temperament, muscle composition and reflexes, energy level, and biological rhythms are characteristics that are considered to be inherent from one's parents.

Locus of Control: Some people believe they are masters of their own fate. Other people see themselves as pawns of fate, believing that what happens to them in their lives is due to luck or chance. An individual's generalized belief about internal (self) versus external (situation or others) control is called locus of control.

Machiavellianism is a personality characteristic indicating one's willingness to do whatever it takes to get one's way.

Self-esteem is an individual's general feeling of self-worth.

Self-Efficacy: Self-efficacy refers to an individual's belief that he or she is capable of performing a task,

Self-monitoring refers to an individual's ability to adjust his or her behaviour to external situational factors.

Positive / Negative Affect: Individuals who focus on the positive aspect themselves, other people, and the world in general are said to have positive affect. In contrast, those who accentuate the negative in themselves, others, and the world are said to possess negative effect.

Risk-taking: People differ in their willingness to take chances. This propensity to assume or avoid risk.

Type A Personality behavior pattern is a complex of personality and behavioral characteristics, including competitiveness, time urgency, social status, insecurity, aggression, hostility and a quest for achievements., Emotions.

Emotional Dissonance: Emotional dissonance is a state of discrepancy between public displays of emotions and internal experiences of emotions, that often follows the process of emotion regulation.

4.9 QUESTIONS

1. Explain the Meaning and Definition of Personality and its significance in the study of OB.
2. Delineate the Major determinants of Personality. Which one of these has a major impact on the building up of one's personality?
3. Deliberate upon the theories of personality and its impact on organizational effectiveness. Do you think personality of individuals can be modified by the OB practitioners? Discuss.
4. Critically evaluate the various Personality attributes affecting OB. what is the role of Machiavellianism in today's context. How far do you subscribe to Machiavellianism for success, discuss.
5. Outline the significance of emotions in the organization and its impact on job satisfaction.
6. Which theory of personality one do you think is the most relevant and why.
7. Define Emotions. Does it affect job satisfaction? Explain.

4.10 REFERENCES

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2. Grey and Starke, Organizational Behaviour – Concepts and Applications. Merrill, 1998, p. 64.
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4.11 SUGGESTED READINGS

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LESSON NO. 5: PERCEPTION

STRUCTURE OUTLINE

- 5.0 Learning Objectives and Outcomes
- 5.1 Introduction
- 5.2 Why Is The Study Of Perception Important?
- 5.3 Factors Influencing Perception
- 5.4 The Perception Process
- 5.5 Role of Attribution In The Process Of Perception
- 5.6 Perception Mapping
- 5.7 Let Us Sum Up
- 5.8 Answer key to check your progress
- 5.9 Glossary
- 5.10 Questions
- 5.11 References
- 5.12 Suggested Readings

5.0 LEARNING OBJECTIVES AND OUTCOMES:

After going through the lesson, you should be able to;

- Recognize the basic elements of the perceptual process
- Delineate the various factors affecting the perceptual process
- Understand the Role of attribution in the process of perception

5.1 INTRODUCTION

— we don't see things as they are, we see things as we are.‖

Perception Defined

- The process by which we become aware of objects and events in the external world.
- The process of making sense of the world around us.
- Many people ignore the fact that all of us are different and that these differences equip us to view the world from our very own vantage points.

Usually we spend more energy defending our own position than understanding others.

Perception is described as a person's view of reality. Perception is a process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment.

Perception is the set of the processes by which the individual becomes aware of, and interprets information about, the environment. A general discussion of behavioral concepts and processes might identify perception as a single process, but actually it consists of several distinct processes. Moreover, in perceiving we receive information in many guises, from spoken words or visual images to movement and form. Through the perceptual processes the receiver assimilates the varied types of incoming information for the purpose interpreting it.

Perception involves the way we view the world around us. It adds, meaning to information gathered via the five senses of touch, smell, hearing, vision and taste.

5.2 WHY IS THE STUDY OF PERCEPTION IMPORTANT?

Virtually all management activities rely on perception. In appraising performance, managers use their perceptions of an employee's behaviour as a basis for the evaluation. One work situation that highlights the importance of perception is the selection interview. Perception is also culturally determined. Based on our cultural backgrounds, we tend to perceive things in certain ways.

Thus, perception is the primary vehicle through which we come to understand our surroundings and ourselves. Social perception is the process of interpreting information about another person. Social perception is directly concerned with how one individual perceives other individuals. Formal organization participants constantly perceive one another. Managers are perceiving workers, workers are perceiving managers, line personnel perceive staff personnel, staff personnel perceive line personnel, superiors perceive subordinates, and subordinates are perceiving superiors and so on. There are numerous complex factors that enter into such social perception, but the primary factors are found in the psychological process and personality.

5.3 FACTORS INFLUENCING PERCEPTION

The various factors which influence the individual's perception are outlined below; since Perception is the process of making sense of the world around us it is also called informational or cognitive processing of the information. See Exhibit 1.

1. The Physiological Influences; (also called biological, neurological factors)

- E.g. our six Senses, age, health, fatigue, hunger, biological cycles

2. The Social Influences; Cultural Differences

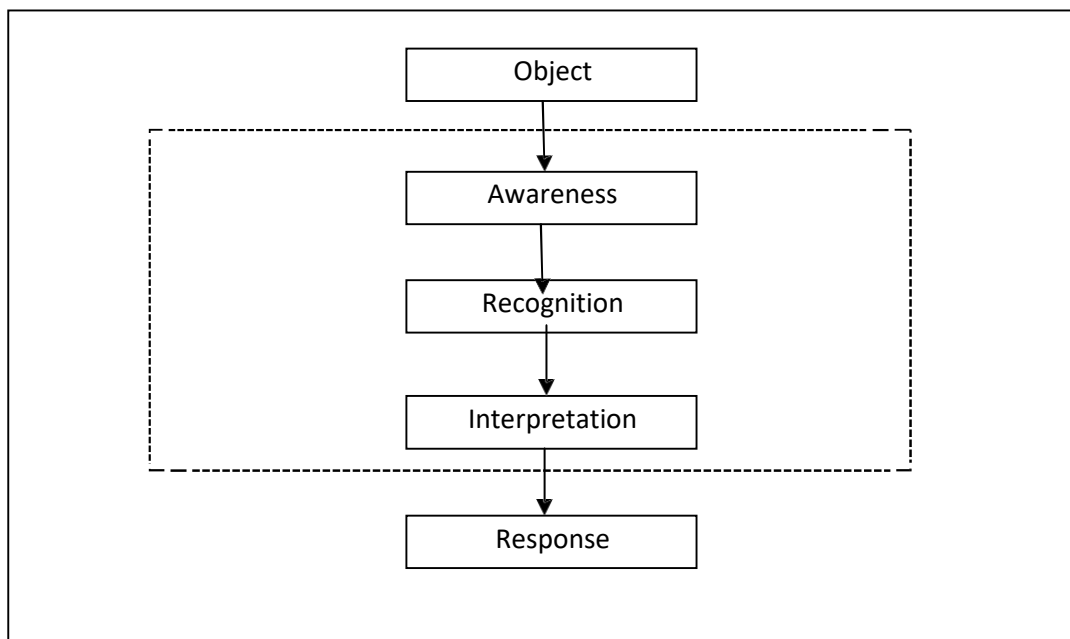
- Nonverbal behaviors, odors, speech, silence, space, Social Roles
- Sex roles, gender roles, occupational roles, Self-Concept
- Self-esteem, locus of control, attribution (attaching meaning to behavior)

Objects may also vary in their intensity – in features such as brightness, color, depth, or sound. For instance, we tend to listen carefully to someone who is yelling – whispering – because the intensity of the utterance is unusual.

A number of factors operate to shape and sometimes distort perception. These factors reside:

- In the perceiver
- In the object or target being perceived or
- In the context of the situation in which the perception is made.

Exhibit 1: The Perceptual Framework



Characteristics of the Perceiver

Several characteristics of the perceiver can affect perception. When an individual looks at a target and attempts to interpret what he or she, that interpretation is heavily influenced by personal characteristics of individual perceiver. The major characteristics of the perceiver influencing perception are:

- Attitudes:** The perceiver's attitudes affect perception. For example, suppose Mr. X is interviewing candidates for a very important position in his

organization - a position that requires negotiating contracts with suppliers, most of whom are male. Mr. X may feel that women are not capable of holding their own in tough negotiations. This attitude will doubtless affect his perceptions of the female candidates he interviews.

(b) **Moods:** Moods can have a strong influence on the way we perceive someone. We think differently when we are happy than we do when we are depressed. In addition, we remember information that is consistent with our mood state better than information that is inconsistent with our mood state. When in a positive mood, we form more positive impression of others. When in a negative mood, we tend to evaluate others unfavorably.

(c) **Motives:** Unsatisfied needs or motives stimulate individuals and may exert a strong influence on their perceptions. For example, in an organizational context, a boss who is insecure perceives a subordinate's efforts to do an outstanding job as a threat to his or her own position. Personal insecurity can be transferred into the perception that others are out to "get my job", regardless of the intention of the subordinates.

(d) **Self-Concept:** Another factor that can affect social perception is the perceivers' self-concept. An individual with a positive self-concept tends to notice positive attributes in another person. In contrast, a negative self-concept can lead a perceiver to pick out negative traits in another person. Greater understanding of self allows us to have more accurate perceptions of others.

(e) **Interest:** The focus of our attention appears to be influenced by our interests. Because our individual interests differ considerably, what one person notices in a situation can differ from what others perceive. For example, the supervisor who has just been reprimanded by his boss for coming late is more likely to notice his colleagues coming late tomorrow than he did last week. If you are preoccupied with a personal problem, you may find it hard to be attentive in class.

(f) **Cognitive Structure:** Cognitive structure, an individual's pattern of thinking, also affects perception. Some people have a tendency to perceive physical traits, such as height, weight, and appearance, more readily. Others tend to focus more on central traits, or personality dispositions. Cognitive complexity allows a person to perceive multiple characteristics of another person rather than attending to just a few traits.

(g) **Expectations:** Finally, expectations can distort your perceptions in that you will see what you expect to see. The research findings of the study conducted

by Sheldon S. Zalkind and Timothy W Costello on some specific characteristics of the perceiver reveal

- Knowing oneself makes it easier to see others accurately.
- One's own characteristics affect the characteristics one is likely to see in others.

- People who accept themselves are more likely to be able to see favorable aspects of other people.
- Accuracy in perceiving others is not a single skill.

These four characteristics greatly influence how a person perceives others in the environmental situation.

Check your progress 1

State whether true or false

1. Moods do not have a strong influence on the way we perceive someone.
2. The perceiver's attitudes affect perception.
3. Expectations do not distort your perceptions in that you will see what you expect to see
4. Cognitive structure, an individual's pattern of thinking, also affects perception.

Characteristics of the Target

Characteristics in the target that is being observed can affect what is perceived. Physical appearance plays a big role in our perception of others. Extremely attractive or unattractive individuals are more likely to be noticed in a group than ordinary looking individuals. Motion, sound, size and other attributes of a target shape the way we see it.

Physical appearance plays a big role in our perception of others. The perceiver will notice the target's physical features like height, weight, estimated age, race and gender. Perceivers tend to notice physical appearance characteristics that contrast with the norm, that are intense, or that are new or unusual. Physical attractiveness often color out entire impression of another person. Interviewers rate attractive candidates more favorably and attractive candidates are awarded higher starting salaries.

Verbal communication from targets also affects our perception of them. We listen to the topics they speak about, their voice tone, and their accent and make judgements based on this input.

Non-verbal communication conveys a great deal of information about the target. The perceiver deciphers eye contact, facial expressions, body movements, and posture all in an attempt to form an impression of the target.

The perceiver, who observes the target's behavior, infers the intentions of the target. For example, if our manager comes to our office doorway, we think "oh no! He is going to give me more work to do. Or we may perceive that his intention is to congratulate is on a recent success. In any case; the perceiver's interpretation of the target's intentions affects the way the perceiver views the target.

Targets are not looked in isolation, the relationship of a target to its background influences perception because of our tendency to group close things and similar things together. Objects that are close to each other will tend to be perceived together rather than separately. As a result of physical or time proximity, we often put together objects or events that are unrelated. For examples, employees in a particular department are seen as a group. If two employees of a department suddenly resign, we tend to assume their departures were related when in fact, they might be totally unrelated.

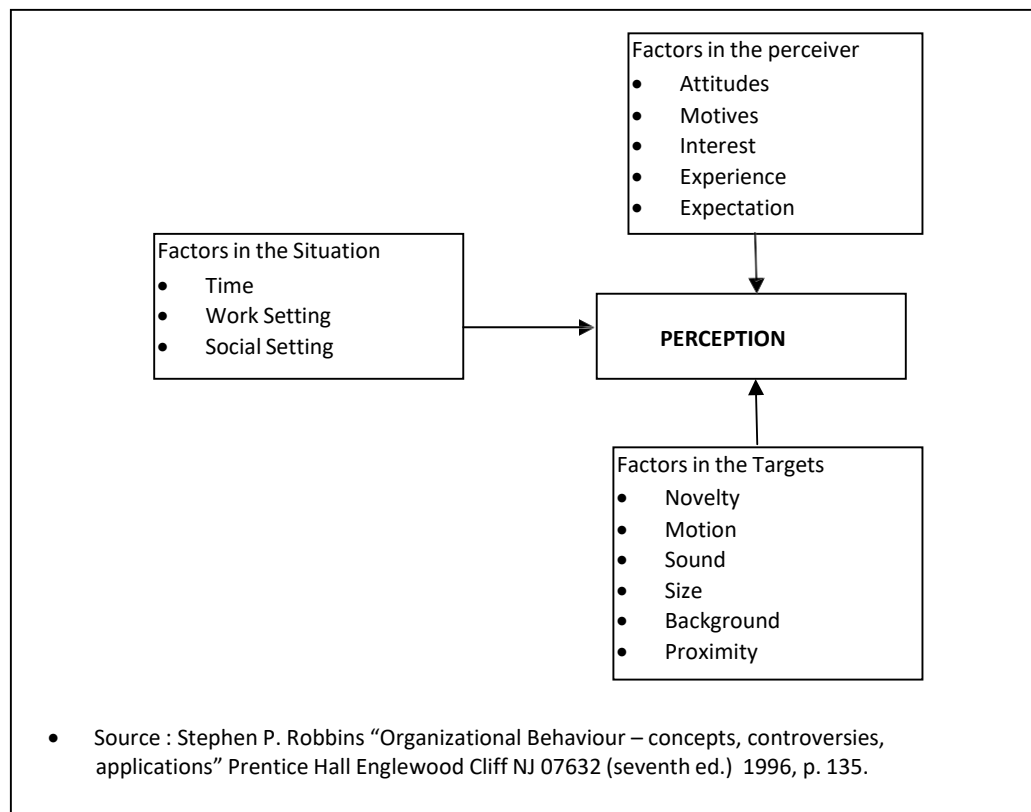
People, objects or events that are similar to each other also tend to be grouped together. The greater the similarity, the greater the probability we will tend to perceive them as a group.

Characteristics of the Situation

The situation in which the interaction between the perceiver and the target takes place has an influence on the perceiver's impression of the target. For example, a professor may not notice his 20-year-old female student in a bikini at the swimming pool. Yet the professor will notice the same girl if she comes to his organizational behavior class in a bikini. In the same way, meeting a manager in his or her office affects your impression in a certain way what may contrast with the impression you would form had you met the manager in a restaurant.

The strength of the situational cues also affects social perception. Some situations provide strong cues as to appropriate behaviour. In these situations, we assume that the individual's behaviour can be accounted for by the situation, and-that it may not reflect the individual's disposition. This is the discounting principle in social perception. For example, you may encounter an automobile salesperson who has a warm and personable manner, asks you about your work and hobbies, and seems genuinely interested in your taste in cars. Can you assume that this behaviour reflects the salesperson's personality? You probably cannot, because of the influence of the situation. This person is trying to sell you a car, and in this particular situation he probably treats all customers in this manner. The Exhibit 2 below summarizes the factors influencing perception.

Exhibit 2: Factors Influencing Perception.



5.4 THE PERCEPTUAL PROCESS

The perceptual process has following steps:

- Perceptual Input
- Perceptual Mechanism
- Perceptual Output.

The process is explained below.

1. PERCEPTUAL INPUT

The perceptual process begins with the sensing of certain stimuli in the environment, of which the unimportant ones are screened out the important ones are stored in the memory for further organization and interpretation by the receiver of the information. The resulting perceptions influence our behavior towards these stimuli I.e. Information, Objects, Events and People.

2. PERCEPTUAL MECHANISM

A. Perceptual Selection: It is the process by which the individuals in the organization filter out most stimuli which are not of their interest to concentrate on the more relevant stimuli. There are certain internal factors like individuals

Learning abilities, Motivation and Personality and certain external factors like Size, Intensity, Repetition, Status, Contrast, Movement, Novelty and familiarity and the Nature of the stimuli which determines whether the stimuli will be selected or not.

The Internal factors influencing selectivity by the individuals are their Learning abilities, Motivation and Personality which are explained as under

- **Learning:** In organizations, the managers past experiences and learning's strongly influence their perception. Hence a perceptual set is an expectation of a perception based on the past experience with the same or similar stimuli.
- **Motivation:** an individual's most urgent needs and desires at any particular time can influence perception at that point of time.
- **Personality:** personality is strongly related to perception in the sense that perceptions actually shape the personality of an individual. Like a person who sees (perceives) the glass full of water is an optimistic personality and the person who sees(perceives) the glass half full is a pessimistic personality.

The External factors influencing the selections of the stimuli by the individuals are;

Size; the more prominent or larger /smaller the size of the stimuli, the more likely it is to be selected.

Intensity; the higher the intensity in terms of brightness, noise, beauty, lights, décor etc, the more it likely to be noticed.

Repetition; an activity repeated over a period of time tends to be noticed more than the others. That is why most of the advertisements are repeated to get the prospective customers attention.

Contrast; factors which tend to stand out against the given background or are not according to the expectations of the individuals fall in this category and are likely to be picked up.

Movement; sometimes when something is in constant motion or movement; it catches the attention of the person.

Novelty and familiarity; something which is of novel character or seems to be familiar can attract our attention. Remember how many times have called out a person in the supermarket mistaking him for someone else.

B. Perceptual Organization; It is a process by which the individuals in the organization and outside tend to group the environmental stimuli into recognizable patterns for better comprehension and understanding.

The stimuli are organized on the basis of the following principles of perception;

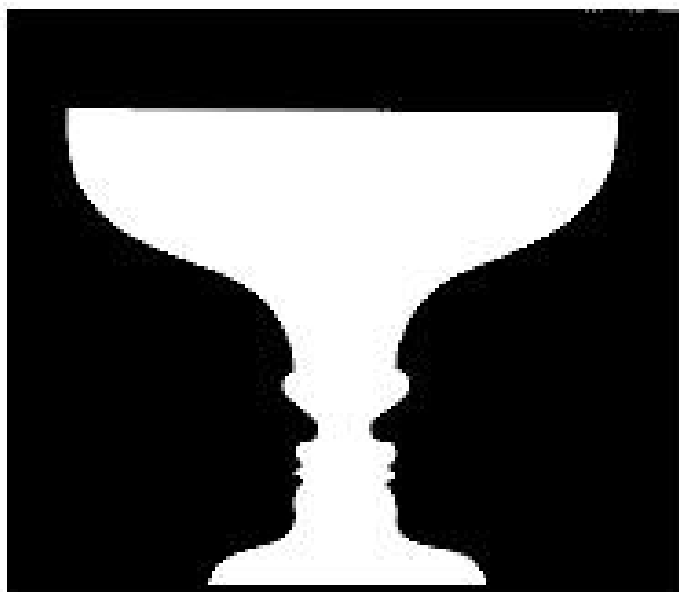
- Figure and Ground
- Perceptual Grouping
- Similarity
- Proximity
- Closure
- Continuity
- Perceptual constancy: Shape, Size and Color

1. **Figure and Ground principle:** This principle states that whatever catches our attention at a point of time becomes the figure and the rest of the things are consigned to the background. E.g. when we point at the sun, the moon or the stars to the children, they become the figure and the sky becomes the ground and vice versa. So people tend to attach meanings and understand things as they want to on the basis of their individual experiences and differences.

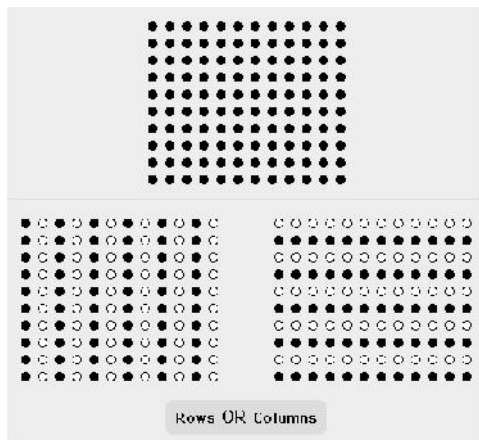
See the Exhibit 4 below. What do you see. Then ask somebody sitting around you and find out what he sees. You will definitely get a different answer and will understand the figure and ground principle.

Well before we move ahead, let us decode the figure; how many of you see a beautiful flower vase and how many of you see two people interacting with each other. Your perception will tell us a lot about your personality and the individual differences thereof.

Exhibit 4: The Figure and Ground principle



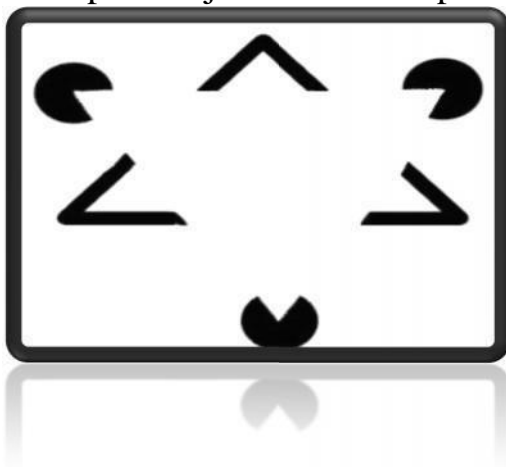
2. **Perceptual Grouping:** This principle exhibits our tendency to group several individual stimuli into a meaningful and recognizable pattern for better understanding. It is very basic in the human nature and largely it seems to be inborn to make groups and attach meanings to it.
3. **Similarity:** this principle again states that the more the likeness between the objects or events, the higher is the tendency to perceive them as a common group.



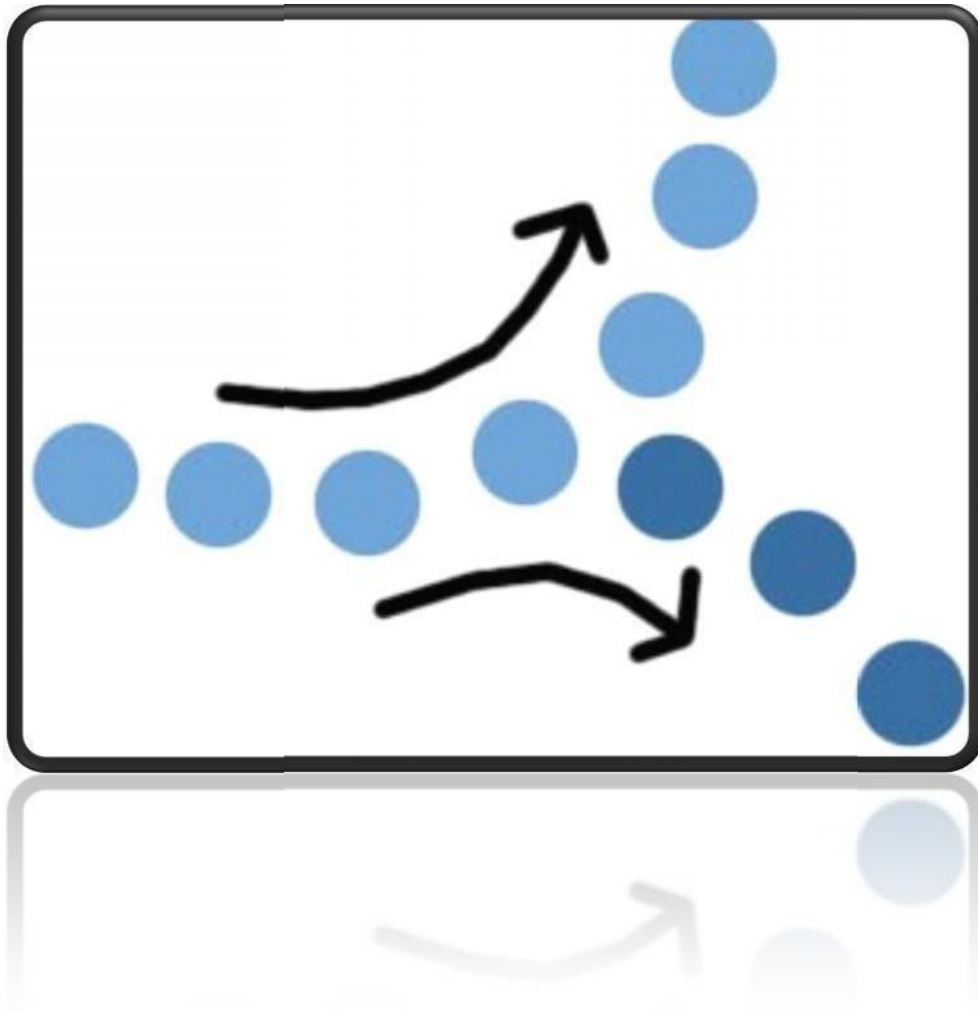
4. **Proximity principle:** this principle states that a group of objects may be perceived as related to each other because of their evident proximity or nearness to each other.



5. **Closure principle:** it is general tendency of the individuals to see the incomplete object or event or person in totality as an overall entity.



6. **Continuity principle:** it is the tendency to perceive the various objects, events, birds ,animals , human beings etc as continuous patterns but this is not free from errors as it tend to attach continuity to everything which may not actually be so.



C. Interpretation: after the perceptual selection and organization of the stimuli takes place, the next step is to attach meaning to them and interpret them. Which is again subject to individual differences and personalities, which leads to errors in judgments and are also called perceptual errors as discussed.

Factors contributing towards perceptual errors during interpretation are;

1. **Stereotyping:** this is the tendency to assign attributes to someone solely on the basis of the category in which the person has been placed. e.g. a general statement that comes from men is that women are not good drivers. They stereotype all women as bad drivers.
 - Combines information based on the category or class to which a person, situation, or object belongs.

- Strong impact at the perceptual organization stage.
 - Individual differences are obscured.
2. **Halo effects:** the general tendency to evaluate other persons on the basis of only one favorable or unfavorable attribute is called halo effect, which tends to distort the perception and interpretation to a large extent.
- Occurs when one attribute of a person or situation is used to develop an overall impression of the individual or situation.
 - Likely to occur in the perceptual organization stage.
 - Individual differences are obscured.
 - Important in the performance appraisal process.
3. **Selective perception.**
- The tendency to single out those aspects of a situation, person, or object that are consistent with one's needs, values, or attitudes.
 - Strongest impact is at the attention stage.
 - Perception checking with other persons can help counter the adverse impact of selective perception.
4. **Projection:** the most important and the most general tendency of the people to see others as they are. E.g. people who are themselves cheaters and fraudsters are likely to call and recognize others as the same as they are. Similarly we generally hear that people who are good themselves see everybody in the same light. I think this says everything about perception and you can very well imagine now the kind of people you are surrounded with and their respective perceptions and its impact on organizational, personal and professional lives.
- The assignment of one's personal attributes to other individuals.
 - Especially likely to occur in interpretation stage.
 - Projection can be controlled through a high degree of self-awareness and empathy.
5. **Contrast effects:** this takes place when there is a tendency to compare the two or more individuals relative to each other instead of some absolute set standards of performance measurement. This mostly happens at the time of interviews, when the two candidates are compared relatively against each other and not on some set criterion.
- Occurs when an individual is compared to other people on the same characteristics on which the others rank higher or lower.
6. **Self-fulfilling prophecy:** this is expecting certain things to happen shape the behavior of the perceiver in such a way that the expected is more likely to happen.

- The tendency to create or find in another situation or individual that which one expected to find.
- Also called the -Pygmalion effect.|| This means that the power of positive expectations increases the chances of positive results in the individuals.
- Can have either positive or negative outcomes.
- Managers should adopt positive and optimistic approaches to people at work.

3. PERCEPTUAL OUTPUT: finally the perceptual output takes place in the form of the individuals;

- Attitudes Opinions
- Feelings
- Values
- Beliefs and
- Behavior towards the stimuli; information , objects, events and the people around them.

Now another important question that comes to the fore is can the perceptual process be managed? The answer is YES, it can be managed through Impression management and Distortion management as discussed below.

CHECK YOUR PROGRESS 2

Fill in the blanks

1. It is a process by which the individuals try to control the impressions others have of them._____
2. Finally the----- takes place in the form of the individuals; Attitudes Opinions,Feelings,Values,Beliefs and Behavior towards the stimuli
3. the general tendency to evaluate other persons on the basis of only one favorable or unfavorable attribute is called-----, which tends to distort the perception and interpretation to a large extent.
4. The tendency to single out those aspects of a situation, person, or object that are consistent with one's needs, values, or attitudes is called -----

Activity B

Why perception is a key factor in managerial effectiveness?

[illegible]

5.5 ATTRIBUTION THEORY IN PERCEPTUAL MANAGEMENT.

What is attribution theory?

Attribution theory aims at explaining how individuals pinpoint the causes of their own behavior and that of others.

Everybody knows that we as human beings are innately curious beings in the sense that we want to know why people behave the way they do. And at the same time we also tend to understand and explain our own behavior as well. In this background, the attribution theory aims at explaining the causes of our own behavior and the performance thereof and that of others also.

Before moving ahead, let us first understand what internal and external attributions are. Internal versus external attributions of causes of behavior.

Internal causes are under the individual's control; his hard work and effort.

External causes are within the person's environment; his luck and fate.

E.g. you topped the exam, you might attribute it to your hard work and effort (internal attribution), if you are high on self efficacy. On the other hand you might attribute your success to the external factors like luck or just by saying that the exam was easy.

It is interesting to note that the attribution patterns vary amongst different individuals.

Like the achievement oriented individuals will attribute their success to their hard work and the failure to their lack of hard work, which are both internal attributions. The failure oriented individuals will attribute their failure to their lack of ability and they may develop a sense of incompetence thereof resulting in depression.

Attribution theory aids in perceptual interpretation by focusing on how people attempt to:

Understand the causes of a certain event.

Assess responsibility for the outcomes of the event.

Evaluate the personal qualities of the people involved in the event.

Factors influencing internal and external attributions or causes of behavior.

It has been established that people focus on three main factors while making attributions to others behavior;

Distinctiveness shows the consistency of a person's behavior across situations, i.e. he will behave differently in different situations.

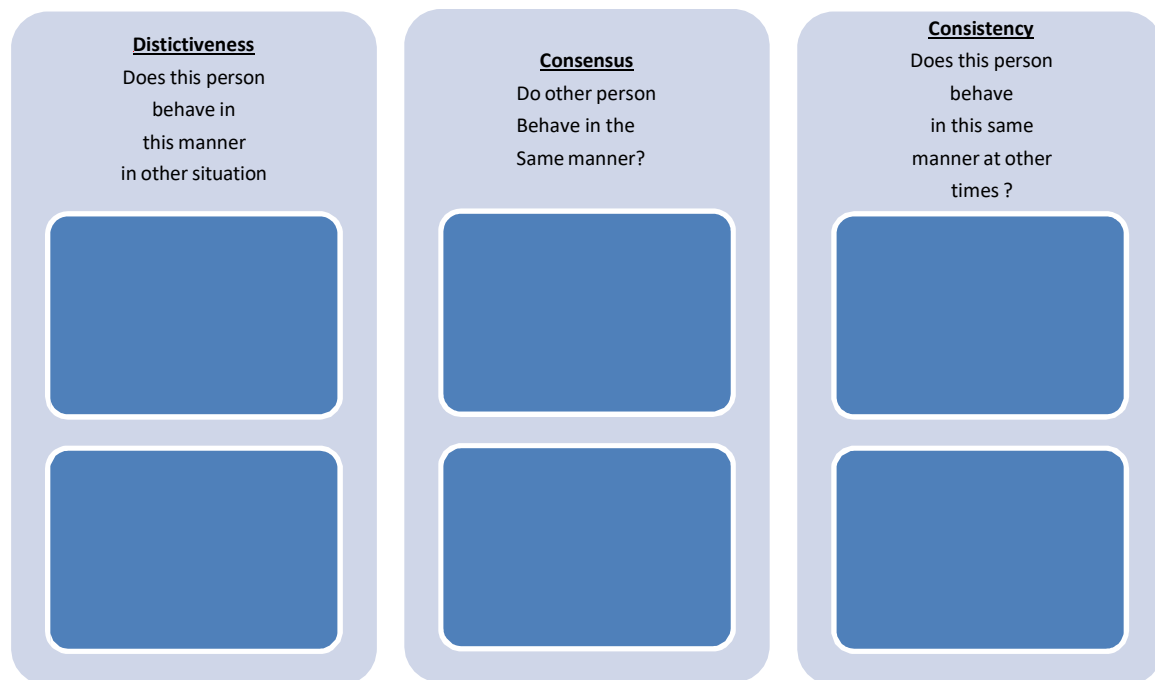
Consensus shows that there is every likelihood of others also responding in a similar way as the person in question has behaved.

Consistency shows that an individual tends to respond in the same way across time and different situations. See figure 5 below.

High distinctiveness, consensus and consistency shows external attribution (attributed to persons situation)

Low distinctiveness, consensus and consistency shows internal attribution (attributed to persons disposition, hard work and effort.) See Exhibit 5 below.

Exhibit 5: The Attribution theory



Attribution biases

The attribution process may be affected by two very common errors;
The Fundamental attribution error and the self serving bias.

1. The Fundamental attribution error

This says that one tends to make attributions to internal causes when focusing on someone else's behavior.

- Applies to the evaluation of someone else behavior.
- Attributing success to the influence of situational factors. E.g. if somebody has topped the exam, it is attributed to his good luck and not efforts and hard work.
- Attributing failure to the influence of personal factors. On the other hand, if they fail, it is attributed to their lack of hard work and efforts and not luck. This is called the Fundamental attribution error

2. The Self-serving bias.

This is the opposite of the fundamental attribution error, where there is a tendency to attribute one's success to internal causes (hard work and effort and failures to external causes (luck or fate).

- Thus it applies to the evaluation of our own behavior.
- Attributing success to the influence of personal factors.
- Attributing failure to the influence of situational factors.

Activity A

Explain the application of attribution theory of perception in work life.

5.6 PERCEPTION MAPPING

This is a process whereby the organizations make an attempt to perceive themselves with regard to the various aspects ranging from their internal organizational culture climate structure strategy, strategic intent; business goals, vision ,mission , plans, objectives and of course the available human resources at their disposal at a point of time. The study of employee's perception with regard to the organization can be very useful in identifying the strengths and the weaknesses thereof, which the organisation can always strive to improve upon. It further gives the organization an insight into the level of employee motivation and satisfaction and also the reasons of employee turnover amongst other things. Continuous attempts at perception mapping helps the organisation to be on the right track in this highly competitive business environment.

5.7 LET US SUM UP:

Perception has been defined as the way things are viewed in the environment by the individuals according to their values, attitudes, behavior, learning and

motivation etc. Perception involves the way we view the world around us. It adds, meaning to information gathered via the five senses of touch, smell, hearing, vision and taste. The perceptual process starts with the selection of the relevant stimuli the internal factors like the individuals learning ability, personality and motivation and the external factors like the size, intensity, contrast, motion repetition, novelty and familiarity affect the selection process. The second phase of perceptual organisation begins with perceptual groupings based on continuity, closure, proximity and similarity. The third phase of perceptual interpretation is marred by perceptual and judgmental errors like stereotyping, halo effect, projection etc. The perceptual interpretation is also affected by the attribution process. The attribution theory states that we tend to judge others through internal (hard work and effort) or external attributions (persons situations and luck). The common attribution biases are the fundamental attribution error and the self serving bias. However perception can be improved upon in the organizations. To minimize perceptual bias and distortion and improve our perceptions we can take the following three steps.; through Awareness Of the Bias and training to overcome it, improving Self Awareness through the application of the concept of the johari window which aims at increasing the size of the open area, reducing the hidden area through disclosure and feedback which finally leads to the opening up of the unknown area, and also through indulging into meaningful interactions with the coworkers to reduce the communication gaps and thus removing the perceptual biases. Finally it has been established that the organisations striving towards continuous improvement conduct perception mapping of themselves to identify their strengths and weaknesses and work to improve upon them.

5.8 ANSWER KEY TO CHECK YOUR PROGRESS

1. (Answers : 1; false,2; true , 3false, 4;true)
2. (Answers : 1; Impression management, 2; perceptual output,3; Halo effects,4; Selective perception.)
3. (Answers : 1;The Fundamental attribution error,2; Johari Window, 3;Awareness of Bias,Self Awareness and Meaningful Interaction)

5.9 GLOSSARY

Perception: it is described as a person's view of reality. Perception is a process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment.

Perceptual selection

It is the process by which the individuals in the organization filter out most stimuli which are not of their interest to concentrate on the more relevant stimuli.

Perception mapping: This is a process whereby the organizations make an attempt to perceive themselves with regard to the various aspects ranging from their internal organizational culture climate structure strategy, strategic intent; business goals, vision ,mission , plans, objectives and of course the available human resources at their disposal at a point of time

Distinctiveness shows the consistency of a person's behavior across situations, i.e. he will behave differently in different situations.

Consensus shows that there is every likelihood of others also responding in a similar way as the person in question has behaved.

Consistency shows that an individual tends to respond in the same way across time and different situations,

Stereotyping: this is the tendency to assign attributes to someone solely on the basis of the category in which the person has been placed.

Halo effects: the general tendency to evaluate other persons on the basis of only one favorable or unfavorable attribute is called halo effect, which tends to distort the perception and interpretation to a large extent.

Projection: the most important and the most general tendency of the people to see others as they are.

Johari Window: it has four quadrants; known, unknown, blind and hidden. The main objective of the model is to increase mutual understanding that encourages disclosure and feedback to increase our own open area so that both you and your colleagues are aware of your perceptual limitations and reduce the blind, hidden and the unknown areas through disclosure of information.

5.10 QUESTIONS

1. Outline the basic elements of the perceptual process. Why do you think is it important for a manager to know about the perceptual process. How does it help him?
2. Delineate the various factors affecting the perceptual selection and organisation.
3. Justify the Role of attribution in the process of perception. Outline the common attribution biases. Can they be overcome? Explain how.
4. How do you think the judgmental and the perceptual errors affect the perceptual process? Discuss.
5. Outline the strategies for improving perception in the organisations.
6. Write notes on
 - a) Johari window and its relevance in improving perception.

- b) Perception mapping and its significance for the organisations.
- c) Explain the Role of Attribution In The Process Of Perception.
What are the attribution biases that might impact one's perception?
Discuss.
- d) Outline the methods of Improving Perception of the individuals.
Try this on any of your friends and find out whether the methods
given in the lesson are really applicable or not.

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LESSON NO.6: MOTIVATION; THEORY AND APPLICATION

STRUCTURE OUTLINE

- 6.0 Learning Objectives and outcomes
- 6.1 Introduction
- 6.2 Theories of Motivation
- 6.3 Content theories of motivation (motivation by need fulfillment)
 - 6.3 .1 Maslow's Need Hierarchy Theory
 - 6.3 .2 Motivation Hygiene Theory (two factors)
 - 6.3 .3 Alderfer's ERG Theory
 - 6.3 .4 McClelland's achievement theory
- 6.4 Process theories of motivation (motivation by managing expectations)
 - 6.4.1 Victor Vroom's Expectancy Theory
 - 6.4.2 Porter and Lawler's expectancy theory
 - 6.4 .3 Adam's Equity Theory
- 6.5 Application of motivation concepts
- 6.6 let us Sum Up
- 6.7 Answer key to check your progress
- 6.8 Glossary
- 6.9 Questions
- 6.10 References
- 6.11 Suggested Readings

6.0 LEARNING OBJECTIVES AND OUTCOMES

After going through the lesson, you should be able to:

- Understand various content related and process theories related to motivation
- Explain the pre-requisites of motivation
- Delineate the various methods of applying the concepts of motivation in the organizations.

6.1 INTRODUCTON

Motivation is the process of channeling a person's inner drives so that he wants to accomplish the goals of the organization. Motivation concern itself with the will to work. It seeks to know the incentives for work and tries to find out the ways and means whereby their realization can be helped and encouraged.

Managers, by definition, are required to work with and through people, so they must gain at least some understanding of the forces that will motivate the people they are to manage. People are complex and they are uniquely different. What motivates one person may not motivate another. Most successful managers have learned to understand the concept of human motivation and are able to use that understanding to achieve higher standards of subordinate work performance.

DEFINITION OF MOTIVATION

"Motivation" is a Latin word, meaning "to move". Human motives are internalized goals within individuals. Motivation may be defined as those forces that cause people to behave in certain ways. Motivation encompasses all those pressures and influences that trigger, channel, and sustain human behavior. Most successful managers have learned to understand the concept of human motivation and are able to use that understanding to achieve higher standards of subordinate work performance.

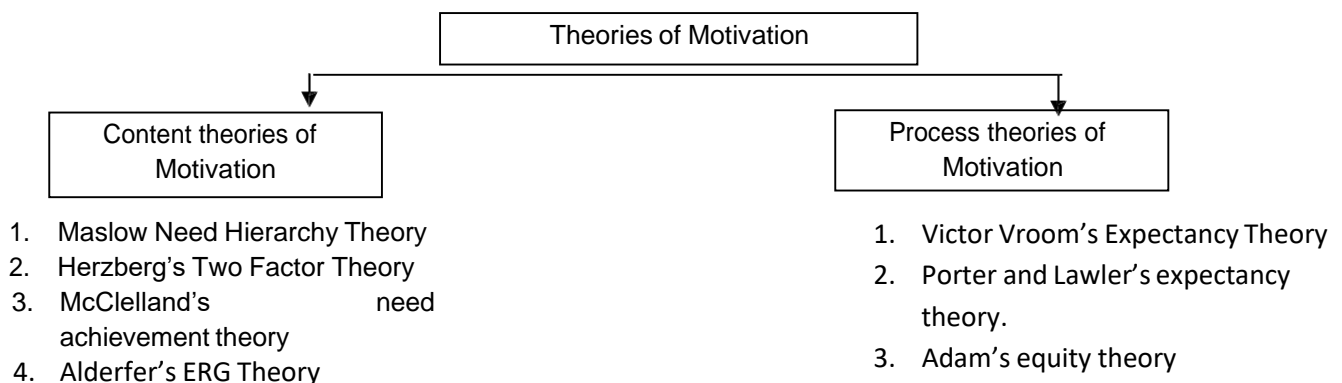
Motivation has been defined by Michael J Juicus as "the act of stimulating someone or oneself to get a desired course of action".

In the words of Lewis Allen, "Motivation is the work a manager performs to inspire, encourage and impel people to take required action".

According to Dubin, Motivation is, "The complex of forces starting and keeping a person at work in an organization. To put it generally, motivation starts and maintains an activity along a prescribed line. Motivation is something that moves the person to action, and continuous him in the course of action already initiated".

6.2 THEORIES OF MOTIVATION

The various theories of motivation can be categorized as either content theories which emphasise on the needs of the individuals and the process theories which emphasise on how the needs can be met.



6.3 Content theories of Motivation (based on the need fulfillment of the individuals)

The 1950s were a fruitful period in the development of motivation concepts. Three specific theories were formulated during this time, which, although heavily attacked and now questionable in terms of validity, are probably still the best-known explanations for employee motivation. These theories are:

6.3.1. Maslow's Need Hierarchy Theory

Abraham Maslow was a psychologist who proposed a theory of human motivation for understanding behaviour based primarily upon a hierarchy of five need categories. He recognized that there were factors other than one's needs (for example, culture) that were determinants of behaviour. However, he focused his theoretical attention on specifying people's internal needs. Maslow labeled the five hierarchical categories as physiological needs, safety and security needs, love (social) needs, esteem needs and the need for self-actualization. Humans have a variety of needs or motives. Clearly, some needs are more critical to sustaining life than others. We could live without self-esteem, but obviously we could not live long without air to breathe, water to drink, or food to eat.

1) The Physiological Needs

These needs include the need for food, drinks, shelter, and relief from pain, sexual gratification, oxygen, activity, rest and the like.

Such needs constitute the basic behavior drives and they motivate behavior only to the extent that they are ungratified. Should the individual be deprived of any of these needs, he will bend his entire efforts to their satisfaction. An overworked manager will yearn for rest, relaxation, and sleep, a person who is hungry will think mostly of food, including, of course, ways to obtain it; and a person who is drowning becomes frantic in his effort to obtain oxygen.

However, once such needs are satisfied, they do not control behavior. They are, in fact, largely taken for granted. When the physiological needs are gratified, they no longer stimulate goal seeking activity and higher needs will emerge and demand gratification. It should be noted, however, that both the expression and gratification of most, if not all of these needs are either socially determined or socially modified. For example, those activities associated with the securing and consuming of food as well as sexual gratification are controlled by many laws, customs and taboos.

2) Safety Needs

This is a need for freedom from threat; the security from threatening events or surroundings.

The safety needs no doubts give rise to individual and group desires for job security a ‘living’ wage, fair and considerate treatment by employers and predictability of both employment and income because without such the physical environment within which individuals and groups exist appears to be much more threatening than would otherwise be the case.

There may even be some overlapping of the physiological and safety need so as an example, the need for shelter is, at one and the same time both a physiological and safety needs.

3) The Social Needs

This is a need for friendship, affiliation, interaction, and love.

Almost all human beings appear to have compelling need to be able to relate to other people Elton Mayo once said: –Man’s desire to be continuously associated in work with his fellows is a strong, if not the strongest human characteristic, So the individual need to relate to others exists in the work environment as well as in off-the job environments. In fact, those who do not manifest this need are generally considered to be, to some degree, abnormal.

4) Esteem Needs

This is a need for self-esteem and for respect from others.

While esteem needs may also overlap with social needs, i.e. Belonging, love affection, tenderness and the life, all –normal|| well adjusted mature persons needs esteem.

Esteem needs takes two principal forms, self esteem and the esteem of others. For example, the need for self-esteem includes the desire for personal worth and dignity, for strength, for competence, achievement, and mastery, for independence and freedom. The need for the esteem of others includes desire for attention and recognition, for status, prestige, and reputation, for importance and power. While it is true that esteem needs are quite capable of being gratified in our society, a considerable investment in time and effort must be made by the individual to ensure their satisfaction. Consequently, the goal-seeking activities of those attempting to satisfy esteem needs constitute a most important determinant of both individual and group behavior.

5) Self-actualization need

This is the need to fulfill oneself by maximizing the use of abilities, skills, and potential

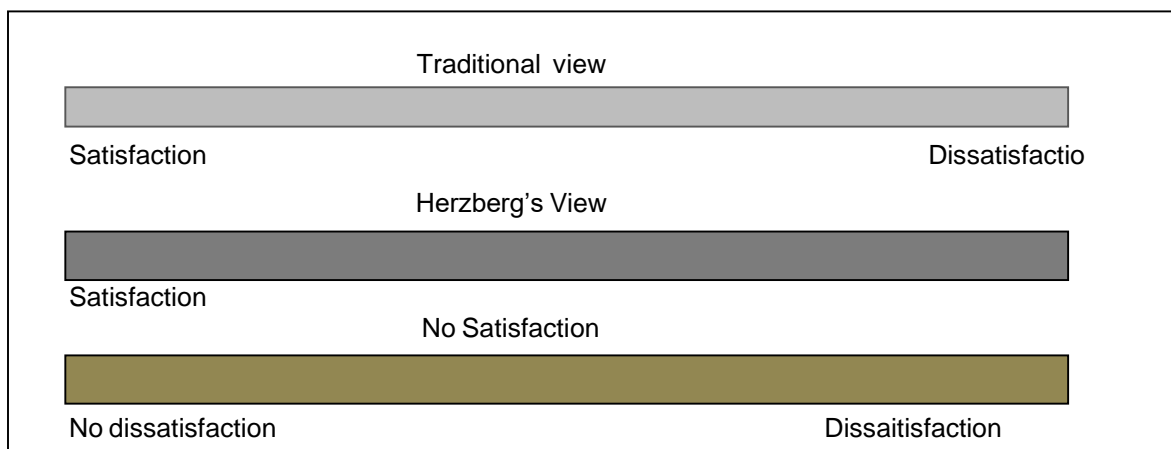
Self- **actualization** needs represent the ultimate in human achievement in the total hierarchy needs. Such needs have been variously desired as –becoming|| as –growth|| and as ‘self-actualization’ and are described by Maslow as:

-Man's desire for self-fulfillment mainly the tendency for lives to become actualized in which he is potentially. This tendency might be phrased as the desire to become more or more what one is, to become everything that one is capable of becoming. While there is a tendency to emphasize -Einstein Types of capacity and ability in our society (with such types being admittedly rare), it is the writers' belief that all persons are capable of fulfilling their self-realization needs, with the basic requirement being the fulfillment of capacity whether that capacity be large, intermediate or small.

6.3.2. Herzberg's Two Factor Theory: The Motivation-Hygiene Theory,

Fredrick Herzberg departed from the need hierarchy approach to motivation and examined the experiences that satisfied or dissatisfied people's needs at work. This need motivation theory became known as the 'two-factor theory'; Herzberg's original study included 200 engineers and accountants in Western Pennsylvania during the 1950s. Prior to that time, it was common for those researching work motivation to view the concept of job satisfaction as one-dimensional, that is job satisfaction and job dissatisfaction were viewed as opposite ends of the same continuum. This meant that something that caused job satisfaction would cause job dissatisfaction if it were removed; similarly, something that caused job dissatisfaction, if removed, would result in job satisfaction. Based upon unstructured interviews with 200 engineers and accountants, Herzberg concluded that this view of job satisfaction was incorrect, and that satisfaction and dissatisfaction were actually conceptually different factors caused by different phenomena in the work environment. These two views of job satisfaction are shown in exhibit below

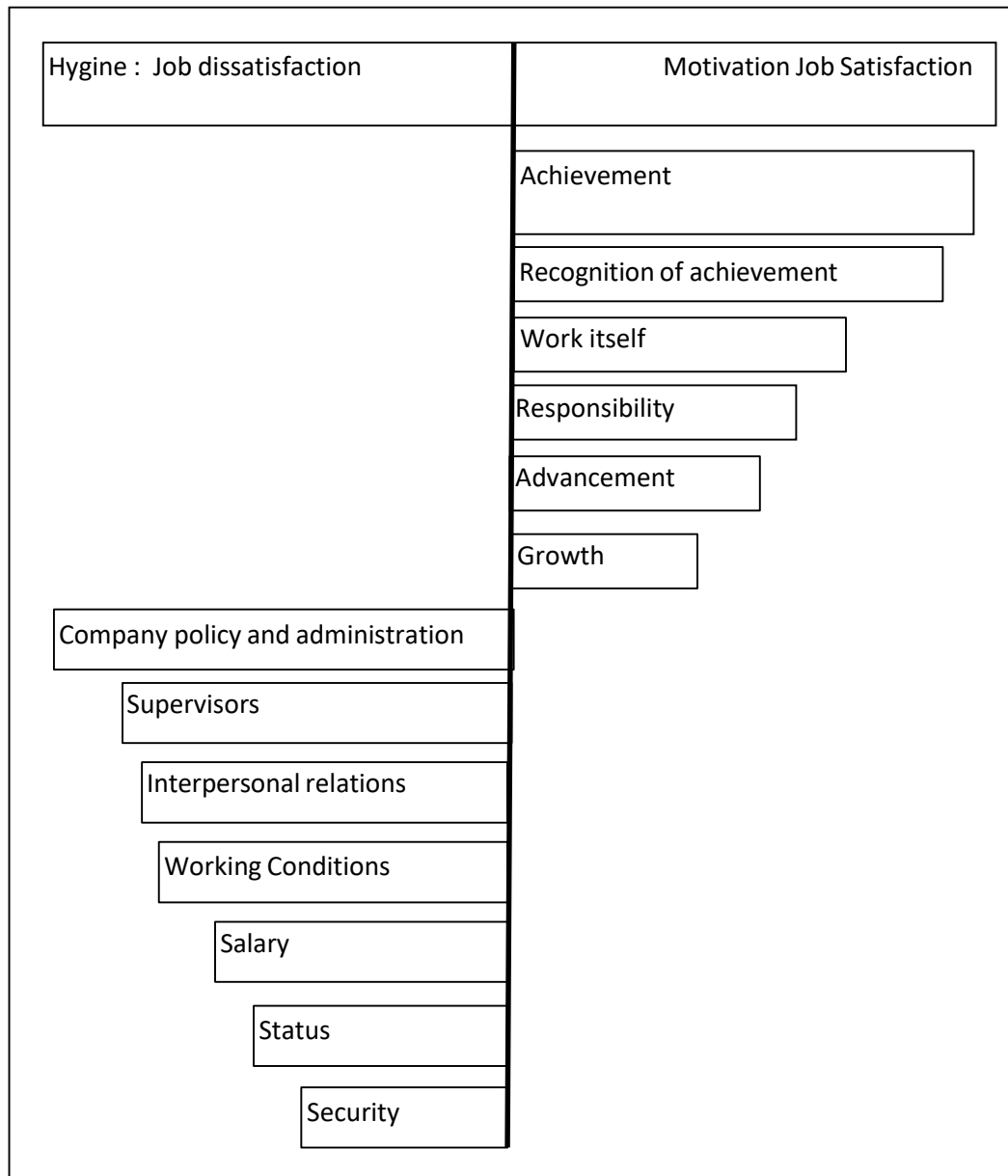
Exhibit: Contrasting views on satisfaction and dissatisfaction



Work conditions related to satisfaction of the need for psychological growth were labeled motivation factors. Work conditions related to dissatisfaction caused by discomfort or pain was labelled 'hygiene factors'. Each set of factors related to one aspect of what Herzberg identified as the human-being's dual

nature regarding the work environment. Thus, motivation factors related to job satisfaction, and hygiene factors relate to job dissatisfaction. These two independent factors are depicted in Exhibit below

Exhibit: hygiene and motivating factors



Because of its ubiquitous nature, salary commonly showed up as a motivator as well as hygiene. Although primarily a hygiene factor, it also often takes on some of the properties of a motivator, with dynamics similar to those of recognition for achievements.

Motivation Factors

According to Herzberg, building motivation factors into a job produces job satisfaction. This process is known as job enrichment. In the original research the motivation factors were identified as responsibility, achievement,

recognition, advancement and the work itself. These factors relate to the content of the job and what the employee actually does on the job. When these factors are present, they lead to superior performance and effort on the part of job incumbents. Motivation factors lead to positive mental health and challenge people to grow, contribute to the work environment, and invest themselves in the organization. The motivation factors are the more important of the two sets of factors, because they directly affect a person's motivational drive to do a good job. When they are absent, the person will be de-motivated to perform well and achieve excellence.

Hygiene Factors

Job dissatisfaction occurs when the hygiene factors are either not present or not sufficient. In the original research, the hygiene factors were company policy and administration, technical supervision, interpersonal relations with one's supervisor and working conditions, salary and status. These factors relate to the context of the job and may be considered support factors. They do not directly affect a person's motivation to work but influence the extent of the person's discontent. These factors cannot stimulate psychological growth or human development. Excellent hygiene factors result in employees' being not dissatisfied and contribute to the absence of complaints about these contextual considerations.

Criticism of the Two-factor Theory

The motivation-hygiene theory is not without its detractors. Criticisms have been made of Herzberg's two-factor theory. RJ House and L.A Wigdor mention the following:

1. The procedure that Herzberg used is limited by its methodology. When things are going well, people tend to take credit themselves. Contrarily, they blame failure on the external environment.
2. The reliability of Herzberg's methodology is questioned. Since raters have to make interpretations, it is possible they may contaminate the findings by interpreting one response in one manner while treating another similar response differently.
3. The theory, to the degree it is valid, provides an explanation of job satisfaction. It is not really a theory of motivation.
4. No overall measure of satisfaction was utilized. In other words, a person may dislike part of his or her job, yet still think the job is acceptable.
5. The theory is inconsistent with previous research. The motivation-hygiene theory ignores situational variables.
6. Herzberg assumes a relationship between satisfaction and productivity. But the research methodology he used looked only at satisfaction, not at productivity. To make such research relevant, one must assume a high relationship between satisfaction and productivity.

Regardless of criticisms, Herzberg's theory has been widely read and most managers are familiar with his recommendations. Herzberg's two-factor theory has important implications for job enrichment and the design of work.

6.3.3. David McClelland's Need Achievement Theory

McClelland's approach is not particularly associated with a theoretical perspective, but identifies three needs important in the workplace. The presence of these needs can be examined in various ways, but McClelland's drew upon Murray's use of projective pictures and story telling as a way of identifying the position of these needs in a leader. These needs are :

- 1. Need for Achievement**
- 2. Need for Affiliation**
- 3. Need for Power**

Achievement Need (nACH)

This need is shown in the person's innate drive to excel in whatever task they do, to achieve high levels in relation to a set of standards which may be set either by them or by others.

People with a high need for achievement (high n'Ach) will put more effort into work than people without this need (low n'Ach)

High n'Achs tend to desire high levels of achievement whereas low n'Achs tend to only avoid failure

Low n'Achs can be trained to develop a need for achievement

High need achievers prefer a job in which success depends on effort and ability rather than on chance and factors beyond their control (locus of control). They prefer tasks that enable them to exercise their skills and initiation in problem solving. They want frequent and specific feedback about performance so they can enjoy the experience of making progress toward objectives. People scoring high are often found in jobs such as sales representative, real estate agent, producer of entertainment events, and owner-manager of small business. For managers in large organizations, moderate to high achievement is secondary to higher power needs. If achievement is dominant, the manager may try to achieve objectives alone rather than through team development.

Affiliation Need (nAFF)

This is the desire for friendly and close interpersonal relationships both at the workplace and in the social setting.

Affiliation themes are revealed in stories about establishing or restoring close and friendly relationships, joining groups, participating in pleasant social activities, and enjoying shared activities with family or friends. It reflects behaviors toward others that are cooperative, supportive, and friendly and which value belonging and conformity to the group. They obtain great satisfaction from being liked and accepted by others, and prefer to work with others who prefer group harmony and cohesion (e.g., relationship-centered, Jungian Type F's).

A person low in affiliation tends to be a loner who is uncomfortable socializing with others except for a few close friends or family (introversion?). They may lack motivation or energy to maintain high social contacts in networking, group presentations, public relations, and building close personal relations with peers and subordinates so necessary for most managers.

Those with strong nAFF are reluctant to let work interfere with harmonious relationships. Moderate nAFF is related to effective management, since strong needs often lead to avoidance of unpopular decisions, permitting exceptions to rules, and showing favoritism to friends. This often leads to subordinates feeling confused about rules, playing to the manager's likes, and becoming anxious about what might happen next (inequity).

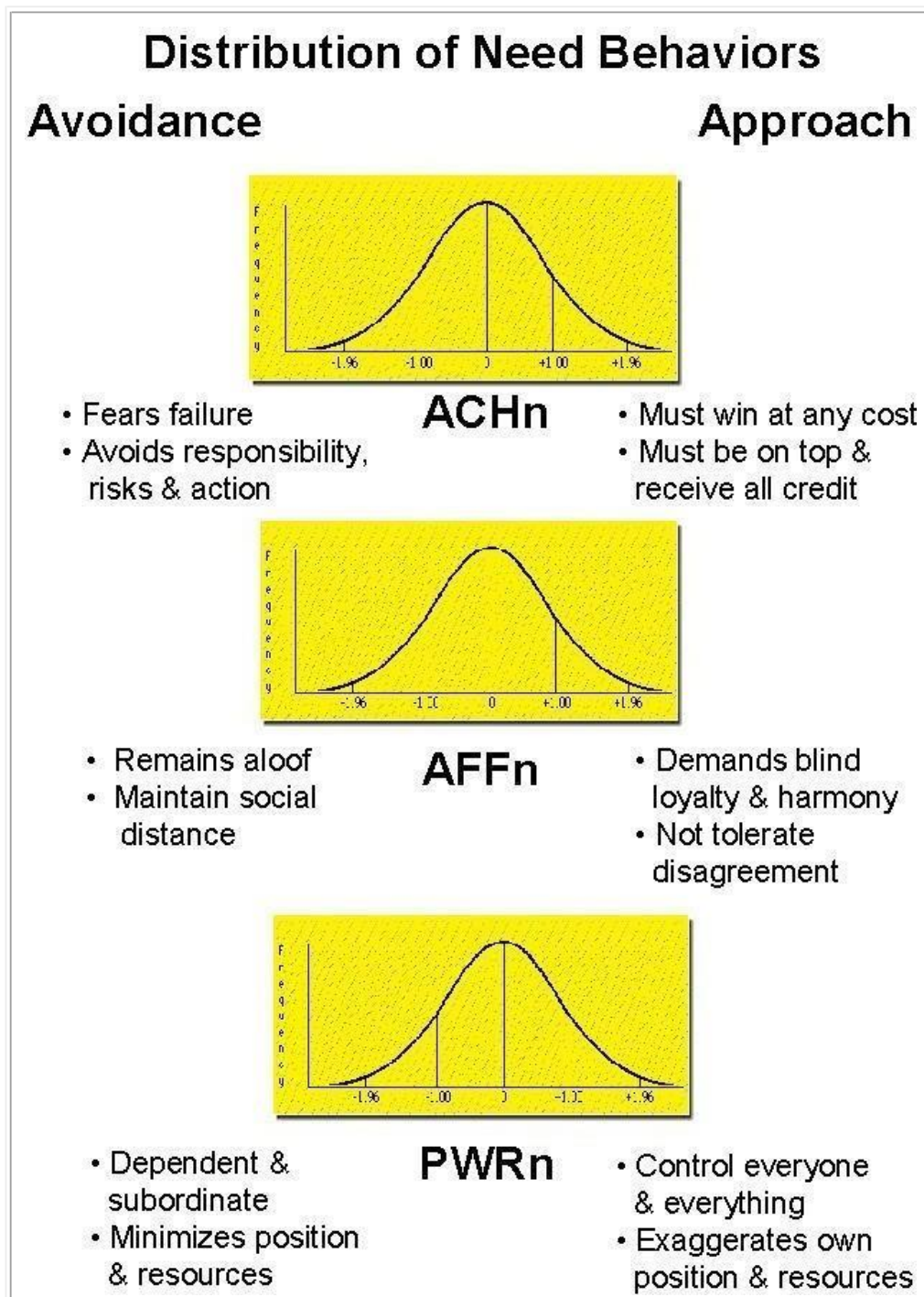
Power Needs (nPOW)

The need to make others behave in a way in which they would not have behaved otherwise i.e to have power over them is exhibited in one's need for power.

A high need for power may be expressed as "personalized power" or "socialized power." People with high personalized power may have little inhibition or self control, and they exercise power impulsively. Correlated with this are tendencies to be rude, excessive use of alcohol, sexual harassment, and collecting symbols of power (e.g., big offices, desks, fancy cars, etc.). When they give advice or support, it is with strategic intent to further bolster their own status. They demand loyalty to their leadership rather than to the organization. When the leader leaves the organization there is likely disorder and breakdown of team morale and direction.

In the exhibit below, each of the three needs can be over- or under-expressed, thereby leaving the leader in a position of potential abuse or insufficiency. In most cases, moderate to high ratings in these areas are desirable rather than excessively high or low ones.

Exhibit: Depicting The Need Behaviour



6.3.4. Alderfer's ERG Theory :

Because of that criticisms of Maslow's 'hierarchy of needs theory, motivation researcher Clayton Alderfer of Yale University has reworked Maslow's hierarchy of needs to align it more closely with empirical research. His revised need hierarchy is labeled ERG Theory. The name stems from combining Maslow's five needs into three need levels; existence, relatedness and growth.

- (i) **Existence Needs:** include the various forms of material and physiological desires, such as food and water, as well as work-related forms such as pay, fringe benefits and physical working conditions.
- (ii) **Relatedness needs:** address our relationships with significant others, such as families, friendship groups, work group professional groups. They deal with our need to be accepted by others, achieve mutual understanding on matters that are important to us and exercise some influence over those with whom we interact on an ongoing basis.
- (iii) **Growth needs:** impel creativity and innovation, along with the desire to have a productive impact on our surroundings.

Cognitive Evaluation

The need differ in terms of concreteness, that is, the degree to which their presence or absence can be verified. The existence need level is the most concrete, relating to issues such as our rate of pay and the pleasantness of our work surroundings. The growth need level the least concrete, involving more nebulous issues such as our level of creativity, the degree to which our capabilities are growing relative to our capacity, and the long-term impact of our efforts on our organization. According to ERG theory, we generally tend to' concentrate first on our most concrete requirements. As existence needs are resolved, we have more energy available for concentrating on relatedness needs, which offer a potential source of support that can help us in satisfying growth needs. Thus, ERG theory incorporate a satisfaction-progression principle similar to that of Maslow in that satisfaction one level of need encourages concern with the next level.

Besides substituting three needs for five, how does Alderfer's ERG Theory differ from Maslow's. The ERG Theory differs from the hierarchy of needs theory in three significant ways.

- (i) Although the general notion of a hierarchy is retained, Alderfer's theory argues that we can be concerned with more than one need category at the same time. Needs at lower levels are not necessarily fairly well satisfied before we concern ourselves with other needs, although satisfaction of lower-level needs can be helpful in allowing us to devote our attention to higher-level needs.
- (ii) ERG theory is more flexible in acknowledging that some individuals' needs may occur in a somewhat different order than that posited by the ERG framework,
- (iii) ERG theory incorporates a frustration-regression principle. This principle states that if we are continually frustrated in our attempts to satisfy a higher-level need, we may cease to be concerned about that need. Instead, we may regress to exhibiting greater concern for a lower level need that is more concrete and seemingly more within our grasp.

Activity A

[illegible]

Check your progress 1

Identify the needs ;

1. Drive to excel, to achieve in relation to a set of standards -----
2. The desire for friendly and close interpersonal relationships-----
3. Need to make others behave in a way in which they would not have behaved otherwise (to have power over them)-----
4. Include the various forms of material und physiological desires, such as food and water, as well as work-related forms such as pay, fringe benefits and physical working conditions-----.
5. Address our relationships with significant others, such as families, friendship groups, work group professional groups. They deal with our need to be accepted by others, achieve mutual understanding on matters that are important to us and exercise some influence over those with whom we interact on an ongoing basis----- --.
6. Impel creativity and innovation, along with the desire to have a productive impact on our surroundings.-----

6.4 Process theories of motivation (based on managing expectations)

6.4 1. Vroom's expectancy theory

Victor H Vroom's expectancy theory of motivation focuses on personal perceptions. His theory is founded on the basic notions that people desire certain outcomes of behaviour, which may be thought of as rewards or consequences of behaviour, and that they believe there is a relationship between the efforts they put forth, the performance they achieve, and the outcomes they receive. In its simplest form, expectancy theory says that a person's motivation to behave in a certain way is determined by

- I. Outcomes the person sees as desirable, and
- II. The person's belief that these desired outcomes can be attained.

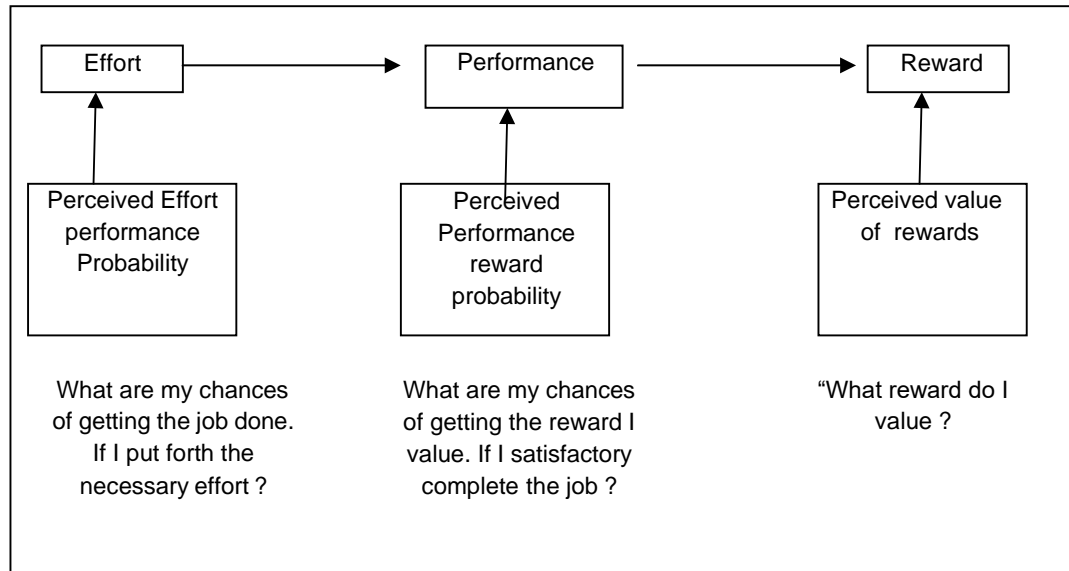
The key constructs in the expectancy theory of motivation are: see Exhibit below.

Valence: Valence is the value or importance one places on a particular reward. The valence of an outcome is positive when the individual desires it and negative when he or she wishes to avoid it; valences are therefore scaled over a wide range of positive and negative values.

Expectancy: Expectancy is the belief that effort leads to performance, for example, "If I try harder, I can do better". Expectancy refers to the perceived relationship between a given level of effort and a given level of performance. People attach various expectancies to an outcome. Competent and secure

individuals tend to perceive expectancy more positively than incompetent and pessimistic individuals.

Exhibit: Vroom's Expectancy Model for Motivation



Instrumentality: Instrumentality is the belief that performance is related to the rewards. For example, "If I perform better, I will get more pay". Instrumentality ranges from - 1 to + 1 (belief that one desired outcome is attainable only without the other) through 0 (belief that there is no relationship between the two outcomes) to + 1 (belief that the first outcome is necessary and sufficient for the second outcome to occur)

A model for the expectancy theory notions of effort, performance and reward, is depicted in the figure below:

A person's motivation increases along with his or her belief that effort leads to performance and that performance leads to rewards, assuming that person wants the rewards. This is the third key idea within the expectancy theory of motivation. It is the idea that the valance, or value, that people place on various rewards varies. One person prefers salary to benefits, whereas another person prefers just the reverse. All people do not place the same value on each reward.

Motivational Problems: Motivational problems stem from three basic causes within the expectancy theory framework. They are:

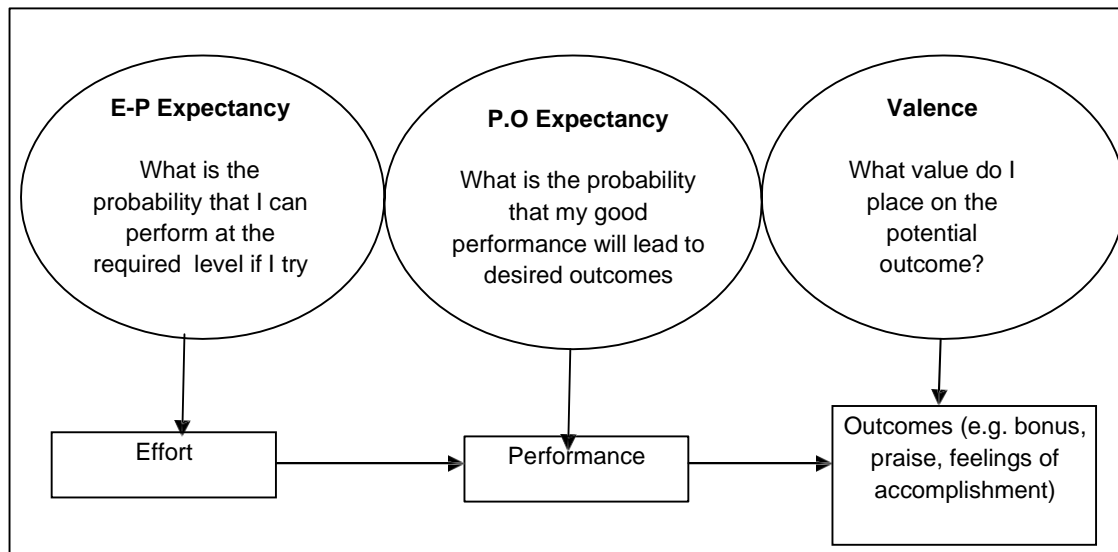
- (i) If the motivational problem is related to the person's belief that effort will not result in performance, the solution lies in altering this belief. The person can be shown how an increase in effort or an alteration in the kind of effort put forth can be converted into improved performance.
- (ii) If the motivational problem is related to the person's belief that performance will not result in rewards, the solution lies in altering this

- belief. The person can be shown how an increase in performance or a somewhat altered form of performance will be converted into rewards.
- (iii) If the motivational problem is related to the value the person places on, or the preference, the person has for certain rewards, the solution lies in influencing the value placed on the rewards or altering the rewards themselves.

6.4 .2 Porter and Edward E Lawler Expectancy Theory

If you ask several people whether they would agree that satisfied workers work harder, they are likely to reply in the affirmative. Although the notion seems to have intuitive appeal, research has not always found a strong link between worker satisfaction and performance. To understand the Lyman W Porter and Edward E Lawler III developed 'expanded expectancy theory' model, see the Exhibit below:

Exhibit: An Expanded Model of Expectancy Theory



According to this model, satisfaction does not lead to performance. Rather, the reverse is true performance can (but not always) lead to satisfaction through the reward process. How do we get to the ideal of high performance and high satisfaction? As suggested by the extended model, a crucial element is rewarding high performance. Rewarding high performance leads to a high P→O expectancy, an important component of motivation. Equally critical, poor performance should not be rewarded. Rewarding poor performance leads to a low P→O expectancy and ultimately to low subordinate motivation to perform. Expectancy theory has some major implications for managers: see exhibit 7 below.

- (i) It is useful for managers to foster a high E→P expectancy in subordinates. This can be done by being very clear about performance expectations, setting performance goals so that they are challenging, but

doable, making sure that employees have the training and resources necessary to reach the required performance levels and providing encouragement.

- (ii) Another major factor in encouraging motivation is offering opportunities for rewards (both extrinsic and intrinsic) with a high valance to employees.
- (iii) The extended model of expectancy theory also indicates that managers might not get the expected results from their motivational efforts unless employees perceive their outcomes and rewards as equitable.

This model of motivation although based on the expectancy theory, is probably the most complete theory of workplace motivation. It is an integrated approach that includes elements of nearly all the other motivation theories. This is important as it helps explain why each of the various theories has a contribution to make but also serious limitations. If we consider each as part of a more complex model of motivation this starts to make sense.

The model thus suggests that using individual theories won't work. A more integrated approach is needed. It also differs from content theories, particularly 'two factor' theory, in suggesting that performance leads to job satisfaction, rather than job satisfaction leading to performance. The complexity of the model, and the need to evaluate and provide valued rewards on an individual basis, are practical limitations. However it is difficult to argue with the process of the model. The area of motivation is complex and the model highlights this—rather than presenting an unrealistically simple approach, as is the case with many of the alternative theories.

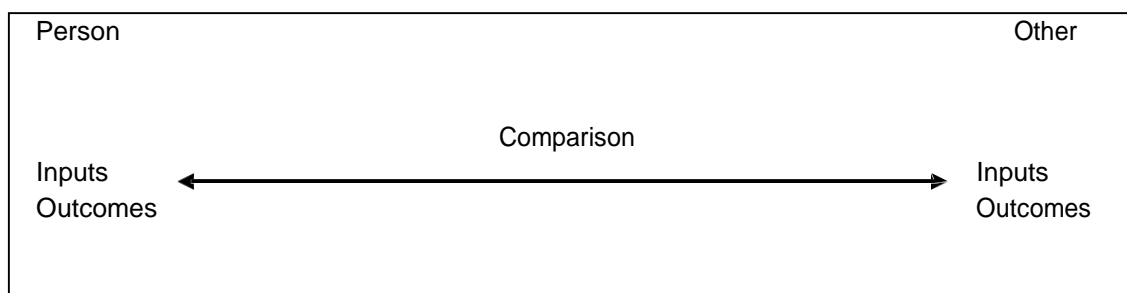
6.4.3. Adam's Equity Theory (Motivation by comparisons)

As the name implies, this motivation theory is based on the assumption that individuals are motivated by their desire to be equitably treated in their work relationships. When employees work for an organization, they basically exchange their services for pay and other benefits. Equity theory proposes that individuals attempt to reduce any inequity they may feel as a result of this exchange relationship.

Adam's Theory of Equity is one of the popular social exchange theories and is perhaps the most rigorously development statement of how individuals evaluate social exchange relationships. Basically, the theory points out that people are motivated to maintain fair relationships with others and will try to rectify unfair relationships by making them fair. This theory is based on two assumptions about human behavior:

- I) Individuals make contributions (inputs) for which they expect certain outcomes (rewards). Inputs include such things as the person's past training and experience, special knowledge, personal characteristics, etc. Outcomes include pay recognition, promotion, prestige, fringe benefits, etc.
- II) Individuals decide whether or not a particular exchange is satisfactory, by comparing their inputs and outcomes to those of others in the form of a ratio.. Equity exists when an individual concludes that his/her own outcome/Input ratio is equal to that of others. The Exhibit below shows the basic equity model.

Exhibit: The Basic Equity Model



The motivational aspect of equity theory is based on its two major premises:

1. The theory argues that the perception of inequity creates a tension in us.
2. The tension motivates us to eliminate or reduce inequality. The greater the perceived inequity, the stronger the tension and the greater our motivation to reduce it. When attempting to reduce felt inequity, an individual is likely to try a number of alternatives, some of which are:
 - (i) The person may increase or decrease inputs or outcomes relative to those of the other;
 - (ii) The person may subjectively distort perceptions of her own or the other's inputs or outcomes;
 - (iii) The person may change to a different comparison 'other';
 - (iv) The person may leave the situation.

Reducing or Eliminating Inequity

Although the specific actions an individual takes will depend on what appears to be feasible in a given situation, Adam suggests that maintaining one's self-esteem is an important priority. As a result, an individual will probably first attempt to maximize outcomes and to personally resist costly changes in inputs. Changing perceptions about the inputs and outcomes of others or attempting to alter their side of the equation will usually be more palatable than cognitively changing or actually altering one's own side of the equation. Actions to leave

the situation will probably be taken only in cases of high inequity when the other alternatives are not feasible. Finally, an individual will be highly resistant to changing the comparison others, especially if the objects of comparison have stabilized over time.

Although Adam's equity formulation considered one situation at a given point of time, recent work on the theory also considers inequities that extend over a period of time. The addition of the time perspective helps explain why people sometimes blow up over seemingly small inequities. Residues from previous inequities may pile up until the small incident becomes the "straw that broke the camel's back", and we react strongly.

Implications for Managers: Equity theory makes several helpful suggestions to supplement the recommendations of expectancy theory.

- (i) Managers need to maintain two-way communication with subordinates so that they have some idea of subordinates' equity perceptions.
- (ii) It is important to let subordinates know the "rules" that will govern the allocation of outcomes related to inputs. This issue is closely related to the expectancy theory recommendation that the relationship between performance and outcomes be made clear to subordinates.
- (iii) A pattern of inequalities over a period of time can build into major difficulties, which is another reason for maintaining good communication with subordinates, superiors, peers, customers, and other individuals associated with the job.

In this theory employee constantly assesses their level of effort against fellow workers and the reward they receive for their effort. If they perceive there is a significant difference between their level of effort and their fellow workers, they will endeavor to bring about equality of effort for everyone—by adjusting up or down their own performance or by taking measures to adjust the level of their fellow workers. Likewise, the relative reward for effort is also monitored. The message for managers is that employees need to be seen to be rewarded on a fair and equitable basis, and inequities quickly adjusted.

Check your progress 2

State true or false ;

1. Motivation is the ability to change behavior. It is a drive that compels one to act because human behavior is directed toward some goal.
2. Hygiene factors are factors that motivate if present, but, if absent, result in demotivation e.g. status, job security, salary and fringe benefits.
3. Valence is The degree of attraction or aversion that an individual feels toward a specific object or event.
4. Instrumentality: This is the belief that performance is related to the rewards.
5. Expectancy theory: It suggests that individuals' expectations about their ability to accomplish something will not affect their success in accomplishing it.

6.5 APPLICATION OF THE CONCEPTS OF MOTIVATION

In the above pages we apprised you of the various theories of motivation, both content and process theories. Now let us see how these can be actually applied at the workplace to motivate the employees towards better performance and higher commitment over a period of time. Some of the techniques can be either goal setting, applying selective rewards such as gain sharing, redesigning jobs, reinforcing the routine behavior by organization behavior modification, by employee empowerment to name a few. Let us discuss them one by one.

Motivation by goal setting:

Goals can be used to motivate task accomplishment which is premised on two attributes; the content- the level of difficulty of the goal and intensity – the degree of participation required

Intentions to work toward a goal are a major source of work motivation. That is, goals tell an employee what needs to be done and how much effort will need to be expended. While goal setting was originally viewed as a technique, it is developing into a motivational theory as researchers attempt to understand better the cognitive that influence success. Goal-setting experts Edwin A Locke and Gary P. Latham argue that goal setting works by directing attention and action, mobilizing effort, increasing persistence, and encouraging the development of strategies to achieve the goals. Feedback regarding results also is an essential element in motivating through goal setting.

1. The success of goal setting in motivating performance depends on establishing goals that have the appropriate attributes or characteristics. In particular goals should be specific and measurable, challenging, attainable, relevant to the major work of the organization, and time-limited in the sense of having a defined period of time within which the goal must be accomplished.
2. Specific hard goals produce a higher level of output than does the generalized goal of "do your best". The specificity of the goal itself acts as an internal stimulus. If factors like ability and acceptance of the goal are held constant, we can also state that the more difficult the goal, the higher the level of performance. However, it's logical to assume that easier goals are more likely to be accepted. But once an employee accepts a hard task, he or she will exert a high level of effort until it is achieved, lowered or abandoned.
3. People will do better when they get feedback on how well they are progressing toward their goals because feedback helps identify discrepancies between what they have done and what they want to do; that is, feedback acts to guide behaviour.
4. Goal-setting theory presupposes that an individual is committed to the goal, that is, determined not to lower or abandon the goal. This is most likely to occur when goals are made public, when the individual has an internal locus of control, and when the goals are self-set rather than assigned. Self-efficacy refers to an individual's belief that he or she is capable of performing a task. The higher your self-efficacy, the more confidence you have in your ability to succeed in a task. So, in difficult situations, we find that people with low self-efficacy will try harder to master the challenge.

Management by objectives (MBO)

Also known as **management by results (MBR)**, is a process of defining [objectives](#) within an organization so that [management](#) and [employees](#) agree to the objectives and understand what they need to do in the organization in order to achieve them. The term "management by objectives" was first popularized by [Peter Drucker](#).

The essence of MBO is participative goal setting, choosing course of actions and decision making. An important part of the MBO is the measurement and the comparison of the employee's actual performance with the standards set. Ideally, when employees themselves have been involved with the goal setting and choosing the course of action to be followed by them, they are more likely to fulfill their responsibilities.

According to George S. Odiorne, the system of management by objectives can be described as a process whereby the superior and subordinate jointly identify its common goals, define each individual's major areas of responsibility in terms of the results expected of him, and use these measures as guides for operating the unit and assessing the contribution of each of its members.⁴

Behind the principle of Management by Objectives (MBO) is for employees to have a clear understanding of the roles and responsibilities expected of them. Then they can understand how their activities relate to the achievement of the organization's goal. Also places importance on fulfilling the personal goals of each employee.

Some of the important features and advantages of MBO are:

1. Motivation – Involving employees in the whole process of goal setting and increasing employee empowerment. This increases employee job satisfaction and commitment.
2. Better communication and coordination – Frequent reviews and interactions between superiors and subordinates helps to maintain harmonious relationships within the organization and also to solve many problems.
3. Clarity of goals
4. Subordinates tend to have a higher commitment to objectives they set for themselves than those imposed on them by another person.
5. Managers can ensure that objectives of the subordinates are linked to the organization's objectives.
6. Common goal for whole organization means it is a directive principle of management.

Behaviour modification

Managers can increase the power of wages and benefits by tying them directly to certain types of performance. The use of behavior modification, popularly called "OB Mod" represents the application of reinforcement theory to individual in the work setting. "OB Mod" is a programme where managers identify performance related employee behavior's and then implement an intervention strategy to strengthen desirable performance behaviours and weaken undesirable behaviour.

Application of OB Mod.

Effective application of OB Mod begins with the following fundamental principles:

1. **Every Manager uses OB Mod:** Any manager who exerts influence over subordinates is already using rewards and punishments. It is hoped

that by studying the principles of OB Mod, managers can gain a better understanding of how their behavior (applying rewards and punishment) is affecting the behaviour of employees.

2. **Action Speak Louder than words:** People respond to the events that actually affect them, not to what they are told. A manager who tells employees one thing but whose behaviour reflects something different will find that employees react to the behaviour and not the words.
3. **Doing Nothing has Reinforcing Consequences:** Employees who are behaving properly may cease to exhibit desirable behaviours in order to get their manager's attention. Managers must constantly keep in mind that desirable behaviour must be positively reinforced to maximize the chances that it will be continually exhibited.
4. **Reinforces are Individual in Nature:** There can be important individual differences in reinforcements, although some reinforces such as pay may be common to most people, it may be a much stronger reinforce for some people than for others.
5. **Reinforcers must be Oriented toward Specific Behaviour:** OR Mod techniques can only be effective if applied to a specific, observable act of behaviour. Use of OB Mod effectively, the employee must know specifically which behaviour the manager finds desirable and which are undesirable. Not knowing would only result in a very frustrated employee and a disappointed manager.
6. **Reinforcements must be "Real":** Application of positive reinforcements cannot be treated as a gimmick to get employees to do things they would not normally do.
7. **Reinforcements must be Fair:** If people do not see the rewards as being commensurate with the required behaviour, then the reinforcement system will be ineffective.
8. **Reinforcement must be relatively Quick:** To be successful, reinforcement plans must provide relatively quick rewards to the employee that can be specifically identified with productive behavior. For example, an incentive system that rewards employees weekly is superior to one that pays off once every six-months.
9. **Employee must be given Feedback on their Performance:** It is difficult for employee's to change their behaviour if they do not know what they are doing wrong. Many managers find the feedback process to be an uncomfortable one and therefore avoid it. Unfortunately, this can cause additional problems as the managers becomes increasingly frustrated with the lack of performance and the employees become frustrated trying to figure out what it is the manager wants.

Steps in designing an OB Mod programme

The typical OB Mod programmes follows the following steps:

1. **Identification of performance-related Behaviour:** The manager must decide what specific behaviour is to be eliminated or stimulated. Everything an employee does on his or her job is not equally important in terms of performance outcomes.
2. **Specify the Behaviour in Observable, Measurable Terms:** The next step in OB Mod, to identify the critical behaviours that make a significant impact on the employee's job performance. The manager must define what is to be changed and how it is to be measured. This is obtained by determining the number of times the identified behaviour is occurring under present conditions.
3. **Identify the Reinforces:** The manager must examine those reinforces that appear to be common to most people, as well as individual reinforces.
4. **Identification of Behaviour Contingencies:** The next step is to perform a functional analysis to identify the behavioral contingencies or consequences of performance. The manager must design the system, which allows the desired reinforcements to be made contingent upon the desired behaviour being emitted. This tells the manager the antecedent cues that emit the behaviour and the consequences currently maintaining it.
5. **Insure that there is Method for Applying the Contingency Relationship :** The manager is ready to develop and implement an intervention strategy to strengthen desirable performance behaviours and weaken undesirable behaviours. If the manager has specified a contingency relationship between behaviours and rewards, then there must be some means of making sure that when the desired behaviour is emitted, the reward will follow. For example, if a professor wishes to reward students specifically for coming to class, then there must be a system of marking attendance.
6. **Feedback to the Employee:** In this step the manager must outline specifically what the employee is doing right and wrong, what the rewards are and how they will be applied, and the nature of the contingency relationship.
7. **Apply the System Fairly and Consistently:** Once the system is established, it should be maintained in a consistent manner. A good example of this is rate cutting in piecework systems. It is frustrating to employees to have the rules changed on them midway through the system. It is for this reason that many piecework incentive systems are ineffective.

Activity B

-Management is essentially a process of motivation". Explain

6.6 LET US SUM UP

People are complex and they are uniquely different. What motivates one person may not motivate another. Most successful managers have learned to understand the concept of human motivation and are able to use that understanding to achieve higher standards of subordinate work performance. Motivation is the process of challenging a person's inner drives so that he wants to accomplish the goals of the organization. Motivation concern itself with the will to work. The Encyclopedias of Management observes: "Motivation refers to the degree of readiness of an organism to pursue some designated goal, and implies the determination of the nature and locus of the forces, including the degree of readiness". Motivation facilitates the maximum utilization of all factors of production, human, physical and finance resources and thereby contributes to higher production. Motivation promotes a serial of belonging among the workers. The workers feel that the enterprise belongs to them and the interest of the enterprise is their interests.

Motivation to work is very complex. There are many internal and environments variables that affect them, motivation to work. Behavioral scientists started to search new facts and techniques, for motivation. These, theories are termed as theories of motivation.

The theories of motivation have been discussed under two categories; on the basis of their need fulfillment and on the basis of their managing expectations. Content theories of motivation (motivation by need fulfillment) are :Maslow's Need Hierarchy Theory ,Motivation Hygiene Theory (two factors)

Alderfer's ERG Theory, McClelland's achievement theory, Process theories of motivation (motivation by managing expectations) are; Victor Vroom's Expectancy Theory , Porter and Lawler's expectancy theory and Adam's Equity Theory. With regard to the application of the concepts of motivation, certain strategies ranging from goal setting, management by objectives, employee's empowerment, behaviour modification and giving those rewards on the basis of their performance have been outlined.

6.7 ANSWER KEY TO CHECK YOUR PROGRESS

1.(Answers ;1; Need for Achievement ,2; Need for Affiliation , 3; Need for Power 4; Existence Needs,5; Relatedness needs, 6;Growth needs.)

2. Answers : 1; true , 2; false , 3; true, 4; true, 5; false)

6.8 GLOSSARY

Motivation: It is the ability to change behavior. It is a drive that compels one to act because human behavior is directed toward some goal.

Hygiene factors: These. are factors that do not motivate if present, but, if absent, result in demotivation e.g. status, job security, salary and fringe benefits.

Valence: The degree of attraction or aversion that an individual feels toward a specific object or event.

Instrumentality: This is the belief that performance is related to the rewards.

Expectancy theory: It suggests that individuals' expectations about their ability to accomplish something will affect their success in accomplishing it.

6.9 DISCUSSION QUESTIONS

1. Critically examine Maslow's need priority theory. How far up the hierarchical ladder do most people progress?
2. Distinguish between motivators and hygiene factors. Why is it important to make this distinction?
3. Compare and contrast Maslow's hierarchy of needs theory with (a) Alderfer's ERG theory and (b) Herzberg's motivation-hygiene theory.
4. Describe the "traditional" view of job satisfaction and contrast it with Herzberg's view. Which is more reasonable?

5. Describe the difference between "motivators" and "hygiene" in Herzberg's two-factor theory.
6. Outline the various process theories of motivation. How far do you think, they are applicable in the organizational setting.
7. Deliberate on the ways an organization can apply the theoretical concepts of motivation on today's executives for garnering higher performance and commitment from them.

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LESSON NO 7: STRESS MANAGEMENT

STRUCTURE OUTLINE

- 7.0 Learning Objectives
- 7.1 Introduction: Meaning and Definition of Stress
- 7.2 Factors Leading To Stress
- 7.3 Consequences of Stress
- 7.4 Strategies for Managing Stress
- 7.5 Stress Coping Strategies
- 7.6 Stress Management and Its Managerial Implications.
- 7.7 Let Us Sum Up
- 7.8 Answer key to check your progress
- 7.9 Glossary
- 7.10 Test Questions
- 7.11 References
- 7.12 Suggested Readings

7.0 LEARNING OBJECTIVES

After studying this lesson, you will be able to:

- Explain the meaning and definition of stress.
- Describe the general adaptation syndrome.
- Understand four different approaches to stress.
- Explain the causes and consequences of work related stress.
- Understand stress management.

7.1 INTRODUCTION

In the present global scenario where the employers try their best and keep a continuous track to map the satisfaction quotient of employees at different levels of baby boomers generation X-ers and generation Y-ers or employees as diverse workforce in terms of age, gender, attitudes, expectations and longevity. Since the delegation, accountability and authority in an organization is decided on by the organization structure which reflects the flow of direction within the structure. Instead of the best practices, policies and allocation each job is accompanied by stress among individuals which results into dysfunction and ineffective goal attainment and leads to heavy losses in terms of de - motivation, unethical organization culture, lack of goal congruency, distrust effecting team work thus effecting the overall working of organization.

Stress is an exceedingly complex concept that does not lend itself to a simple definition. It can best be understood in terms of the internal and external conditions necessary for its arousal and the symptoms by which it is identified. Its identifiable symptoms are both psychological and physiological. Stress carries a negative connotation for some people, as though it were something to be avoided. This is unfortunate, because stress is a great asset in managing legitimate emergencies and achieving peak performance.

Meaning and Definition of Stress

According to J. C. Quick and J.O Quick, "Stress, or the stress response, is the unconscious preparation to fight or flee a person experiences when faced with any demand". According to Mikhail A., "Stress refers to a psychological and physiological state that results when certain features of an individual's environment challenge that person, creating an actual or perceived imbalance between demand and capability to adjust that results in a non-specific response".

7.2 FACTORS LEADING TO STRESS

The causes or factors stress are found within the environment, the individual, and the interaction between the two. The stress experienced by a given individual is seldom traceable to a single source. Stress has become increasingly common in organizations, largely because individuals experience increased job complexity and increased economic pressures. In exploring the causes of stress it is important that a clear distinction be made between stress and the stressor (the source of the stress). It is confusing and technically incorrect to speak of a "stressful situation" as though anyone placed in that situation would experience stress. For purposes of analysis and understanding, stressors are divided into two classes:

1. Those that lie within the individual, and
2. Those that are a part of the external environment.

Internal Stimuli of Stress

The internal sources of stress are complex and difficult to isolate. There are three internal sources of stress. Each of these internal influences on stress is considered separately, although they function in continual interaction.

1. **Inner Conflicts:** For many people stress is a constant companion regardless of how favorable or unfavorable external conditions may be. Non-specific fears, anxiety and guilt feelings maintain the body in a state of readiness for emergency action on a continuing basis.
2. **Perceptual Influences:** Perception is influenced by a number of internal factors. Certainly people with inner conflicts sufficient to cause stress are more likely than self-confident people to perceive environmental

conditions as threatening. Because the environment is presumed to be full of danger, evidences of danger are perceived everywhere. They are selectively perceived in exaggerated form

3. **Thresholds of Stress:** The threshold of stress is not independent of the two factors just discussed. People who have few internal conflicts and a minimum of perceptual distortion can withstand external conflict and pressure that weakens personalities would find intolerable. People who have high thresholds for stress have high levels of resistance to it.
4. **Motivational Level:** People who are ambitious and highly motivated to achieve are more likely to experience stress than are those who are content with their career status. Persons whose self-expectations exceed their abilities and opportunities are especially stress prone.

Individual Stressors

Since each individual's disposition and perception for taking and handling stress varies, so the level of stress and its causes are more individual in nature. The causes of individual stressors are:

1. **Role ambiguity:** It can be due to lack of training, improper knowledge of subject, poor communication channel, friction between superior and subordinates etc.
2. **Psychological Hardiness:** It decides the level and capacity of a person to handle stress since it varies from individual to individual. Thus people having high level of hardiness in handling stress are persons who know how to handle situation better and in a planned way so as to reduce level of stress.
3. **Type of Personality:** As per the category Type A are people who have high level of commitment, are competitive" aggressive, and exhibit different behavior patterns. They desire to achieve. Such personalities are more prone to chances of stress and incompatibility. Type B are those who have a relaxed and balanced approach and are more confident in their approaches towards work. They are less susceptible to stress.

Environmental Stressors:

Environmental and internal conditions that lie beyond an individual's control are called environmental stressors. Such stressors can have a considerable impact on work performance and adjustment. We can organize environmental stressors into the following categories:

1. **Task Demands:** Task demands are factors related to a person's job. They include the design of the individual's job, working conditions, and the physical work layout. Changes and lack of control are two of the most stressful demands people face at work. Change leads to uncertainty, a lack of predictability in a person's daily tasks and activities and may be caused by job

insecurity related to difficult economic times. Technology and technological innovation also create change and uncertainty for many employees, requiring adjustments in training, education and skill development.

Lack of control is a second major source of stress, especially in work environments that are difficult and psychologically demanding. The lack of control may be caused by inability to influence the timing of tasks and activities, to select tools or methods for accomplishing the work, to make decisions that influence work outcomes, or to exercise direct action to affect the work outcomes.

2. Role Demands: The social-psychological demands of the work environment may be every bit as stressful as task demands at work. Role demands relate to pressures placed on a person as a function of the particular role he or she plays in the organization. Role conflicts create expectations that may be hard to reconcile or satisfy. Role conflict results from inconsistent or incompatible expectations communicated to a person. The conflict may be an inter-role, intra-role or person-role conflict.

- (a) **Inter-role Conflict:** is caused by conflicting expectations related to two separate roles, such as employee and parent. For example, the employee with a major sales presentation on Monday and a sick child at home is likely to experience inter-role conflict.
- (b) **Intra-role Conflict:** is caused by conflicting expectations related to a single role, such as employee. For example, the manager who presses employees for both very fast work and high-quality work may be viewed at some point as creating a conflict for employees.
- (c) **Person-role Conflict:** Ethics violations are likely to cause person-role conflicts. Employees expected to behave in ways that violate personal values, beliefs or principles experience conflict.

The second major cause of role stress is role ambiguity. Role ambiguity is created when role expectations are not clearly understood and the employee is not sure what he or she is to do. Role ambiguity is the confusion a person experiences related to the expectations of others. Role ambiguity may be caused by not understanding what is expected, not knowing how to do it, or not knowing the result of failure to do it.

3. Inter-personal Demand: These are pressures created by other employees.

Lack of social support from colleagues and poor interpersonal relationships can cause considerable stress, especially among employees with a high social, need. Abrasive personalities, sexual harassment and the leadership style in the organization are interpersonal demands for people at work.

- (a) **The Abrasive Person:** May be an able and talented employee, but one who creates emotional waves that others at work must accommodate.

- (b) **Sexual Harassment:** The vast majority of sexual harassment is directed at women in the workplace, creating a stressful working environment for the person being harassed, as well as for others.
- (c) **Leadership Styles:** Whether authoritarian or participative, create stress for different personality types. Employees who feel secure with firm, directive leadership may be anxious with an open, participative style. Those comfortable with participative leadership may feel restrained by a directive style.

4. **Physical Demands:** Non-work demands create stress for people, which carry over into the work environment or vice versa. Workers subject to family demands related to marriage, child rearing and parental care may create role conflicts or overloads that are difficult to manage. In addition to family demands, people have personal demands related to non-work organizational commitments such as churches and public service organizations. These demands become more or less stressful, depending on their compatibility with the person's work and family life and their capacity to provide alternative satisfactions for the person.

Extra Organizational Stressors

It refers to the factors that are made personal and related more to individual, like societal patterns.

- Technological changes
- Changed lifestyle
- Relocation of work or family
- Sociological variables like race, sex and class leads to stress.

Organizational Stressors

Organisational stressors or stress stimuli are those organisational factors that in some way induce stress upon the individuals involved. Through the medium of stressed people, stress infects the organisation itself. In essence, stress within a group of people is infectious.

The major organisational stressors

Over the years various observers have identified twenty-five major stressors that serve to induce stressed behaviour, disrupt the flow of operations, dampen performance and productivity and generally make life more difficult for everyone in the organisation. These major stressors are summarised in the following schedule.

1. No clear short-term goals for staff and managers to work towards.
2. Responsibility without authority or an inadequate control of events.
3. Career uncertainty often a result of short-termism among management and lack of attention to staff needs.

4. Insufficient support from senior management or colleagues: Often manifested as personal criticism, and lack of appreciation. Lack of any feel-good factor.
5. The imposition of goals or targets from a higher authority. This is similar to number two but with the addition that often people can see the irrelevance of the target or it's harmfulness to their area of work, without being able to do anything about it. This stressor is currently rife in the public sector where, policy units and political organisations make decisions, even though they are entirely remote from the reality of the situation on the ground and cut off from crucial day-to-day feedback. This folly not only puts a huge stress on individuals but also distorts the operational effectiveness of the subject organization
6. Loss of a natural routine due to unsympathetic work schedules, overwork and chaotic management.
7. Low quality performance generating a wide range of reactions among staff who are demoralised and have to constantly compensate for the poor quality in a variety of ways including frantic fire-fighting and lying to customers.
8. New functions being allotted without adequate training and guidance. In an attempt to save pennies on training costs, organisations so often have to spend or lose pounds on poor performance and upset customers; all for the want of the ability of staff to undertake their work competently.
9. Unclear boundaries of functions and responsibilities. People constantly tripping over each other and having their work outcomes threatened by interference to their area of responsibility.
10. Negative Relationships including personality conflicts and incompatibilities and an over competitive internal environment
11. The presence of a socialized psychopath. This is an extreme and pathological example of the "Me First" attitude in leadership that has no regard for anyone else's feelings or interests or the interests of the organization.
12. Onerous internally imposed deadlines with insufficient time to do the task
13. Disagreement with organizational values or philosophy
14. Environmental factors such as noise, poor surroundings, inadequate equipment, stale air, electromagnetic fields and artificial day lighting
15. Atmosphere of mistrust either between management and staff or between staff members or between departments
16. Government interference through excessive regulations and high taxation blocking the initiative, autonomy, enterprise and enthusiasm of everyone at work
17. Boredom and monotony due to deskilling and the division of labour down to a minimalist level

18. Botched decisions due to subconscious insecurities such as a manager's inability to handle the fear of uncertainty. This organizational stressor derives from the inherent stress of the individuals concerned. Subconscious insecurities drive affected managers to rush the planning and decision-making process. This fear of uncertainty or inability to handle ambiguity appears to be on the increase today with the common hallmark of the "quick fix" decision being very prevalent in both business and public organizations. Other personal stresses such as depression, fear of failure, over excitability and even fear of success can also have a serious impact on an organisation. Email us for an article on stress and decision-making
19. Straight-line thinking - policies or decisions that, although they are designed to solve one problem, overlook the impact that those decisions have on other areas of the organisation. Straight-line thinking invokes the law of unintended consequences sowing confusion and chaos wherever it impacts
20. Organisational units that are too large - the human psychophysiology responds and functions much better in units of no more than 150 people. Beyond that figure inefficiencies occur.
21. The unequal treatment of equals or the equal treatment of "unequals". Although often informally imposed due to haphazard management ability and lack of attention, this stressor is becoming institutionalised with the advent of political correctness and the gradual imposition of a raft of equal rights regulations.
22. Fast track career paths that encourage short term decision-making to achieve quick results as the manager knows he or she won't be around to pick up the longer term consequences
23. Performance enhancing drugs such as cocaine that generate high individual activity at the expense of damaging peoples' abilities to form and maintain stable relationships and balance the needs of the group with their own goals or personal gratification
24. Major strategic change brings with it structural, operational, employment and relationship changes that undermine physical security along with threatening several other human needs.

Organizational Stressors emerge from reasons related to organization or job assigned to individual. They can be of following reasons:

1. **High stress job:** It refers to work which involves hectic schedule and complex job responsibilities which result into imbalance in personal and work a life and also overwork may affect physical health of individual resulting into ineffective work and dissatisfaction among employees leading imbalance in family or personal life also

2. **Job role:** Certain job characteristics like job overload, job assignment, job responsibility and responsibility of others, hectic schedules and constant pressure causes stress.
3. **Improper working condition:** Sometimes even the physical condition, the infrastructure and lacuna in basic facilities of the organization lead to stress and improper work efficiency.
4. **Under utilization of skills:** If the skills remain underutilized it leaves the person demotivated due to scarcity of opportunities for growth resulting into frequent absenteeism, aloofness, role ambiguity, instability and dissatisfaction.
5. **Organizational Politics:** Competition within departments if improperly handled results into negative feelings, fault finding and high role ambiguity which spoil the overall culture and climate of organization.

Ckeck your progress 1

Identify the type of conflict and the stress

1. This type of conflict is caused by conflicting expectations related to two separate roles, such as employee and parent.
2. This type of conflict arises when the employees are expected the behave in ways that violate personal values, beliefs or principles experience conflict.
3. This type of conflict is caused by conflicting expectations related to a single role, such as employee..

7.3 CONSEQUENCE OF STRESS

Consequences of stress can be both positive as well as negative. Generally, it is felt that stress leads to negative behaviours but it depends upon degree of stress which makes a behaviour positive or negative.

A) Consequences for the Individual

There are three types of consequences of stress on individuals. The first stage is that of distress i.e. presence of high level of stress which leads to physiological, psychological and behavioural problems.

Physiological Problem:

In the initial stage, stress causes physiological problems. According to research of medical scientists found that stress leads to high blood pressure, excitability

of nerves, high level of cholesterol, frustration and depression. This proves that stress produces a feeling of sadness, hopelessness which further effects in loss of weight and change in appetite which are all harmful outcomes. These outcomes affect job performance adversely.

Psychological Problems:

Alongwith physiological problems the most important effect of stress is on the mental health of the individual. The study of psychological effect of stress is more important as these lead to harmful outcomes on day to day job performance. The psychological reactions of stress like anxiety, anger, nervousness, depression, tension, irritability etc. depend upon capacity of individual to bear that stress. These symptoms lead to aggressive attitude of individual towards his boss, fellow peers and the organization itself. The effect of psychological problems from stress is visible through poor job performance, lowered self-esteem, resentment of supervision, inability to concentrate, make decisions and job dissatisfaction and leads to low productivity.

Behavioural Problems:

When behavior of an individual is such that whatever he does is different from that what he would have done in normal circumstances, is a system of adverse reaction of stress. Behavioural systems of stress can be seen from changes in productivity, absence, turnover, as well as changes in eating habits, increased smoking, more consumption of alcohol, drug abuse, losing your sense of humour etc. Sometimes when stress is unbearable it may result into suicide. People in behavioural stress loose contact with their surroundings and themselves. They don't have ability to cope with tension.

B) Consequences for the organization:

D.R. Frew and N.S. Bruning in their study has analysed that there is no shortage of factors within the organization that can cause stress. Pressures to avoid errors or complete tasks in a limited time, work overload, a demanding and insensitive boss, and unpleasant co-workers are few examples. These all types of stress on workers effect on organizations in many ways, e.g. Unfavourable and ambiguous policies may lead to poor performances, low productivity, increased absenteeism and turnover. A defective organization structure also becomes a cause of stress and lead to alienation of workers from the job. Similarly, family organizational processes become cause of stress of poor communication, unfair control systems and lead to aggressive behavior of workers towards organization which results in strikes and loss of customers.

RECOGNIZING SIGNS OF STRESS IN THE WORKPLACE

- An increase in overall sickness absence – especially frequent short absences.
- Poor work performance – less output, lower quality of work, poor decision making, poor time keeping, increased occurrence of accidents.
- Relationships at work- poor relationships with customers or people you work for, conflict between colleagues.
- Staff attitude and behaviour – poor timekeeping, loss of motivation or commitment, working long hours but with decreasing effectiveness.

FORMS OF STRESSES

1. BURNOUT

Four types of consequences can arise from it

- Depletion of energy reserves
- lowered resistance to illness
- Increased dissatisfaction and Pessimism
- Increased absenteeism and inefficiency at work

2. Rustout Stress Syndrome (ROSS)

The Rustout Stress syndrome or ROSS is indicative of stress under load. It occurs when there is a gap between what the executive is capable of doing and what he is required to do. the concept of role erosion is close to the concept of ROSS. Stress under load can arise due to both qualitative and quantitative aspects of work. Clearly a situational appraisal is a pre-requisite for countering stress.

Activity A

How managing stress is useful for employees

7.4 STRATEGIES FOR MANAGING STRESS

While many of the methods of preventing stress need to be developed and supported by the organization, there are things that workers can do to help you better manage" stress. Here are 10 tips for dealing with the stress from your job :

1. **Put it in Perspective:** Jobs are disposable. Your friends, families, and health are not. If your employer expects too much of you, and it's starting to take its toll on you, start looking for a new job/new employer.
2. **Modify your Job Situation:** If you really like your employer, but the job has become too stressful (or too boring), ask about tailoring your job to your skills. And if you got promoted into a more stressful position that you just are not able to handle, ask about a lateral transfer - or even a transfer back to your old job (if that's what you want).
3. **Get Time Away:** If you feel the stress building, take a break. Walk away from the situation, perhaps walking around the block, sitting on a park bench, taking in a little meditative time. Exercise does wonders for the psyche. But even just finding a quiet place and listening to your iPod can reduce stress.
4. **Fight Through the Clutter:** Taking the time to organization your desk or workspace can help ease the sense of losing control that comes

from too much clutter. Keeping a to-do list - and then crossing things off it - also helps.

5. **Talk it Out:** Sometimes the best stress-reducer is simply sharing your stress with someone close to you. The act of talking it out - and getting support and empathy from someone else - is often an excellent way of blowing off steam and reducing stress. Have a support system of trusted people.
6. **Cultivate Allies at Work:** Just knowing you have one or more co-workers who are willing to assist you in times of stress will reduce your stress level. Just remember to reciprocate and help them when they are in need.
7. **Find Humor in the Situation:** When you - or the people around you - start taking things too seriously, find a way to break through with laughter. Share a joke or funny story.
8. **Have Realistic Expectations:** While Americans are working longer hours, we can still only fit so much work into one day. Having unrealistic expectations for what you can accomplish sets you up for failure - and increased stress.
9. **Nobody is Perfect:** If you are one of those types that obsess over every detail and micromanage to make sure "everything is perfect," you need to stop. Change your motto to performing your best, and leave perfection to the gods.
10. **Maintain a positive attitude** (and avoid those without one). Negativism sucks the energy and motivation out of any situation, so avoid it whenever possible. Instead, develop a positive attitude - and learn to reward yourself for little accomplishments (even if no one else does).

7.5 STRESS COPING STRATEGIES

Strategy 1 - Personal Resource Bank

- List your strengths and repeat something good to yourself when you feel low, e.g. "I've got a wonderful partner/job/opportunity".
- Identify your weaker points and set about improving these areas.

Strategy -2 Surviving in the Workplace

- Practice skills that put you in control of yourself (you can rarely control the behaviour of others): time management, assertiveness, clear communication, setting clear priorities.

Strategy 3 - Dealing with Panic Attacks

- At the first hint of alarm tell yourself firmly to "STOP".
- Breathe slowly and calmly.
- Visualize yourself in a well-loved place.
- Gently cup your hands over your mouth and nose and re-inhale a few breaths to re-balance your blood chemicals with lost carbon dioxide.
- Do not run away as this increases the fear and makes it worse when you face similar situations.

Strategy 4 – Quick Relaxation

- Let your shoulders droop and imagine you have just put down two very heavy bags. Feel the relief!

Strategy 5 – Chinese —Inner Smile

- Relax your muscles as much as you are able.
- Think of something pleasant or humorous
- Smile inwardly and –feel the glow.
- Let the smile fill your body until it shines from your eyes.
- Concentrate on the area below your naval and tell yourself that it is the –seat of your constitutional essence.
- Continue with your tasks holding on to the inner light.

Strategy 6 – Support Networks

- Who can help? Look to family, friends and colleagues for support. Each may fulfil a different role, e.g. listener, advocate, fun-maker, challenger, etc.
- Don't expect unlimited time or patience.

7.6 STRESS MANAGEMENT AND ITS MANAGERIAL IMPLICATIONS

Stress Management

Stress is a dynamic condition in which an individual is confronted with an opportunity, constraint or demand related to what he or she desires and for which the outcome is perceived to be with uncertain and important.

Constraints: Forces that prevent individuals from doing what they desire

Demands: The loss of something desired.

Stress is an inevitable result of work and personal life. Managers must learn how to create healthy stress for employees to facilitate performance and well being without distress. They should be sensitive to early signs of distress at work, such as employee fatigue or changes in work habits, in order to avoid serious forms of distress. Distress is important to the organization because of the costs associated with turnover and absenteeism, as well as poor-quality production. Managers can use the principles and methods of preventive stress management to create healthier work environments. They can practice several forms of individual stress prevention to create healthier lifestyles for themselves, and they can encourage employees to do the same.

See the exhibit below to have a clear perspective on stress.

1. WHAT IS STRESS?

Stress arises when there is an imbalance between the demands present in our lives and the resources available to cope with these demands. Our increasingly dynamic lifestyles mean that our lives are constantly undergoing changes. While imbalance may occur through such changes, it is our reactions to those changes and events that determine when we feel stressed.


How do I begin to manage stress?

FIND THE SOURCE OF ANY PROBLEMS.

The first step to effective stress management is to identify the changes and imbalances that are causing you to react. In addition, however, it is also important to note you may be causing your own stress through personal expectations, feelings and thoughts.

Some of the most common areas that may cause stress include:

1. Time constraints/deadlines
2. Character clashes with others
3. Money problems
4. Sudden/unexpected changes
5. Excessive responsibilities
6. Spousal problems




2. REACTIONS TO STRESS

Reactions to stress depend greatly on the individual with symptoms manifesting themselves both physically and mentally. The most common reactions to stress include:

1. Eating too much	3. Inability to sleep
2. Drinking too much	4. Smoking

In the most extreme cases, people who maintain high levels of stress are at greater risk from heart disease, high blood pressure and often suffer from chronic hostility and cynicism. However, the more common symptoms resulting from stress are as follows:

1. Upset stomach
2. Tight neck muscles
3. Irritability
4. Headaches



LOWER YOUR TENSION LEVELS

Although negative reactions to stressful situations may be difficult to avoid at times, it is worth taking the time to analyse your negative reactions and consider how these might be changed to more positive reactions. For example:

Negative Reactions	Positive Reactions
Worrying/rushing	Organising/prioritising
Overspending	Budgeting
Blaming others	Accepting responsibility
Feeling fearful	Asking for help
Insulting/judgmental remarks	Talking it over
Eating too much	Exercising/physical activity

3. COPING WITH STRESS

THINK ABOUT IT

Coping with stress means coming to grips with the fact that some situations are beyond our control. As well as altering your reactions to stress you must also equip yourself with the following skills for coping with stress.

ACCEPTANCE

Some stress can be relieved if you just accept that in some situations, you have very little or no control. Once you have accepted this fact you can reduce stress levels by using language such as "Some day I'll laugh about this", or "This is a learning experience".



ATTITUDE

When faced with a stressful situation, be positive. Ask yourself "What can I learn from all this?" Through positive thinking, stress levels will be reduced, your mind will become clearer and solutions will be found more readily as a result.

PERSPECTIVE

All too often we become stressed over things which never happen or scenarios which never take place. Put things in perspective. Ask yourself, "In the grand scheme of things, how important is this situation?", "Is there anything I can do?", and, "In five years time, will I even recall this event?"

4. THINK POSITIVELY

TAKE ACTION

Don't let stress control you. Take positive action which will reduce your levels of stress.

SELF TALK

"Self talk" is when we express our expectations and thoughts on a situation and its potential outcome as we see it. This can be both helpful and detrimental to our levels of stress as there can be positive and negative ways in which we might perceive the outcome of a situation.

Positive self-talk

Thinking of positive ways to view a situation can provide an effective weapon against stress. "I'm in control," and "I can meet these challenges" are examples of positive self talk.

Negative self-talk

Thoughts such as "I can't", "This is too difficult" or "I have to be perfect" are negative and produce stress.



Negative Thought Patterns

SITUATION:
You make a mistake at work.
STRESS THOUGHT:
"I can't do this"
"I've failed at my job".
REACTION:
Sadness, low self-esteem

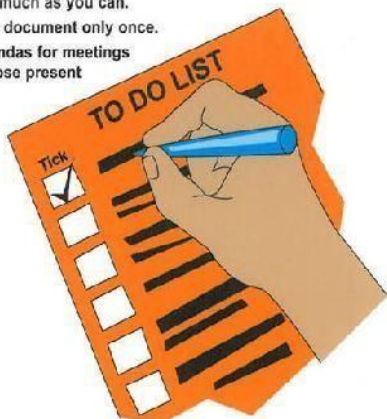
Positive Thought Patterns

SITUATION:
You make a mistake at work.
EMPOWERING THOUGHT:
"What can I do to improve?"
"How can I prevent this from occurring again?"
REACTION:
Feeling of mastery and self-confidence

5. TIME MANAGEMENT

Organisation and forward planning is central to managing your time effectively.

1. Make an achievable "to-do" list and prioritise tasks.
2. Remember that sometimes it is not possible to get everything done in one day. There is always tomorrow.
3. Get yourself a personal organiser and make sure you utilise it.
4. Break up each of your tasks into small, easily achievable chunks.
5. Delegate as much as you can.
6. Handle each document only once.
7. Prepare agendas for meetings and keep those present on track.



6. BALANCE WORK & FAMILY

Sometimes the pressures of balancing a career and a family can be overwhelming. Gain control by using the following suggestions.

KEEPING BALANCE AT WORK

- Work to a strict timetable and stick to limits you have set.
- Learn to say no without feeling guilty. Practice by making two positive statements followed by one negative, followed again by one more positive statement. For example:
"I enjoy working on this project and I enjoy working with you, but I can't stay tonight. I will do it first thing tomorrow"
- Be brief. The longer you talk the more likely you are to give in.

KEEPING BALANCE AT HOME

- Cook in large quantities and freeze individual meals.
- Set up daily and weekly routines for chores and share with other family members.
- Schedule quality time with family members.
- Prepare for unexpected eventualities. For example: Keep a spare set of car keys in case of an emergency.
- Allow yourself to switch from a working role to a family role.
- Use your commute time to prepare for your next role.



7. COMMUNICATION

Communication is all important if you are to work effectively with others and if you are to get the understanding of your work colleagues and family members.

EFFECTIVE COMMUNICATION

Outgoing communication


- Organise your communication method.
- When speaking, express your individuality by using "I" statements. For example, "I believe that..."
- Don't judge others.
- Do not call people names.
- Be able to receive feedback in both positive and negative forms.

Incoming communication

- Establish and maintain eye contact.
- Listen to the entire message. Understand not only the content but also feelings and meaning.
- Ensure you have understood the message through summarising what you have heard.

Build a support system

- Form bonds with people at home and work.
- Create a good network within which you can obtain care and support.
- Express negative feelings to others as this makes way for positivity.



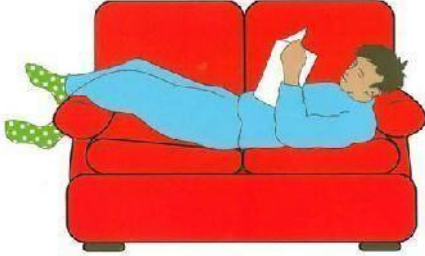
8. BREAKING THE CYCLE

TAKING TIME OUT IS IMPORTANT

- Get away from it all. Read a book, listen to music, read a meaningful quotation.
- Laugh. You deserve it. Share jokes.
- If you feel tense, close your eyes, breath deeply, or go for a walk.

EXERCISE

- Remember that exercise can reduce tension, leaving the body better equipped to handle stress.
- Pick a form of exercise you like. Do it for 20-30 minutes, 3-4 times per week.
- Stretch breaks can relieve tension.
- Going for a walk is a simple form of exercise.



7.7 LET US SUM UP

It is said that life acts and we react.

Our attitude is our reaction to what life hands out to us. –Stress is created by what we think rather than by what has actually happened. stress has been identified as the single biggest contributor to depression . Stress at work is a relatively new phenomenon of modern lifestyles. The nature of work has gone through drastic changes over the last century and it is still changing at whirlwind speed.

Work related stress in the life of organized workers, consequently, affects the health of organizations.

Stress in the workplace can be a major factor in reduced staff performance, commitment and motivation, increased sickness absence, loss of productivity and general absenteeism.

The Health and Safety Executive views stress as the second most commonly reported work-related illness.

Stress carries a negative connotation for some people, as though it were something to be avoided. This is unfortunate, because stress is a great asset in managing legitimate emergencies and achieving peak performance. The causes of stress are found within the environment, the individual, and the interaction between the two. As organizations and their employees have come to perceive the consequences of stress as serious, they have tried to manage it. Some of these efforts have sought to limit the amount of stress employees experience; most are directed at improving employees' coping ability. Managers can use the principles and methods of preventive stress management to create healthier

work environments. They can practice several forms of individual stress prevention to create healthier lifestyles for themselves, and they can encourage employees to do the same.

The sting of any criticism comes from the truth it contains.

- Benjamin Franklin

All jobs contain a certain potential for stress and everyone's response to pressure is different. Some jobs are more affected by certain occurrences than others, and what is exciting and stimulating at one time can become a stressor on another occasion.

The moral remains that, we can work a stress conditions to our advantage or protect ourselves from its untoward follow – through his subject to how we handle a stress situations. the choice is between us, either become slave to the stressful situations of life or using them to our advantage

7.8 ANSWER KEY TO CHECK YOUR PROGRESS

1. (Answers : 1; Inter-role Conflict, 2;Person-role Conflict,3; Intra-role Conflict.)

7.9 GLOSSARY

Stress: Stress as an individual's total response to environmental demands or pressures. According to Mikhail A., "Stress refers to a psychological and physiological state that results when certain features of an individual's environment challenge that person, creating an actual or perceived imbalance between demand and capability to adjust that results in a non-specific response".

Stressors: An event or context that elevates adrenaline and triggers the stress response because it throws the body out of balance and forces it to respond; for example: Environment stressors (elevated sound levels, over-illumination, overcrowding).Daily stress events (e.g. traffic, lost keys)Life changes (e.g. divorce, bereavement)Workplace stressors (e.g. role strain, lack of control).

Organisational stressors or stress stimuli are those organisational factors that in some way induce stress upon the individuals involved.

Inter-role Conflict: is caused by conflicting expectations related to two separate roles, such as employee and parent. For example, the employee with a major sales presentation on Monday and a sick child at home is likely to experience inter-role conflict.

Intra-role Conflict: is caused by conflicting expectations related to a single role, such as employee. For example, the manager who presses employees for both very fast work and high-quality work may be viewed at some point as creating a conflict for employees.

Person-role Conflict: Ethics violations are likely to cause person-role conflicts. Employees expected to behave in ways that violate personal values, beliefs or principles experience conflict.

Individual Stressors: Since each individual's disposition and perception for taking and handling stress varies, so the level of stress and its causes are more individual in nature.

7.10 SELF ASSESSMENT QUESTIONS

1. Define Stress. What are the causes of stress? Can it be managed by the organizations? If yes, outline the strategies to manage executive stress.
2. Outline the different stressors that can hamper executive productivity and efficiency.
3. Delineate the consequences of stress on individuals, on organizations and on the society as whole. Who suffers the most? What can be done at the individual level, organizational level and at the social level to combat stress in today's highly competitive world.
4. What can organizations do to reduce stress?
5. Describe the individual preventive stress management methods.

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LESSON NO 8 : FOUNDATIONS OF GROUP BEHAVIOR

STRUCTURE OUTLINE

- 8.0 Learning Objectives
- 8.1 Introduction
- 8.2 Properties of group structure
- 8.3 Models of Group Development; the Five Stage Model and the punctuated equilibrium Model
- 8.4 Teams
- 8.5 Summary
- 8.6 Answer key to check your progress
- 8.7 Glossary
- 8.8 Self Assessment Questions
- 8.9 References
- 8.10 Suggested readings

8.0 LEARNING OBJECTIVES

After studying this chapter, you should be able to:

- Differentiate between formal and informal groups.
- Compare two models of group development.
- Define social loafing and its effect on group performance.
- Identify the benefits and disadvantages of cohesive groups.

8.1 INTRODUCTION

When two or more individuals who interact with each other and are interdependent in the process, are working towards the achievement of the particular objectives, groups are formalized.

REASONS TO JOIN GROUPS

People join groups for a multitude of reasons. A major reason is that group membership often results in some form of need satisfaction on the part of the individual. Membership in a group can fulfill numerous needs, including

some that group members may not realize they benefit from:

- **Companionship** – groups provide members to simply be in the company of other people.
- **Survival and security** – From a historic or evolutionary perspective our ancestors would partake in group experiences for hunting and defence.
- **Affiliation and status** – membership into various groups can provide individuals with certain social status or security.
- **Power and control** – with group membership comes the opportunity for leadership roles; individuals who feel they need to exert their [power](#) and opinions over others can have such experiences within group settings.
- **Achievement** – groups have the capability to achieve more than individuals acting alone.

Organizations typically form groups to accomplish work related tasks. However, a member of a work group may unintentionally reap numerous benefits that are independent of the original group construct.

DEFINING CHARACTERISTICS OF GROUPS

Currently, no universal definition describes what constitutes a group. Groups can have varying numbers of members, communication styles, and structures. Research identifies a few common requirements that contribute to recognition of individuals that work in a collaborative environment considered a "group":

- **Interdependence:** For an individual of the collective to accomplish their part in the assigned task, they depend, to some degree, on outputs of other collective members.
- **Social interaction:** To accomplish the goal requires some form of verbal or nonverbal communication amongst members of the collective.
- **Perception of a group:** All members of the collective must agree they are, in fact, part of a group.
- **Commonality of purpose:** All the members of the collective come together to serve or attain a common goal.
- **Favoritism:** Members of the same group tend to be positively prejudiced toward other members and tend to discriminate in their favor.

Some researchers suggest additional characteristics must be identified to categorize a collective of individuals as a group such as: working the same shifts, shared physical work locations, and reporting to the same manager.

However the commonalities of the multiple definitions reviewed suggest that the definition of a group is based on the interdependence of people who come together to accomplish a common goal.

TYPES OF GROUPS

Groups can be either formal or informal.

1. Formal groups—those defined by the organization's structure, with designated work assignments establishing tasks

- The behaviors that one should engage in are stipulated by and directed toward organizational goals.
- An airline flight crew is an example of a formal group.

Formal groups are further classified into command groups and task groups.

Command groups are dictated by the formal organization.

- The organization chart determines a command group.
- Composed of direct reports to a given manager

Task groups—organizationally determined—represent those working together to complete a job task.

- A task group's boundaries are not limited to its immediate hierarchical superior. It can cross command relationships.
- For instance, if a college student is accused of a campus crime, it may require communication and coordination among the dean of academic affairs, the dean of students, the registrar, the director of security, and the student's advisor.
- All command groups are also task groups, but the reverse need not be true.

2. Informal groups—alliances that are neither formally structured nor organizationally determined

- Natural formations in the work environment in response to the need for social contact
- Three employees from different departments who regularly eat lunch together is an informal group.

Informal groups are further classified into interest groups and friendship groups.

An interest group. People who affiliate to attain a specific objective with which each is concerned.

- Employees who band together to have their vacation schedules altered

Friendship groups often develop because the individual members have one or more common characteristics.

- Social alliances, which frequently extend outside the work situation, can be based on similar age or ethnic heritage.
- Informal groups satisfy their members' social needs.
- These types of interactions among individuals, even though informal, deeply affect their behavior and performance.
- There is no single reason why individuals join groups.

Group types are routinely distinguished by the work that the groups do:

- **Production groups** consist of front line employees who produce some tangible output. Autonomous production groups are self-directed or self-managing while semi-autonomous production groups typically have a dedicated supervisor who oversees all operations.
- **Service groups** consist of employees that work with customers on a repeated basis, such as airline teams, maintenance groups, sales groups, call centre's, etc.
- **Management groups** consist of an executive or senior manager along with managers that report directly to him/her. Management groups are often able to organize themselves towards goals such as policy making, budgeting, staffing, and planning.
- **Project groups** are generally cross-function groups of individuals brought together for the duration of a specific, time-limited project. Project groups are usually disbanded once the project is complete.
- **Action and performing groups** are groups that typically consist of expert specialists who conduct complex, time-limited performance events. Examples include musical bands, military crews, surgery teams, rescue units or professional music groups.
- **Advisory groups** consist of employees that work outside of, but parallel with, production processes. Examples include quality circles, selection committees, or other advisory groups pulled together to make recommendations to an organization.

CHECK YOUR PROGRESS 1

Label the groups ;

1. Those defined by the organization's structure, with designated work assignments establishing tasks are called -----
2. alliances that are neither formally structured nor organizationally determined are called _____
3. People who affiliate to attain a specific objective with which each is concerned are called----- -- .
4. Employees who band together to have their vacation schedules altered often develop because the individual members have one or more common characteristics are called-----

8.2 PROPERTIES OF GROUP STRUCTURE

A group's structure is the internal framework that defines members' relations to one another over time. **The most important elements of group structure are;**

- **Roles**
- **Norms**
- **Values**
- **Communication Patterns**
- **Status Differentials**
- **Size**
- **cohesiveness**

Group Roles

A "role" can be defined as a tendency to behave, contribute and interrelate with others in a particular way.

Roles may be assigned formally, but more often are defined through the process of role differentiation. Role differentiation is the degree to which different group members have specialized functions. Functional (task) roles are generally defined in relation to the tasks the team is expected to perform Other types of roles are the socio-emotional role, which helps maintain the social fabric of the group, the individual role and the leader role.

- All group members are actors, each playing a role.

- -A set of expected behavior patterns attributed to someone occupying a given position in a social unit.||
- We are required to play a number of diverse roles, both on and off our jobs. Many of these roles are compatible; some create conflicts.
- Different groups impose different role requirements on individuals.

Role identity

- There are certain attitudes and actual behaviors consistent with a role, and they create the role identity.
- People have the ability to shift roles rapidly when they recognize that the situation and its demands clearly require major changes.

Role perception

- One's view of how one is supposed to act in a given situation is a role perception.
- We get these perceptions from stimuli all around us—friends, books, movies, television.
- The primary reason that apprenticeship programs exist is to allow beginners to watch an -expert,|| so that they can learn to act as they are supposed to.

Role expectations

- How others believe you should act in a given situation
- How you behave is determined to a large extent by the role defined in the context in which you are acting.
- When role expectations are concentrated into generalized categories, we have role stereotypes.
- The psychological contract is an unwritten agreement that exists between employees and their employer.
 - a. It sets out mutual expectations—what management expects from workers, and vice versa.
 - b. It defines the behavioral expectations that go with every role.
 - c. If role expectations as implied are not met, expect negative repercussions from the offended party.

Role conflict:

- -When an individual is confronted by divergent role expectations||
- It exists when compliance with one role requirement may make more difficult the compliance with another.
- All of us have faced and will continue to face role conflicts. The critical issue is

- how conflicts imposed by divergent expectations impact on behavior.
- They increase internal tension and frustration.

Group Norms

Group "norms" are the informal rules that groups adopt to regulate members' behaviour.

Norms refer to what should be done and represent value judgments about appropriate behaviour in social situations. Although they are infrequently written down or even discussed, norms have powerful influence on group behaviour.

Group Values

Group "values" are goals or ideas that serve as guiding principles for the group.

Like norms, values may be communicated either explicitly or on an ad hoc basis. Values can serve as a rallying point for the team. However, some values (such as conformity) can also be dysfunction and lead to poor decisions by the team.

Group Communication patterns

Communication patterns describe the flow of information within the group and they are typically described as either centralized or decentralized.

With a centralized pattern, communications tend to flow from one source to all group members. Centralized communications allow consistent, standardization information but they may restrict the free flow of information.

Decentralized communications make it easy to share information directly between group members. When decentralized, communications tend to flow more freely, but the delivery of information may not be as fast or accurate as with centralized communications. Another potential downside of decentralized communications is the sheer volume of information that can be generated, particularly with electronic media.

Status differentials

Status differentials are the relative differences in status among group members. Status can be determined by a variety of factors, including expertise, occupation, age, gender or ethnic origin.

Status differentials may affect the relative amount of pay among group members and they may also affect the group's tolerance to violation of group norms (i.e., people with higher status are given more freedom to violate group norms).

Status

Status is a socially defined position or rank given to groups or group members by others. We live in a class-structured society despite all attempts to make it more egalitarian.

What Determines Status?

Status characteristics theory – differences in status characteristics create status hierarchies within groups.

Status derived from one of three sources: the power a person wields over others; a person's ability to contribute to group's goals; individual's personal characteristics.

Status and norms:

- High-status members of groups often are given more freedom to deviate from norms than other group members.
- High-status people also are better able to resist conformity pressures.
- The previous findings explain why many star athletes, famous actors, top-performing salespeople, and outstanding academics seem oblivious to appearance or social norms.

Status and Group Interaction

- Interaction is influenced by status
- High-status people tend to be assertive
- Status difference inhibit diversity of ideas & creativity
- Lower-status members tend to be less active

Status Inequity:

- When inequity is perceived, it creates disequilibrium that results in corrective behavior.
- The trappings of formal positions are also important elements in maintaining equity. Employees expect what an individual has and receives to be congruent with his/her status. For example: pay, office space, etc.
- Groups generally agree within themselves on status criteria. Individuals can find themselves in a conflict situation when they move between groups whose status criteria are different or when they join groups whose members have heterogeneous backgrounds

Status and culture:

- Cultural differences affect status. For example, the French are highly status conscious.
- Countries differ on the criteria that create status:
- Status for Latin Americans and Asians tends to be derived from family position and formal roles held in organizations.
- In the United States and Australia, it tends to be bestowed more on accomplishments.

Group Size

The size of a group affects the group's overall behavior, but the effect depends on the dependent variables:

- Smaller groups are faster at completing tasks than are larger ones.
- If the group is engaged in problem solving, large groups consistently do better.
- Large groups—a dozen or more members—are good for gaining diverse input.
- Smaller groups—seven members—are better at doing something productive with that input.

Social loafing is the tendency for individuals to expend less effort when working collectively than when working individually.

Causes of social loafing:

- A belief that others in the group are not carrying their fair share.
- The dispersion of responsibility and the relationship between an individual's input and the group's output is clouded.
- There will be a reduction in efficiency where individuals think that their contribution cannot be measured.

Implications for OB:

- Where managers utilize collective work situations to enhance morale and teamwork, they must also provide means by which individual efforts can be identified.
- It is not consistent with collective societies where individuals are motivated by in-group goals. The Chinese and Israelis actually performed better in a group than when working alone.

Other conclusions about groups:

- Groups with an odd number of members tend to be preferable.
- Groups made up of five or seven members do a pretty good job of exercising the best elements of both small and large groups.

CHECK YOUR PROGRESS 2

State true or false

- a. High-status members of groups often are given more freedom to deviate from norms than other group members.
- b. High-status people also are less able to resist conformity pressures.
- c. When inequity is perceived, it creates disequilibrium that results in corrective behavior.
- d. A belief that others in the group are not carrying their fair share is called social loafing .

Group Cohesiveness

Groups differ in their cohesiveness, –the degree to which members are attracted to each other and are motivated to stay in the group. Cohesiveness is important because it has been found to be related to the group's productivity.

The relationship of cohesiveness and productivity depends on the performance-related norms established by the group:

- If performance-related norms are high, a cohesive group will be more productive.
- If cohesiveness is high and performance norms are low, productivity will be low.

How to encourage group cohesiveness:

- Make the group smaller.
- Encourage agreement with group goals.
- Increase the time members spend together.
- Increase the status of the group and the perceived difficulty of attaining membership in the group.
- Stimulate competition with other groups.
- Give rewards to the group rather than to individual members.
- Physically isolate the group.

Activity A

Differentiate Between Formal groups and informal groups?

8.3 MODELS OF GROUP DEVELOPMENT

Group development focuses on the somewhat unique way groups are formed and the way they may change over time. There are a variety of development theories and some suggest that groups develop through a series of phases culminating in effective performance.

1. Five Stage Model (1965)

The most common of these models is Tuckman's Stage Model (1965). It breaks group development into the following five stages:

- **Stage 1 Forming:** As the group convenes, conflict is usually low to non-existent as everyone tries to determine their individual role and the personalities of fellow team members. This stage is often marked by agreeable neutrality while the group takes form and begins to navigate the unknown.
- **Stage 2 Storming:** Storming occurs after the group overcomes the sense of uncertainty and begins to actively explore roles and boundaries. Chaos, pronounced efforts to influence others, and instances of conflict and/or enthusiasm are common.
- **Stage 3 Norming:** Norming in groups indicate that norms and role ownership are emerging. Generally this means that conflict and chaos is decreasing or has ended.
- **Stage 4 Performing:** Originally noted as the final stage, performing occurs when the team completes their primary task(s).
- **Stage 5 Adjourning:** Tuckman (1977) refined the model to include a fifth stage to address how the group begins to disengage and move on to new tasks potentially beyond the team.

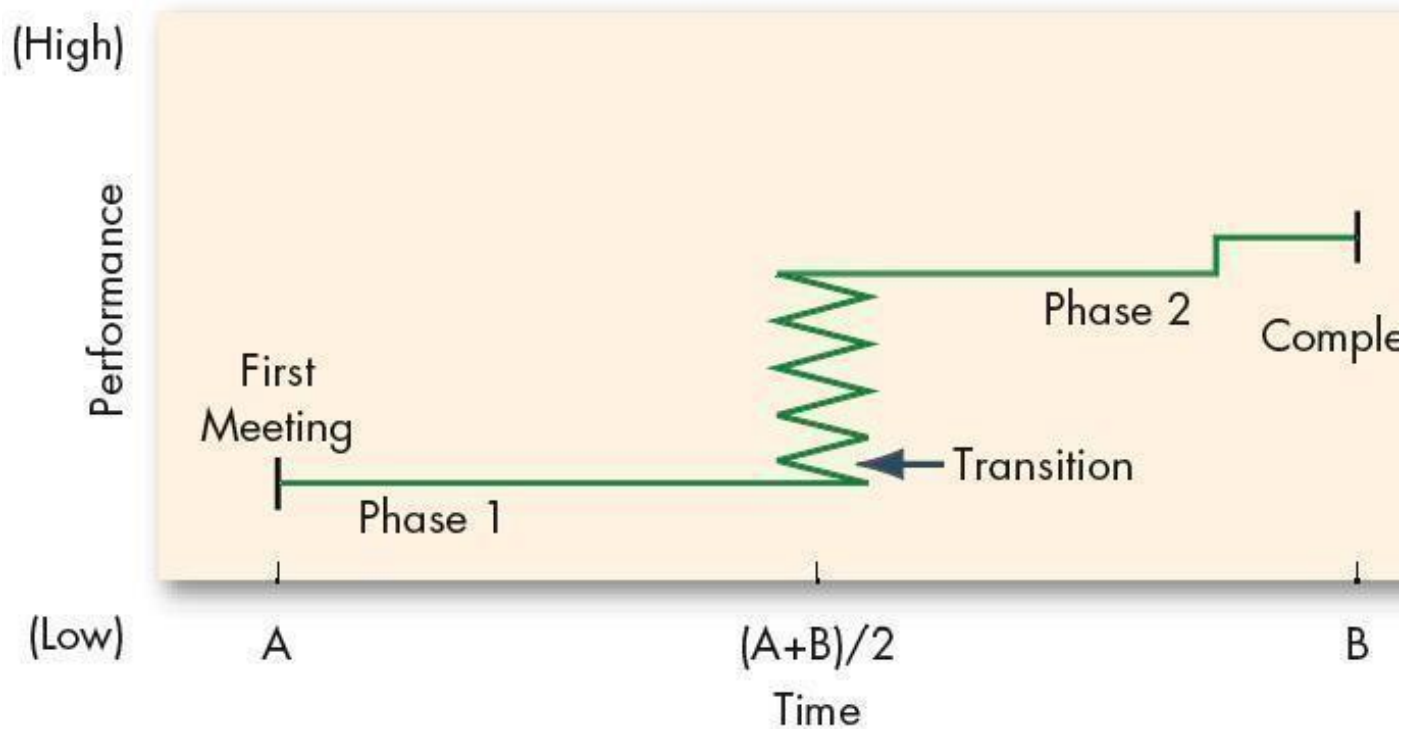
2. An Alternative Model for Temporary Groups with Deadlines: Punctuated equilibrium model.

The **punctuated-equilibrium model** suggests that group progression is somewhat more erratic, in that activity interspersed with periods of inertia and acceleration as the deadline looms closer. This model characterizes groups as exhibiting long periods of inertia interspersed with brief revolutionary changes triggered primarily by their members' awareness of time and deadlines. This

model is limited to temporary task groups who are working under a time-constrained completion deadline. Following are the features of this model:

1. Temporary groups with deadlines do not seem to follow the previous model. Their pattern is called the punctuated-equilibrium model. Studies indicate their own unique sequencing.
2. Phase I—The first meeting sets the group's direction; the first inertia phase. A framework of behavioral patterns and assumptions emerges. These lasting patterns can appear as early as the first few seconds of the group's life can.
3. Then a transition takes place when the group has used up half its allotted time.
 - The group's direction becomes fixed and is unlikely to be reexamined throughout the first half of the group's life.
 - The group tends to stand still or become locked into a fixed course of action.
 - The group is incapable of acting on new insights in Phase 1.
4. The midpoint appears to work like an alarm clock, heightening members' awareness that their time is limited and that they need to -get moving. A transition initiates major changes.
5. This ends Phase 1 and is characterized by a concentrated burst of changes, dropping of old patterns, and adoption of new perspectives. The transition sets a revised direction for Phase 2.
6. Phase 2 is a new equilibrium or period of inertia. In this phase, the group executes plans created during the transition period.
7. The group's last meeting is characterized by markedly accelerated activity.
8. The punctuated-equilibrium model characterizes groups as exhibiting long periods of inertia interspersed with brief revolutionary changes triggered primarily by their members' awareness of time and deadlines. SEE Exhibit 1

Exhibit: the punctuated equilibrium model



8.4 TEAMS

TEAM Is a group of two or more people, who interact and influence each other, but has some characteristics in greater degree than ordinary groups, including a higher commitment common goals and a high degree of interdependency and interaction.

In Nut shell, a team is a group organized to work together to accomplish a set of objectives that cannot be achieved effectively by individuals

Characteristics of Good Team Building

- High level of interdependence among team members
- Team leader has good people skills and is committed to team approach
- Each team member is willing to contribute
- Team develops a relaxed climate for communication
- Team members develop a mutual trust
- Team and individuals are prepared to take risks
- Team is clear about goals and establishes targets
- Team member roles are defined
- Team members know how to examine team and individual errors without personal attacks.
- Team has capacity to create new ideas
- Each team member knows he can influence the team agenda.

LESSONS IN TEAM BUILDING FROM LAGAAN



It is about Bhuvan and his team, who, against all odds, fight for pride, land and country - and win.

- It is how one single person with a passion can make a difference. It is about the triumph of human spirit, the Indian spirit.
- Lagaan is set in the village of Champaner (somewhere in Central India) in the late 19th century. Yet, it does not seem too far removed from us in the 21st century.
- Each of us has someone we know in some Indian village. Many of us still pay a visit to our native place every once in a while. It is about the unchanged reality of India - the wait for the rains every year. It is also about the only sport which matters in India and which each of us has grown up with - cricket.
- Above all, Lagaan is about people. Ordinary, average people, who are going about their lives - like each of us. Who, when the moment demands, do extraordinary deeds. It is about the power of a Team - the

muthi ("closed fist"). As a team, they were fighting for the future of tens of thousands of their countrymen against a heartless enemy (the British). They had few resources, and little knowledge of the game of cricket. What they did not lack was fighting and team spirit, and the will to win. They were not playing a game; they were fighting a war.

- The India of today, too, faces a lot of challenges. If we can learn from Bhuvan and his bunch of motley cricketers, the New India that is being built can be a different place, one which occupies pride of place in the world economy, one which is respected and feared but not ignored, one in which the community and nation come before self, one which Bhuvan's XI would have been proud of.

Think of Problems as Opportunities

When Captain Russel challenges Bhuvan to a cricket match, Bhuvan accepts it because he knows that there is really no option. It is a risk, but without taking risks, there are no rewards. Given the state of his brethren (and with no looming rains), Bhuvan viewed the incrementalism of trying to reduce the "double tax" as a non-option against the possibility of a "10-100x" quality of life improvement offered by a victory in the cricket match.

- ✓ **In our lives too, we face a lot of problems. We need to think of these as opportunities for innovation.**

Dream Big and Define the Goal

Once Bhuvan accepted the challenge, his dream was three years of no tax. It may have seemed unrealistic or even improbable, but then that's what dreams are. Dreaming is about imagining a different future. In the case of Bhuvan, he not only dreamt big but also put in place a strategy to make that a reality. Another name for Dream is Vision.

- ✓ **To make things happen the way we want, we have to envision the future, and paint a picture in front of the others of what we want to achieve.**

Put Community before Self

The important thing about Bhuvan's dream was that it was not for himself, it was for the community. Never in his talk or action did Bhuvan put himself or his self-interest before that of what his village needed. Bhuvan's dream of greater good thus elicited (after some initial resistance) the support of the entire province.

- ✓ **Put organization first... If organization succeeds we succeed**

Be Determined in face of Opposition

This comes across many times in the movie. Right from the start when the entire village opposes Bhuvan's having taken up the challenge to when the rest of his team refuses to play because Bhuvan wants to take on board Kachra, who is an untouchable. On all occasions, Bhuvan knows he is right, and faces up and answers his critics with courage, winning their support in the end. We face this situation many times in our organisations.

- ✓ **Many a time, we give up and accept what we feel is perhaps a lesser decision. It is at times like these that we need to speak up - as long as we know we are fighting for the right issue, and not against an individual.**

Give Examples to Enhance Understanding

Even though Bhuvan didn't know the difference at that time, he simplified the challenge of learning cricket by portraying it as something similar to gilli-danda. By doing this, he made the impossible seem achievable, he made the mountain seem climbable. Analogies have that effect and can be powerful in helping tame the seemingly difficult.

- ✓ **As managers and leaders, we too have the task of motivating the troops to take up challenges in the marketplace. Vision needs to be translated into a series of tasks that the team can understand, thus building a path through the fog.**

Make a Beginning

Bhuvan did not wait to start. He did not see around. He made a bat and a ball, got the kid interested and started. Many times, we brood and end up thinking too much.

- ✓ **The only way one can test out new ideas is by jumping in, by getting started. Only when we close the door behind us will we see the doors in front start opening**

Small Victories are Important at the Start

The first time Bhuvan hits the ball, he does so in public, in full view of the entire village. He makes it seem easy, he makes them want to participate. In the film, watch the faces of the villagers after Bhuvan's first strike.

- ✓ **When starting any project, it is important to have small wins at the start to motivate the team.**

Building the Team

This is at the heart of the film in the first half. Just watching Bhuvan go from one to eleven offers a lot of learning. He understands the pressures and the soft points of people, and uses this knowledge to make them part of his team. Watch and listen to the song which he uses to recruit Goli, the largest land owner in the village, and Ishwar Kaka, Gauri's father. To get Bhura, the murgiwalla, he makes him feel important as a person who can teach something (catching) to the rest of the lot. Watch also how Bhuvan talks to each of his team members. Each one is treated as special, as being different. Building the team is like recruitment. One needs to select the right people and motivate them.

Allocating Roles

Bhuvan also assigns responsibilities to each of his people. Just getting the people on board is not good enough. They have to be told what the goal is.

- ✓ **Just as the hand consists of a thumb and four fingers, a team consists of different individuals. The objective is to make them all work together like a fist, like a team.**

Support the Team Members

Bhuvan backs his people to the hilt, even when they make mistakes. He is willing to give Kachra a second chance (on the second afternoon of the match) despite the skepticism of others. He knows Kachra can be a match-winner - and Kachra proves him right.

- ✓ **It is very important in any team that the captain support his team, backing the right person at the right time for the right job.**

It's about Team Spirit

However good and passionate Bhuvan was, he could not have won the match on his own. Cricket needs eleven players. It is a team game. So is business. Individual brilliance means a lot, but as Bhuvan showed, an average group filled with team spirit and playing with passion can overcome a group of talented, experienced but under-motivated individuals. Members must put the Team before Self. Take the time when Bhuvan is batting with Bhura, and he (Bhuvan) slips while going for a run. Bhura pushes Bhuvan away to the other half of the

pitch, and sacrifices his own wicket because he knows that the captain is the one who can lead the way.

Make the Best of Limited Resources

Watch how Bhuvan makes the bat and ball, and later how the pads are made. Look at the scene where Bhuvan and his team are practicing at night - the entire village is gathered around their team with mashaals to create the light. The villagers of Champaner have limited resources, but they make the best use of them.

- ✓ **One cannot always wait for the perfect tools or for the availability of infinite resources. As entrepreneurs, we must innovate - focus on getting the work done. When one has fewer resources, the brain and body work that much harder and much more imaginatively.**

Activity B

Explain importance of group work in organization effectiveness??

8.5 SUMMARY

Organizations form **groups** that determine how employees behave, which may be very different than how they would behave individually. Command and task groups, both formal, are organizationally determined, whereas friendship and interest groups, both informal, are loosely banded collections of individuals sharing commonalities.

The **five-stage group-development model** suggests that groups form through the process of forming, storming, norming, performing, and adjourning.

The **punctuated-equilibrium model** suggests that group progression is somewhat more erratic, in that activity interspersed with periods of inertia and acceleration as the deadline looms closer.

Group concepts, such as roles, norms, status, size, and cohesiveness shape the behaviour of members and explain and predict a large portion of individual behaviour within the group as well as the performance of the group itself.

A Team is a group organized to work together to accomplish a set of objectives that cannot be achieved effectively by individuals. Lessons have been drawn from the film lagaan on team building..

8.6 ANSWER KEY TO CHECK YOUR PROGRESS

1. Answers : 1;Formal groups,2; Informal group, 3;An interest group, 4;Friendship groups
2. Answers : a true, b false, c true, d true)

8.7 GLOSSARY

Groups: Organizations form groups that determine how employees behave, which may be very different than how they would behave individually. Command and task groups, both formal, are organizationally determined, whereas friendship and interest groups, both informal, are loosely banded collections of individuals sharing commonalities.

Formal groups—those defined by the organization's structure, with designated work assignments establishing tasks,

Informal groups—alliances that are neither formally structured nor organizationally determined

A Team is a group organized to work together to accomplish a set of objectives that cannot be achieved effectively by individuals.

Status is a socially defined position or rank given to groups or group members by others. Higher status individuals are given more latitude in the range of acceptable behaviours.

Norms are acceptable standards of behaviour that are shared by the group's members.

The **punctuated-equilibrium model** suggests that group progression is somewhat more erratic, in that activity interspersed with periods of inertia and acceleration as the deadline looms closer. This model characterizes groups as exhibiting long periods of inertia interspersed with brief revolutionary changes triggered primarily by their members' awareness of time and deadlines. This model is limited to temporary task groups who are working under a time-constrained completion deadline.

The **five-stage group-development model** suggests that groups form through the process of forming, storming, norming, performing, and adjourning. In the forming stage, there is a great deal of uncertainty about the group's purpose, structure, and leadership. In the second stage (storming), there is considerable intragroup conflict. In the norming stage, close relationships develop and the group demonstrates cohesiveness. The model assumes that groups become more effective as they progress through the first four stages. Stage four (performing) is the stage where group performance is the highest. For permanent work groups, performing is the last stage in development. However, for temporary committees, teams, and task forces, there is an adjourning stage.

Social loafing is the tendency for individuals to expend less effort when working collectively than when working individually

8.8 SELF ASSESSMENT QUESTIONS

1. What are the different Types of Groups. Explain with their relevance to the organization.
2. Delineate the Properties of Groups; Norms, Roles, Status, Social Loafing, Group Cohesiveness in detail
3. What do you understand by Intergroup Dynamics And Behavior
4. Discuss the Models Of Group Development, Identifying The Five Stages Of Group Development and the punctuated-equilibrium model.
5. What is Intergroup Conflict . What are its Consequences and how can it be managed. Explain.
6. What can be done to Improve The Quality Of Intergroup Relations
7. What is Teams .Differentiate Between Groups And Teams.
8. Demonstrate how norms and status exert influence on an individual's behavior.
9. Evaluate evidence for cultural differences in group status and social loafing as well as the effects of diversity in groups.

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LESSON NO. 9: GROUP DECISION MAKING – CONCEPT AND PROCESS

STRUCTURE OUTLINE

- 9.1 Learning Objectives
- 9.2 Introduction
- 9.3 Types of Decisions
- 9.4 The decision making process
- 9.5 Group Decision Making
- 9.6 Techniques of Group Decision Making
- 9.7 Let us Sum Up
- 9.8 Answer key to check your progress
- 9.9 Glossary
- 9.10 Self Assessment Questions
- 9.11 References
- 9.12 Suggested readings

9.1 LEARNING OBJECTIVES

After going through the lesson you should be able to :

- Understand the nature and steps of decision-making process
- Compare and contrast programmed and non-programmed decision, strategic and tactical decisions

9.2 INTRODUCTION

The word decision has been derived from the Latin word 'decider' which means a cutting away or a cutting off, or in a practical sense. Thus, a decision involves a cut of alternatives between those that are desirable and those that are not desirable. The decision is a kind of a desirable alternative Lopez has defined a decision as :

"A decision represents a judgment; a final resolution of a conflict of needs, means and goals; and a commitment to action made in face of uncertainty, complexity and even irrationality."

9.3 TYPES OF DECISIONS

Decision making is involved in every walk of life. It is relevant in organisational as well as non - organizational context. In organizational context decisions may vary from the major ones like determination of organizational objectives or deciding about major projects to specific decisions about day-to-day operations. Therefore, there are different types of decision which are made by managers in organizations and for each type of decision, decision making variables and conditions differ.

1. Programmed and Non-Programmed Decisions

I. Programmed Decisions: Programmed decisions are routine and repetitive and are made within the framework of organizational policies and rules. These policies and rules are established well in advance to solve, recurring problems in the organization for example the problem relating to promotion of employees is solved by promoting those employees who meet promotion criteria.

II. Non - programmed Decisions: Non-programmed decisions are relevant for solving unique/unusual problems in which various alternatives cannot be decided in advance. (For such decisions, the situation is not well structured and the outcomes of various alternatives cannot be arranged in advices). For example, if an organization wants to take action for growth it may have several alternative routes like going for a grass - route project or taking over an existing company. In each situation, the managers have to evaluate the likely outcomes of each alternative to arrive at a decision.

2. Strategic and Tactical Decisions

I. Strategic Decision: Strategic decision concept is based on strategy which is a major action plan in an organization. Therefore, strategic decision can be defined as :

Strategic decision is a major choice of actions concerning allocation of resources and contribution to the achievement of organizational objectives.

II. Tactical Decision : Tactical or operational decision is derived out of strategic decision. It relates to day-to-day working of the organization and is made in the context of well - set policies and procedures.

9.4 THE DECISION MAKING PROCESS

Decision making is a process to arrive at a decision. Shull have defined decision making as :

"Decision making is a conscious human involving both individual and social phenomenon based upon factual and values premises which concludes a with a choice of one behavioral activity from among one or more alternatives with the intention of moving some desired state of affairs."

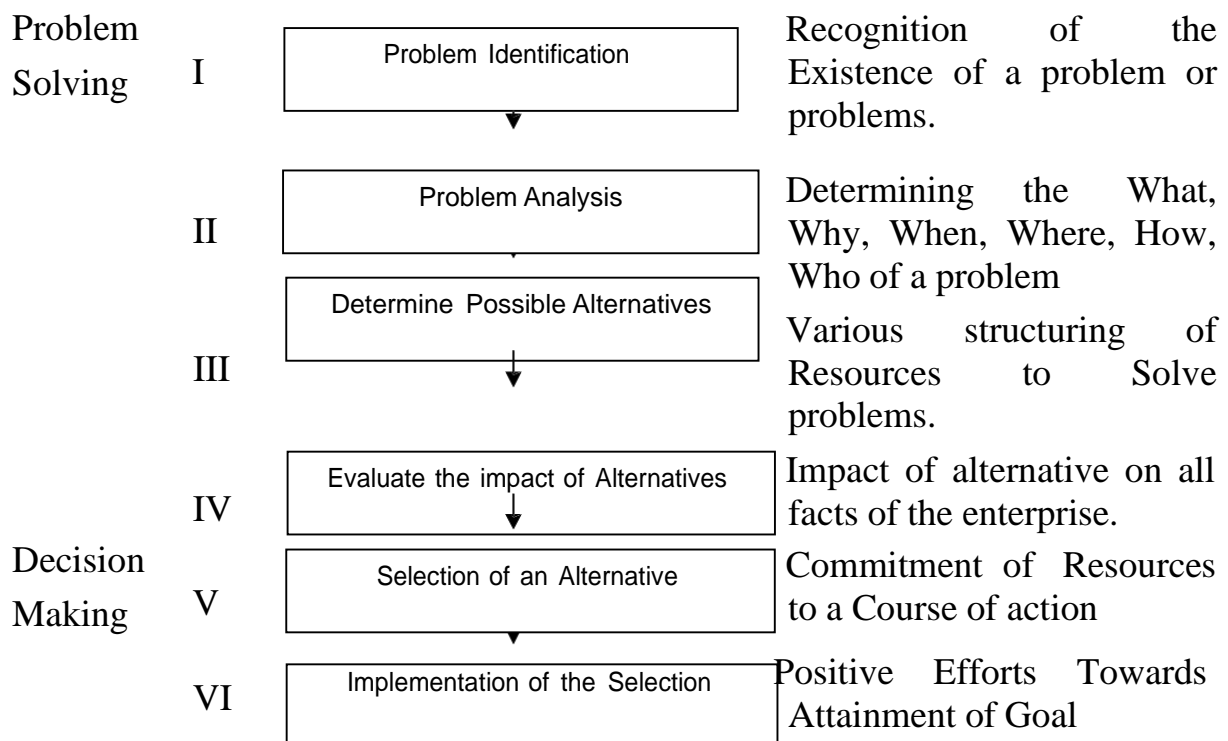
Decision making thus is an act of projecting one's own mind upon an opinion or a course of action. In decision making three aspects of human behaviors are involved.

1. **Cognition** - activities of mind associated with knowledge.
2. **Conation** - The action of the mind implied by such words as willing, desire, and aversion;
3. **Affection** - The aspect of mind associated with emotion, feeling, mood, and temperament.

Steps in Decision-making Process

No human being is perfect. Any decision taken by an organisation cannot please everybody. The decision can also not be taken on the basis of emotion or bunch. In fact, it is to be passed on logic. Further one cannot take decision just by studying the literature on it, rather it requires practical experience. Moreover, the decision taken today cannot remain in force for ever. All this implies that the top-level and middle level executives can take decision only if they engage in the following five steps :

- (i) Problem Identification
- (ii) Problem Analysis.
- (iii) Determination of Possible Alternatives.
- (iv) Evaluate the Impact of Alternatives
- (v) Selection of an Alternatives
- (vi) Implementation of the selected alternative.



I. Problem Identification

Diagnosing or identifying the problem is an essential for rational decision-making. The ability of the executive to identify problems can be compared to that of a medical Doctor diagnosing human problems. The physician, however has the advantage of being able to examine the patient in the laboratory. The executive in an administrative organization has not such facilities available to him. Therefore, it is necessary that the problem is recognized and identified and not simply the symptoms. In this step, the decision maker must separate the relevant from the irrelevant; the material from the immaterial; the important from the unimportant. In this step clear thinking and open mindedness should prevail. The decision maker must be able to state his problem in the simplest terms. Once the real problem has been identified and thus stated the decision maker enhances of solving it to a large extent.

II. Problem Analysis

Problem analysis is the next step in successful problem-solving. If the problem is complete it is better to break a problem down into its parts for easier diagnosis and solution. Henderson and Suojanen have suggested four steps to help problem analysis:

1. Classify the problem-separate symptoms from problems; describe the cause, type) and nature of the problem. If it is too large, subdivide.
2. Search for and gather data-combine additional information with what is already known , and determine relationships.
3. Analyze data-Determine if the data is useful in isolating and describing the problem.
4. Evaluate data-Relate data to symptoms and causes for initial development of solutions.

III. Determine possible Alternatives

This is a difficult step in decision-making. The decision maker should keep an open mind to all possible or logical solutions to the problem and not only those which tends to shore, up his preconceived or per solution. The emphasis should be to minimize the impacts of previous solutions to the problem. There is nothing wrong to take into consideration the previous solutions but the thing to be avoided, however, is, depending on these previous solutions as the only source of ideas. In trying to generate new alternative, it is useful to list all and even the most remote alternatives one can think of a piece of paper. Alternative solutions are, in fact our tools to mobilize and train the imagination.

IV. Evaluate the Impact of Alternatives

The decision maker now takes into account each alternative solution to the problem and weight it in terms of the parameters within which the decision must be made. In fact, the manager is here forecasting the impact of certain alternative if it is implemented. If the decision is of national importance, then the views of public, advisory committees, pressure groups and interest groups are also obtained. In brief, we can list four steps, for determining possible alternatives and examining their impact.

1. Identify resources, best everything available to assist in solving the problem.
2. Develop alternative solutions. Develop various combinations of resources leading to problem solutions.
3. Test each alternative to Analyze for its:
 - Suitability - Will it solve the problem completely or partially permanently or temporarily? .
 - Feasibility - Will it work? How much will it cost? Can we afford it?
 - Acceptability - Is it acceptable to those involved and responsible?
4. List benefit cost and risks associated the each alternative. Is each alternative an improvement? Can benefits and costs of action be weighted? What are the odds of success of each alternative.

V. Selection of an Alternative

This is the final stage of the decision making. All the alternatives except the one chosen are cut on. There are four important criteria for picking the best solution.

1. Measurement of the risk and gains: The executive has to weigh the risk of each course of action against the expected gains. He is to find but the ratio between the expected gains and the anticipated risk. The alternative in which this ratio is high may be selected as decision.

2. Economy of Efforts: The course of action may be adopted which would give the greater results with the least effort.

3. Timing: Decisions concerning timing are very difficult to systematize. They elude analysis and depend on perception. In a predominately agricultural country decisions have to be timely; Otherwise the agricultural season may be lost.

4. Availability of resources: The most important resources are the human beings who will carry out the decision. No decision can be better than the people who have to carry it out.

Therefore, there is a need to find talented people either inside or outside the organization who have the capacity to implement the decision.

The selection of the alternative should be based upon the information collected and the judgement and intuition of the executive. During this step, it is desirable to consider whether the selected alternative will meet the approval of other who will be involved in the process. Once the selection of an alternative is made then the executive implements the decision.

Check your progress 1

State true or false;

1. Programmed decisions are not of routine and repetitive nature and can be made outside the framework of organizational policies and rules .
2. Strategic decision concept is based on strategy which is a major action plan in an organization.
3. Tactical or operational decision is derived out of strategic decisions only.
4. Non-programmed decisions are relevant for solving unique/unusual problems in which various alternatives can be decided in advance.

9.5 GROUP DECISION MAKING

Managers like to believe that they are accomplished in such group activities like group decision making, goal setting and problem solving. However-their ability to implement such techniques is often hindered by their lack of understanding of the dynamics of group-decision making processes. As a result, these managers often end up perpetuating problems that they themselves create through their insensitivity to the needs of other group members. Hence, instead of achieving consensus, such managers take decision/by the use of their authority. Sometimes, they lead the group towards decision making by minority rule or by majority rule. The better way to achieve consensus would be for them to track how decisions are made and ensure that they are achieved by consultations with group members. The various methods of group decision making are given below:

1. **Decision by Lack of Responses** : The most common group decision-making method is the decision by lack of response. In this method, someone suggest an idea and before anyone else has said anything about it, without any deliberations it is rejected. In other words, all ideas that have been simply bypassed have in a sense been rejected by the group. The idea thus been rejected because the 'rejections' is a simply a common decision not to support the idea. This method is also called the 'plop' method because the suggestion of the proposer has been 'plopped'.

2. **Decision by Authority Rule:** Many groups have a power structure that makes it clear that the leader (chairman or someone in authority) will make the ultimate decision. In this case the group can generate ideas and hold free discussion, but the chairman or the leader may say that he has heard the discussion and has decided upon a given plan. The authority rule method produces a bare minimum of involvement by the group and unless the leader is very proficient he will not be able to take good decisions.

3. **Decision by Minority Rule:** A single person can enforce a decision, particularly if he is the chairman and does not give in to the opposition. A common form of minority rule is for two or more members to come to a quick and powerful agreement on a course of action and implement it through the chairman or other powerful members of the group. Usually in the decision by minority rule, one, two or three people employ the tactics that produce action and therefore must be considered decisions but which are taken without the consent of the majority.

4. **Decision by Majority Rule:** Under this system, it is felt that if the majority of participants feels the same way, it is often assumed that, that decision is the best. On the surface, this method seems completely sound but often it turns out that decisions made by this method are not well implemented, even by the group that made the decision. This is so because of two kinds of psychological barriers:

- The minority feels that there was an insufficient discussion or that their point of view were not properly understood and they may therefore feel misunderstood and sometimes resentful.
- The minority members feel that voting (done to understand majority preference) has resulted in two camps and that their camp has lost.

As there are time constraints in coming to a group decision and because there is not perfect system, a decision by consensus is one of the most effective methods. This method is time consuming. Recognising the several types of group decision-making is only part of the process. Managers must be specific in their approach to the one that is best in their own situation.

Strengths of group decision-making:

- Groups generate more complete information and knowledge.
- They offer increased diversity of views.
- This opens up the opportunity for more approaches and alternatives to be considered.
- The evidence indicates that a group will almost always outperform even the best individual.
- Groups lead to increased acceptance of a solution.

Weaknesses of group decision-making:

- They are time consuming.
- There is a conformity pressure in groups.
- Group discussion can be dominated by one or a few members.
- Group decisions suffer from ambiguous responsibility.

Effectiveness and efficiency:

- Whether groups are more effective than individuals depends on the criteria you use.
- In terms of accuracy, group decisions will tend to be more accurate.
- On the average, groups make better-quality decisions than individuals.
- If decision effectiveness is defined in terms of speed, individuals are superior.
- If creativity is important, groups tend to be more effective than individuals.
- If effectiveness means the degree of acceptance the final solution achieves, groups are better.

In terms of efficiency, groups almost always stack up as a poor second to the individual decision maker. The exceptions tend to be those instances where, to achieve comparable quantities of diverse input, the single decision maker must spend a great deal of time reviewing files and talking to people.

Activity A

Contrast the strength and weakness of group decision making comparing with individual decision making

9.6 TECHNIQUES OF GROUP DECISION MAKING

In large and complex organizations most of the basic and strategic decisions are made by group of managers rather than individuals. It seems safe to say that in many instances group decision making is preferable than individual decision making.

Decisions relating to the determination of organization goals, formulation of plans, strategies and policies fall under this category. Group decision making has become more prevalent during the past few decades. Organizational problems have become so complex which require a variety of specialized abilities that no individuals or one person can handle effectively.

Over the decades, the social scientists have studied the ways in which group decision making may be made really effective.

Following are some recent techniques for improving decision making .

1. **BRAINSTORMING:**
2. **NOMINAL GROUP TECHNIQUE (NGT)**
3. **DELPHI TECHNIQUE**

1.BRAINSTORMING:

Brainstorming is a group decision making process in which negative feedback on any suggested alternative by any group member is forbidden until all members have presented alternatives that they perceive as valuable.

Brainstorming is carefully designed to encourage all group members to contribute as many viable decision alternatives as they can think of.

Its premise is that if the evaluation of alternatives starts before all possible alternatives have been offered, valuable alternatives may be overlooked.

During brainstorming, group members are encouraged to state their ideas, no matter how wild they may seem, while an appointed group member records all ideas for discussion.

2.NOMINAL GROUP TECHNIQUE (NGT) :

A manager who must take a decision about an important issue sometimes needs to know what alternatives are available and how people would react to them.

Nominal Group Technique (NGT) is a structured group meeting, as it restricts verbal communication among the members during the decision making process. In this problem is presented to them, and they write their reactions, ideas, suggestions, and send views on a sheet of paper without any discussion with other members.

It is meant to resolve differences in group opinion by having individuals generate and the rank series of ideas.

Process :

- Step -1
 - Silent generation of ideas
 - The leads presents questions to the group
 - Individual responses in written format
 - Group work not allowed
- Step – 2
 - Recorded round-listing of ideas
 - Each member presents an idea in turn
 - All ideas are listed on a flip chart
 - No discussion takes place until; all the ideas have been recorded.
- Step -3
 - Brief discussions of ideas on the chart
 - Clarifies the ideas → common understanding of the problem
 - Evaluates the points
- Step – 4
 - Preliminary vote on priorities
 - Each member ranks 5 to 7 most important ideas from the flip chart and records them on separate cards.
 - The leader counts the votes on the cards and writes them on the chart.
- Step -5
 - Discussion of the vote
- Step – 6
 - Examination of inconsistent voting patterns.
 - Listing of agreement on the priorities items.

- Final decision is determined by the idea with the highest aggregate ranking.

NGT is widely used in health, service, education and government organization. It helps in encouraging creativity, continued exploration of the issues.

3. DELPHI TECHNIQUE:

This technique was first developed by N.C. Dalkey and his associates in 1950 at the Rand Corporation's Think Tank. In this technique members do not meet face to face for group decision. All the decision are arrived through written communication.

It is a systematic means to obtain consensus from a group or panel of experts.

Steps :

1. The problem is defined by the delphi leaders or leaders.
2. A sample of experts is selected.
3. Questionnaires are developed and sent out to participants.
4. Responses are compiled and summarised into a questionnaire.
5. Each member receives a copy of results.
6. Participants are asked to reevaluate the responses.
7. The new responses are compiled and new questions may be prepared.
8. Cycle stops only when consensus is reached.
9. And ultimately a solution is developed.

This technique helps to evoke each participant's unbiased opinion by preventing the influences of group dynamics.

Brainstorming offers the advantage of encouraging the expression of as many useful ideas as possible, but the disadvantage of wasting the group's time on ideas that are wildly impractical.

The nominal group technique, with its secret ballot, offers a structure in which individuals can support or reject an idea without fear of recrimination. Its disadvantage is that there is no way of knowing why individuals voted the way they did.

The advantage of the Delphi Technique is that ideas can be gathered from group members who are too geographically separated or busy to meet face to face. Its disadvantage is that members are unable to ask questions of one another.

Managers must carefully weigh the advantages and disadvantages of these 3 group decision making tools and adopt the one or some combination of the three - that best suits their unique organizational circumstances.

GROUPTHINK AND GROUP SHIFT

Groupthink and group shift are two by-products of group decision-making.

Groupthink:

It describes situations in which group pressures for conformity deter the group from critically appraising unusual, minority, or unpopular views.

Groupthink is a disease that attacks many groups and can dramatically hinder performance.

Group shift

It indicates that, in discussing a given set of alternatives and arriving at a solution, group members tend to exaggerate the initial positions that they held. In some situations, caution dominates, and there is a conservative shift.

The evidence indicates that groups tend toward a risky shift. Let us look at each of these phenomena in more detail.

Groupthink

The phenomenon that occurs when group members become so enamored of seeking concurrence is that the norm for consensus overrides the realistic appraisal of alternative courses of action and the full expression of deviant, minority, or unpopular views.

It is deterioration in an individual's mental efficiency, reality testing, and moral judgment as a result of group pressures.

Symptoms of Groupthink include:

- Group members rationalize any resistance to the assumptions they have made.
- Members apply direct pressures on those who momentarily express doubts.
- Those members who hold differing points of view seek to avoid deviating from group consensus by keeping silent.
- There appears to be an illusion of unanimity.

Groupthink appears to be closely aligned with the conclusions Asch drew from his experiments on the lone dissenter. The results were those individuals who hold a position different from the majority are put under pressure to suppress or change their true beliefs.

Groupthink does not attack all groups. It occurs most often where there is a clear group identity, where members hold a positive image of their group which they want to protect, and where the group perceives a collective threat to this positive image.

How to minimize groupthink:

- Encourage group leaders to play an impartial role.
- Appoint one group member to play the role of devil's advocate.
- Utilize exercises that stimulate active discussion of diverse alternatives without threatening the group and intensifying identity protection.

Group shift

1. In some cases, the group decisions are more conservative than the individual decisions. More often, however, the shift is toward greater risk.
2. What appears to happen in groups is that the discussion leads to a significant shift in the positions of members toward a more extreme position in the direction in which they were already leaning before the discussion. Conservatives become more cautious, and the more aggressive take on more risk.
3. The group shift can be viewed as actually a special case of groupthink. The decision of the group reflects the dominant decision-making norm that develops during the group's discussion.
4. The greater occurrence of the shift toward risk has generated several explanations:
 - Discussion creates familiarization among the members. As they become more comfortable with each other, they also become more bold and daring.
 - Most first-world societies value risk. We admire individuals who are willing to take risks. Group discussion motivates members to show that they are at least as willing as their peers to take risks.
 - The most plausible explanation of the shift toward risk, however, seems to be

that the group diffuses responsibility.

- Group decisions free any single member from accountability for the group's final choice.

5. Implications of Groupshift:

- Recognize that group decisions exaggerate the initial position of the individual members.
- The shift has been shown more often to be toward greater risk.

Activity B

How groupthink is different from groupshift?

9.7 LET US SUM UP

We define -Group as more than two employees who have an ongoing relationship in which they interact and influence one another's behavior and performance. The behavior of individuals in groups is something more than the sum total of each acting in his or her own way. When individuals are in group, they act differently than they do when they are alone. Formal and informal groups are formed in organizations for different reasons. The way in which a particular group develops depends in part on such variables as the frequency with which group members interact and personal characteristics of group members. It is therefore important for us to understand in an orderly

manner how groups help managers change human behavior in different organization situations.

Decision making is a process to arrive at a decision, it represents a judgment. Over the decades, the social scientists have studied the ways in which group decision making may be made really effective

Group decision making is characterized by both strengths and weaknesses. Groups generate more complete information and knowledge, offer increased diversity of views, and increased acceptance of a solution. The down sides include increased time to make decisions, conformity pressures, domination by one or a few members, and ambiguous responsibility.

The **effectiveness** of groups is based on the criteria used to define effectiveness. In terms of accuracy, group decisions are generally more accurate than the decisions of the average individual in a group, but less accurate than the judgments of the most accurate group member. In terms of speed, individual decisions are preferable. If creativity or acceptance of the decision is important, groups tend to be more effective than individuals.

Groupthink occurs when members rationalize any resistance and apply direct pressures on those who momentarily express doubts. In addition, members who have doubts suppress their dissent and there is an illusion of unanimity. It is more likely to occur when there is a clear group identity, when members hold a positive image of their group they want to protect, and when the group perceives a collective threat to this positive image.

Groupshift refers to a group decision making phenomena. Group decisions tend to exaggerate the initial position of the individual member and that shift is more often towards greater risk. Whether or not the group will shift toward greater risk tends to be a function of the members' pre-discussion inclinations.

While the most common form of group decision making occurs in interacting groups, there are a number of other techniques.

Group decision making techniques include brainstorming, nominal groups, and electronic meetings. They are an attempt to overcome pressures for conformity with face-to-face interacting groups. Brainstorming utilizes an idea-generating process that encourages any and all alternatives, while withholding any criticism of those alternatives. The nominal group technique restricts discussion or interpersonal communication until all ideas have been presented. Ideas are silently and independently ranked. The idea with the highest aggregate ranking determines the final decision. A more recent type of group decision

making technique is electronic decision making, where up to 50 people sit around a horseshoe shoe table and contribute via computer input.

9.8 ANSWER KEY TO CHECK YOUR PROGRESS

1. (1 false ,2 true ,3 true,4 false)

9.9 GLOSSARY

Group shift refers to a group decision making phenomena. Group decisions tend to exaggerate the initial position of the individual member and that shift is more often towards greater risk.

Groupthink occurs when members rationalize any resistance and apply direct pressures on those who momentarily express doubts. In addition, members who have doubts suppress their dissent and there is an illusion of unanimity.

Programmed Decisions: Programmed decisions are routine and repetitive and are made within the framework of organizational policies and rules.

Non - programmed Decisions: Non-programmed decisions are relevant for solving unique/unusual problems in which various alternatives cannot be decided in advance.

Strategic Decision: Strategic decision is a major choice of actions concerning allocation of resources and contribution to the achievement of organizational objectives.

Tactical Decision : Tactical or operational decision is derived out of strategic decision. It relates to day-to-day working of the organization and is made in the context of well - set policies and procedures.

Brainstorming :Brainstorming is a group decision making process in which negative feedback on any suggested alternative by any group member is forbidden until all members have presented alternatives that they perceive as valuable.

Delphi Technique: This technique was first developed by N.C. Dalkey and his associates in 1950 at the Rand Corporation's Think Tank. In this technique members do not meet face to face for group decision. All the decision are arrived through written communication. It is a systematic means to obtain consensus from a group or panel of experts

Nominal Group Technique (Ngt) : Nominal Group Technique (NGT) is a structured group meeting, as it restricts verbal communication among the members during the decision making process. In this problem is presented to them, and they write their reactions, ideas, suggestions, and send views on a sheet of paper without any discussion with other members. It is meant to resolve

differences in group opinion by having individuals generate and the rank series of ideas.

9.10 SELF ASSESSMENT QUESTIONS

1. Define Decision Making. Explain the different types of decisions.
2. Outline the difference between programmed and non programmed decisions. What type of decisions have you made so far in whatever work setting you are working. Discuss which one was better and why?
3. Delineate the essentials for effective decision making which you think are the most important for the successful outcome of a decision making process.
4. Which of the above mentioned approaches to decision making do you feel is the most realistic and feasible one. Give your viewpoint.
5. Compare and contrast programmed and non-programmed decision, strategic and tactical decisions
6. Explain the differences between the Individual decision making and group decision making
7. List out the steps in a rational decision making process.
8. Explain the rational modes of decisions making.

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LESSON 10: POWER AND POLITICS IN ORGANIZATIONS

STRUCTURE OUTLINE

- 10.0 Learning objectives
- 10.1 Introduction
- 10.2 Distinguish between Power and Authority
- 10.3 Sources of Power
 - 10.3.1 Interpersonal Sources of Power
 - 10.3.2 Structural Sources of Power
 - 10.3.3 Mint zberg's Sources of Power
- 10.4 Consequences of using Power.
- 10.5 Power Tactics
- 10.6 Politics
- 10.7 Summary
- 10.8 Answer key to check your progress
- 10.9 Glossary
- 10.10 Self assessment questions
- 10.11 References
- 10.12 Suggested readings

10.0 Learning objectives

After going through the lesson, you should be able to;

- Distinguish between Power and Authority
- Understand the various sources/ Bases of Power in the organization
- Deliberate upon the Consequences of using Power.
- Examine what are Power Tactics and Politics and how they are used in organizations.

10.1 Introduction

Power refers to the potential or actual ability to influence others in a desired direction. As an exchange relationship, power occurs in transactions between an agent and a target. The agent is the person using the power, and the target is the recipient of the attempt to use power. Different individuals and groups within and outside the organization can exert power. Individual employees, including top and middle management, technical analysts and specialists, support staff, and other non-managerial workers can influence the actions an organization takes to reach its goals. Formal groups of employees, such as various departments, work teams, management councils, task forces, or employee unions, as well as informal groups, such as those workers with offices near each other or those who see each other socially, can similarly exercise power. Non-

employees may also try to influence the behavior of an organization and its members. Owners, suppliers clients, competitors, employee unions, the general public and directors of the organization may extent power that affects the organization. Thus, we may define power as the ability of a person (or group A) to induce another person (or group B) to behave in a way that the former desires.

10.2 Distinguish Between Power and Authority

Authority is power, but power is not necessarily authority.

- Power is the ability to get others to do what you want.
- Authority is legitimate power.
- Authority is not authoritarianism.
- Authority is not coercion.

Authority has three properties:

- Willing compliance to directives
- Suspension of own decision-making criteria
- Legitimacy--power is legitimated by the norms of the group

Weber's Types of Authority

- Charismatic Authority:
Power is legitimated by extraordinary personality.
- Traditional Authority:
Power is legitimated by tradition.
- Legal or Bureaucratic Authority:
Power is legitimated by system of laws (rules).

Blau and Scott Types of Authority

- Formal Authority
Power is legitimated by the formal organization.
- Informal Authority
Power is legitimated by the informal organization.
- Functional Authority
Power is legitimated by competent authority.

Authority is the legal right to say "yes" and "no." Managers usually have authority. They can give approval (or not) for new projects, spending limits, etc. Managers can authorize things like million dollar marketing plans.

Check your progress 1

State true or false

1. Authority is power, but power is not necessarily authority.
2. Power is not legitimated by the norms of the group.
3. Authority is not authoritarianism.

Power is the ability to give and withhold cooperation. Employees usually have more power than authority. They can cooperate and do what management has told them to do, do nothing, or do something entirely different. Unhappy employees can slow production, delay delivery, and provide poor customer service all or which can pretty much ruin that million dollar marketing plan.

A person who has authority is described at times as having the power to secure compliance with commands and the power to do things. Although authority and power are closely related concepts, varying degrees of power are acquired in different ways by persons in an industrial organisation. Some exercise power by grasping opportunities for action without having the appropriate authority. The exercise of power is also inherent when authority is used for controlling or directing the operation. Certain persons acquire power by reason of their greater knowledge and access to important information which they can transmit or withhold. Thus, in a business organisation whilst authority is a central element of the formal organisation, power reflects the political realities within the organisation.

All authority is subject to sharp restrictions. It is recognized by many experienced managers that authority is more effective if considered as potential power and not as an essential ingredient of performing the managerial job. To be most effective, it is generally necessary to use authority sparingly and selectively. Actually the course of the real power of the vested authority is the hidden and implied threat of its use with a view to producing the desired behaviour. Hence, in the long-run the application of enlightened leadership ability and genuine managerial skills will produce superior results, as the threats of the use of authority are subject to several limitations. In many cases the continuous use of and reliance upon authority have not succeeded in achieving organisational effectiveness. Such excessive use failed, to generate initiative, enthusiasm and desire in the subordinates to achieve the desired results.

Check your progress 2

State the type of authority.

- a. Power is legitimated by extraordinary personality.
- b. Power is legitimated by tradition.
- c. Power is legitimated by system of laws (rules).

10.3 Sources of Power in Organizations

There is much more to managing than simply taking charge. Even if employees settled for being ordered around, attaining a competitive advantage depends on manager's skills at bringing out the best in their employees. This enlightened view of management implies that power comes not only from having a job that gives you the right to issue orders, but from other sources as well. Managers therefore need to recognize multi bases or sources of power.

These sources may be interpersonal or structural.

10.3.1 Interpersonal sources of power

John French and Bertram Raven identified five types of interpersonal power that managers use. They are reward, coercive, legitimate, referent and expert power.

These sources of power are called interpersonal because they involve the relationship between the person who holds power and those who are influenced by him or her.

(a) Reward Power: When the source of power is a person's control over rewarding outcomes, the power is called reward power. For example, managers control the rewards of salary increases, bonuses and promotions. Reward power can lead to better performance, but only as long as the employee sees a clear and strong link between performance and rewards. To use reward power effectively, then, the manager should be explicit about the behaviour being rewarded and should make the connection between the behaviour and the reward clear. Non management employees also may have reward power. For example, one employee might offer another praise and approval, an invitation to a desirable social function, or an interesting task in a group project.

(b) Coercive Power: A manager who exerts power by evoking fear has coercive power. To coerce someone into doing something means to force the person to do it, often with threats of punishment. Managers using coercive power may verbally abuse employees or withhold support from them. Coercion can create stress and anxiety for employees. In extreme cases, it can even lead to increased absenteeism and turnover and may encourage sabotage at the workplace.

Employees at all levels may exert coercive power through such tactics as ridicule or exclusion of a co-worker. Sexual harassment can be an unethical and illegal use of coercive power. Coercive power influences others by inducing compliance. Coercion merely prevents undesirable behaviour rather than stimulating desirable behavior.

(c) Legitimate Power : Legitimate power which is similar to authority, it power that is based on position and mutual agreement. The agent and target agree that the agent has the right to influence the target. For

legitimate power to be effective, the employees must believe the manager has the right to tell them what to do. Legitimate power stems from a person's occupation of a particular position in the organization. It is based on the presumption that the organization's structure gives people in some, positions the right to influence other people. Legitimate power - especially when wielded by someone higher up the organization's hierarchy'- is authority.

Responses to Legitimate Power: The basic response to legitimate power is internalization. This means we comply because a degree of intrinsic satisfaction results from complying with the orders of a person in authority. The satisfaction is independent of whether that person doles out reward or punishments.

Limitations of Legitimate Power: Because legitimate power arises from a person's position in the urbanization, it is effective only for influencing behaviour that employees' belief falls within the authority of that position. When an employee's request or directive falls outside this "zone of acceptance", other (Subordinate or peer level) employees will question it and may reject it.

(d) Referent Power: Some people influence others through the force of their attractiveness, the mysterious personal magnetism we call 'charisma'. This influence is called referent power. The agent has referent power over the target because the target identifies with - or wants to be like - the agent. Charismatic individuals are often thought to have referent power. An advantage of holding referent power is that it can lead people to do things that may not result in a tangible reward; the reward comes instead from the relationship with the charismatic person. However, asking for more than people who are willing to do can reduce a person's referent power.

(e) Expert Power: Power that arises from a person's expertise, knowledge or talent is called expert power. People with expert power are influential because others believe they can benefit from the information experts can provide. For expert power to work, three conditions must be in place.

First, the target must trust that the information given is accurate.

Second, the information involved must be relevant and useful to the target.

Third, the target's perception the agent as an expert is crucial.

The various situations and strategies for using Interpersonal Power are given in table 1

Table 1 : Building and using each type of Interpersonal Power

How to increase and Maintain power	How to Use Power Effectively
Reward Power Discover what people need and want Gain more control over reward Ensure people know you control rewards	Offer desirable rewards Offer fair and ethical rewards Explain criteria for giving rewards Provide rewards as promised Use rewards symbolically to

<p>Don't promise more than you can deliver</p> <p>Don't use rewards in a manipulate way.</p> <p>Avoid complex, mechanical incentives.</p> <p>Don't use rewards, for personal benefit</p>	<p>reinforce desirable behaviour</p>
<p>Coercive power</p> <p>Identify credible penalties to deter unacceptable behaviour.</p> <p>Gain authority to use punishments.</p> <p>Don't make rash threats.</p> <p>Don't use coercion in a manipulative way</p> <p>Use only punishments that are legitimate</p> <p>Fit punishments to the infraction</p> <p>Don't use coercion for personal benefit</p>	<p>Inform target of rules and penalties.</p> <p>Give ample prior warnings.</p> <p>Understand situation before punishing.</p> <p>Remain calm IUld helpful. not hostile.</p> <p>Encourage improvement to avoid the need for punishment.</p> <p>Ask target to suggest ways to improve</p> <p>Administer discipline in private</p>
<p>Legitimate Power</p> <p>Gain more formal authority .</p> <p>Use symbols of authority</p> <p>Get people to acknowledge authority</p> <p>Exercise authority regularly.</p> <p>Follow proper channels in giving orders</p> <p>Back up authority with reward and coercive power</p>	<p>Make polite, clear requests,</p> <p>Explain the reasons for a request</p> <p>Don't exceed your scope of authority</p> <p>Verify authority, if necessary</p> <p>Be sensitive to target concerns</p> <p>Follow up to verify compliance</p> <p>Insist on compliance, if appropriate</p>
<p>Referent Power</p> <p>Show acceptance and positive regard</p> <p>Act supportive and helpful</p> <p>Don't manipulate and exploit people for personal advantage</p> <p>Defend someone interests and pack them up, when appropriate</p> <p>Keep promise,</p> <p>Make self-sacrifices to show</p>	<p>Use personal appeals when necessary</p> <p>Indicate that a request is important to you</p> <p>Don't ask for a personal favour that is excessive</p> <p>Provide un examine or proper behaviour (role modeling)</p>

concern Use sincere forms of ingratiation	
Expert Power Gain more relevant knowledge Keep informed about technical matters Develop exclusive sources of information Use symbols to verify expertise Demonstrate competency by solving difficult problems Don't make rash, careless statements Don't lie or misrepresent the facts Don't keep changing positions	Explain the reasons for a request or proposal Explain why a request is important Provide evidence that a proposal will be successful Listen seriously to target concerns Show respect for target Act Confident and decisive in a crisis

Using Power Ethically

Managers can work at developing all five of these forms of power for future use. The key to using them well is using them ethically. The table 2 contains some guidelines to managers for the ethical use of power. See figure 2 for responses to power.

Table.2 : Guidelins for Ethical use of Power

FORM OF POWER	GUIDELINES FOR USE
Reward Power	Verify compliance Make feasible, reasonable requests Make only ethical requests Offer rewards desirable to subordinates Offer only credible rewards
Coercive Power	Inform subordinates of rules and penalties Warn before punishing Administer punishment consistently and uniformly Understand the situation before acting Maintain credibility Fit punishment to the infraction Punish in private
Legitimate Power	Be cordial and polite Be confident Be clear and follow up to verify

	understanding Make sure requests is appropriate Explain reasons for requests Follow proper consistently Exercise power consistently Enforce compliance Be sensitive to subordinates concern
Referent Power	Treat subordinate fairly Defend subordinates interests Be sensitive to subordinates needs and feelings Select subordinate similar to oneself Engage in role modeling
Expert Power	Maintain credibility Act confident and decisive Keep informed Recognize employees concerns Avoid threatening subordinates self-esteem

1. Avoid the use of Coercive Power: it alienates.
2. Use organizational power to develop personal power; personal power is more potent.
3. Use personal power to motivate and create loyalty and commitment to the organization.
4. Be careful when using Reward Power; it is easily confused Coercive Power.
5. Find ways to tap into Informal Power.

10.3.2 Structural Sources of Power

The degree of power wielded by a particular group/individual also depends on the structure of a work activities and communications in the organization. Figure 3 below shows a group's/individual/s power base on three variables: ability to reduce uncertainty, lack of substitutes and centrality of activities to achieve organizations objectives.

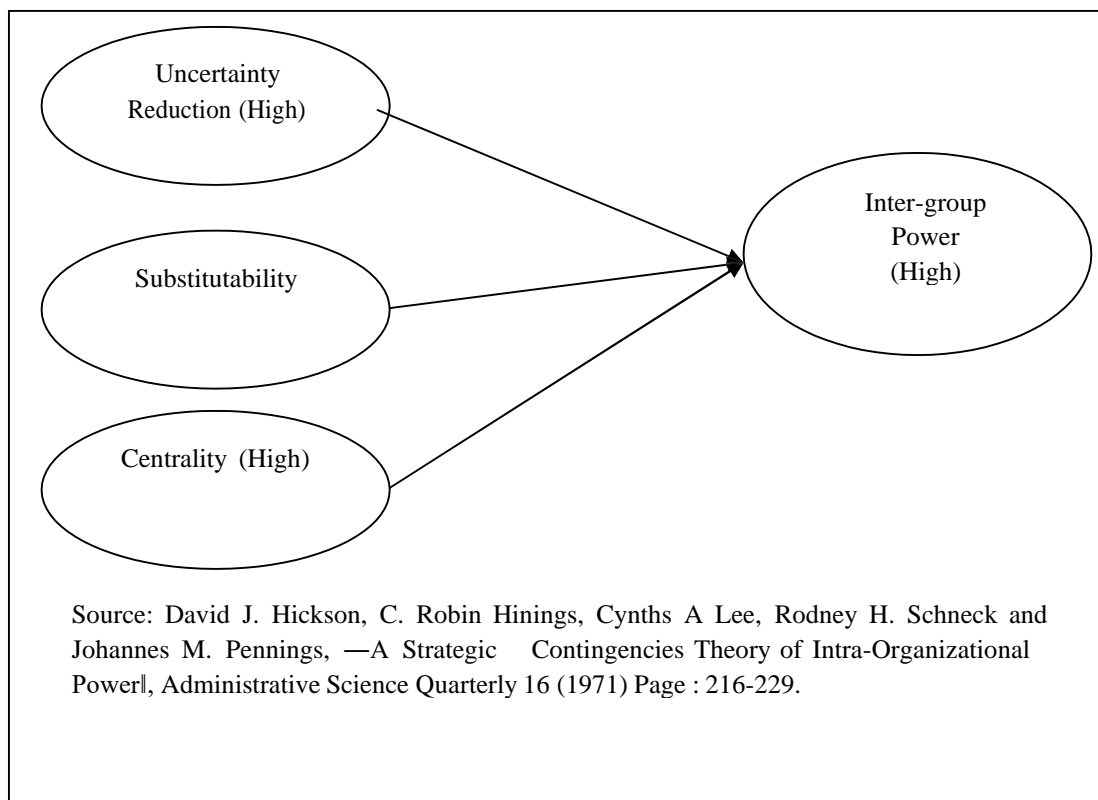


Figure 3 : Structural Sources of Power

1) Uncertainty Reduction

Organizations must operate in the face of uncertainty about their key resources: Human capital, raw materials, supplies and equipment, money and technology. Those who are able to reduce uncertainty have power in the organization.

Basic ways of reducing uncertainty are:

- **Resource Control:** Groups or individuals gain resource control when they acquire hard-to-get resources and maintain access to them. In these cases, groups that have resource control can reduce uncertainty for other groups by providing access to the necessary resources.
- **Information Control:** The organization members who can provide needed information have power because they can reduce uncertainty for others. Changes in technology and organizational structures are intensifying the importance of information power. Hence a person's power may be more closely related to his or her ability and willingness to share information with those who can apply it toward maintaining a competitive advantage.
- **Decision-making control:** The groups and individuals who make decisions about the use of resources also have relatively great power. Logically, the decision makers can reduce uncertainty by making and communicating decisions affecting others in the organization. Those who

gain the power from decision-making control are the ones who make decisions about basic policies and practices such as, what the organization will produce and who its target market will be.

- 2) **Substitutability:** The power of an individual or group is inversely related to the person's or group's substitutability. People are powerful because they cannot easily be replaced. In other words, organizations cannot find a substitute for their skills or knowledge. Being a hard-to-replace employee is not always advantageous. If a manager views an employee as indispensable for a particular job, that employee may miss opportunities for promotion or career development. And if the employee becomes associated with a particular job or way of doing things, changes in the organization can render him or her highly dispensable.
- 3) **Centrality:** Central groups are those that have many connections with other groups and a large effect on work flow. Thus, groups and individuals in a central position are generally more powerful than those at the periphery. These people have command of key information and other resources, and others in the organization are likely to be aware of what they control and how they affect the organization.

Managing The Boss: The employee-boss relationship is one of mutual dependence. An employee depends on the boss for

- Getting performance feedback
- Resources to do the job successfully, and
- Supplying critical information.

The boss depends on his or her employees for

- The bosses' performance depends on his employees.
- Information and support.

From the employee's point of view, this relationship is crucial because the boss is the most important link with the rest of the organization. The table 3 below shows the basic steps to take in managing one's relationship with the boss:

Table 3 : Managing your Relationship with your Boss

Make Sure you understand you boss and her context, including :
Her Goal and objectives The pressure on her Her strength, weaknesses, blind spots. Her preferred work style
Assess yourself and your needs, including
Your own strengths and weaknesses

Your personal style Your predisposition towards dependence on authority figures
Develop and Maintain a Relationship that :
Fits both your needs and styles Is characterized by mutual expectations Keep your boss informed Is based on dependability and honesty Selectivity uses your boss's time and resources

1st Step: Try to understand as much as you can about your boss. This can be achieved by trying to find out about.

- The boss's strengths, weakness and blind spots.
- The boss's preferred work style.
- The boss's personal goals and objectives.
- What kind of pressure the boss faces on the job.

Gather as much information about the boss as you can and try to put yourself in his shoes.

2nd Step: The second step is to assess yourself and your needs.

- What are your strengths, weaknesses and blind spots?
- What is your work style?
- How do you normally relate to authority figures?

3rd Step: The third step is to work to develop an effective relationship.

Both parties needs and styles must be accommodated. The employee-boss relationship must be based on dependability and honesty. This means giving and receiving positive and negative feedback. Most of us are reluctant to give any feedback to the boss. but positive feedback is welcomed at the top. Negative feedback, while tougher to initiate, can clear the air. If given in a problem-solving format, it can even bring about a closer relationship. The golden rule is to make the boss look good, because you expect the boss to do the same for you.

10.3.3 Mintzberg's Sources of Power

Four Systems or Sources of Power:

1. System of Authority--Formal Power
2. System of Ideology-- Informal Power
3. System of Expertise--Knowledge
4. System of Politics-- Informal, illegitimate Power

To lead administrators must:

- Go beyond the system of authority;

Formal power is not enough to lead.

- Tap into the informal authority;

Expand your authority and influence.

- Tap into expertise of teachers;

Empower teachers and empower yourself.

- Understand the system of politics;

Limit politics--it is destructive.

Relationship between sources and legitimacy of power.

The figure 4 exhibits the relationship between sources and legitimacy of power. It clearly shows that the formal authority in the formal organization structure and informal authority in an informal organization is a legitimate authority. In the formal organization, the illegitimate power is the coercive power and in the informal organization, the illegitimate power is the political power.

Sources of Power and Authority		
Legitimacy Of Power	Source of Power	
	Formal Organization	Informal Organization
	Legitimate	Informal Authority
Illegitimate	Coercive Power*	Political Power*

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*Can be legitimate, but almost never is.

Figure 4 : sources of power and legitimacy of power

Power blurs the distinction between rationality and rationalization;

Rationality is the application of evidence and reason to make decision.

Rationalization is an attempt to make a decision appear rational.

- Power has a way of defining reality--superiors define what counts.
- Principals spin the truth to defend their decisions.
- Power trumps knowledge because rationalization masquerades as truth.
- Truth is the first casualty in a power conflict.
- Knowledge is power, but Power is Knowledge.

Power corrupts reality.

Check your progress.3

Fill in the blanks

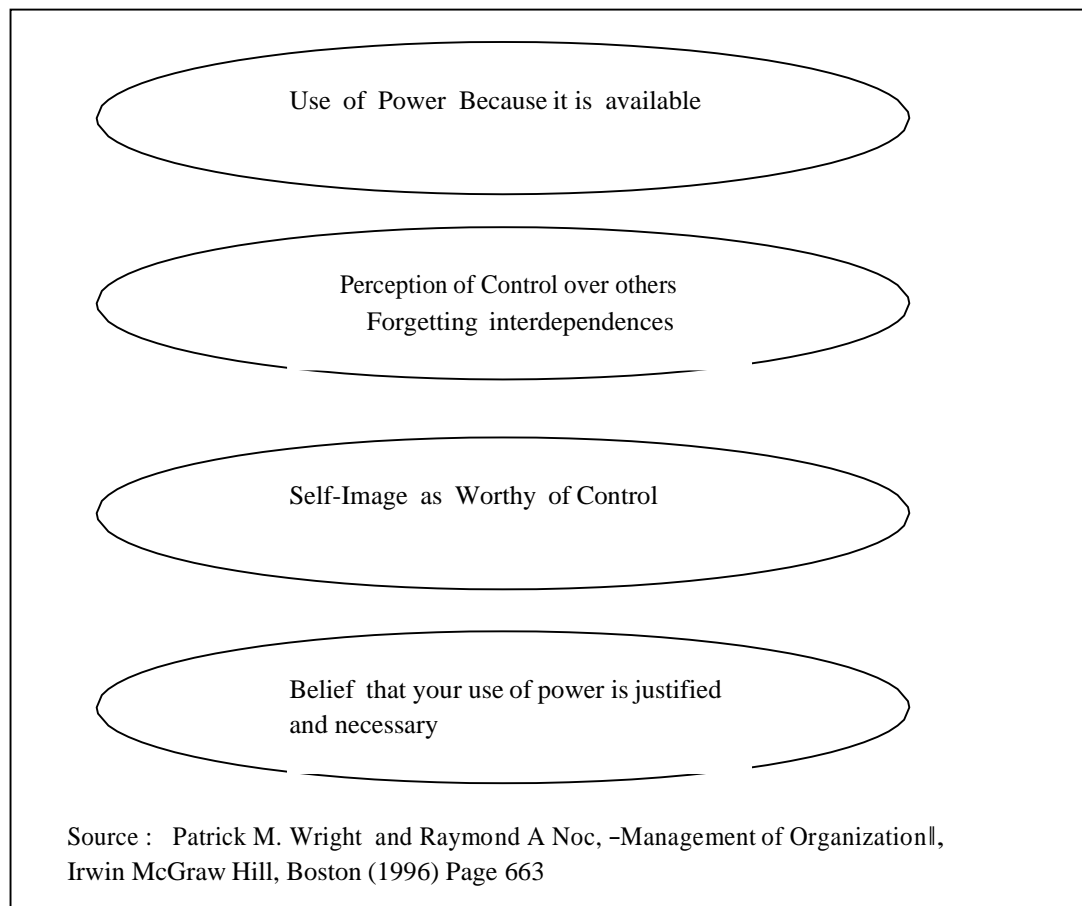
According to Mintzberg's Sources of Power , the Four Systems or Sources of Power are

1. System of Authority which is called -----
2. System of Ideology which is called -----
3. System of Expertise which is called -----
4. System of Politics which is called-----

10.4 Consequences of Using Power

When people use power, they become addicted to power or use power to empower others.

- 1. Addictiveness of Power:** An addiction to power is harmful for the organization. Managers who are addicted to power are likely to be arrogant and out of touch with their employees. They use coercive power tactics that alienate the people they try to influence. In the long run, such a manager suffers because his or her tactics damage morale, interfere with cooperation and can even incite rebellion. The figure 5 below shows the steps towards addiction of power.



Empowerment is easy to advocate but difficult to put into practice. Conger offers some guidelines.

- ## Activity A

Power is affected by position or personal attribute comment.....

10.5 POWER TACTICS

The main motive of individuals in organizations is to gain power and to gain it they use different tactics. Through using these tactics within their groups or between the groups they influence people and gain power. Power tactics which people use for influencing their co-workers, employees or bosses to be more effective are as under :

1. **Formal Authority:** When the position has formal authority, they fix a deadline for others in the group to comply the orders and do what is expected from them. This is called assertiveness through which they remind others to perform and oblige as per rules.
2. **Rationality :** When a person using facts and information convinces others in a logical way to comply with, it looks a rational way for compliance from others as competent man.
3. **Pressure Building :** Group of people like trade unions to gain power use pressure building on people as well as organization. But this method may become counter productive like in the case of threat of strike, organization may go for lock out.
4. **Sanctions :** To gain more power logically the persons in power may use organizational rewards and punishment. When they give promotions or rise in salary for good work it is called rewards. Similarly when someone lag behind in performance appraisal continuously his promotion is withheld. It is called punishment. By using method of sanctions they gain more power.
5. **Competition :** When the organizational resources are scarce, the parties compete with each other to have control over the criteria to be used for resource allocation to gain more power.
6. **Coalition :** When two or more groups in the organization make alliance to gain more, it is called coalition.
7. **Integrative Importance :** When in an organization a service provider group's services are required by all groups within the organization that service providers group becomes important and sought after by all group to function effectively. That group will have more inter group power.
8. **Bargaining :** It is another methods to gain power. When one has already bestowed benefits on others in the past and he reminds others for favour through a process of negotiation to get his work done.
9. **Friendliness :** Through this method a person requests another to do his work through convincing him. He convinces another either through flattery i.e. praising his importance prior to request, or waiting through friendly or humble way till he is in receptive mood for request.

10. **Higher Authority** : Some managers, to get the work done from their subordinates may make efforts to secure support of higher authorities.
11. **Cooperation** : It is one of the inter-group power tactics. In this method one group gives some of its important positions to members of other group to have a control on the policy making committees it is called cooptation. Through this method they remove the chances of being criticized by other group for decisions taken in the committees.

10.6 POLITICS

Politics is individual or group behavior that is informal, parochial, typically divisive, and above all illegitimate because decisions are made in the best interests of individuals or groups rather than the best interests of the organization (Mintzberg, 1983).

Coalitions

Coalitions are groups of individuals who bargain in an effort to get resources distributed in their favor.

Coalitions are groups outside the organization that try to influence the organization--for example, tax payers, teacher associations, and citizens.

Three types of external coalitions:

1. **Dominated external coalition**--one powerful outside group dominates school policy, e. g. --back to basics--promotes a powerful force that effects what happens internally.
2. **Divided external coalition**--a few groups (two or three) compete for influence--influence is balanced but competition is there, e. g., Conservative vs Liberal--power struggle spills over into the organization.
3. **Passive external coalition**--so many groups that power is dispersed--creates a relatively peaceful and stable environment.

Consequences of External Coalitions:

- A dominated external coalitions weakens internal coalitions.
- A divided external coalition politicizes internal coalitions.
- A passive external coalitions strengthens internal coalitions, often at the level of central administration.

Internal Coalitions

Internal coalitions are groups inside the organization that try to influence the organization--for example, tax payers, teacher associations, and citizens.

1. **Personalized Internal Coalition** is one in which power is concentrated in the hierarchy, often the Chief Executive.
2. **Bureaucratic Internal Coalition** is also one where power is concentrated in the system of formal authority, but here it is concentrated in the bureaucracy rather than a person--the Bureaucratic Rules and Procedures.

3. **Ideological Internal Coalition** is one in which power is concentrated in the culture of the organization. Teachers do not merely accept goals and objective, but rather they share them and are committed to them. Rests on Culture.
4. **Professional Internal Coalition**--the System of Expertise dominates.
5. **Politicized Internal Coalition**--Power rests on Politics and informal power.

Activity B

How do organizational politics affect managers and management?

10.7 SUMMARY

Power refers to the potential or actual ability to influence others in a desired direction. As an exchange relationship, power occurs in transactions between an agent and a target. The agent is the person using the power, and the target is the recipient of the attempt to use power. Different individuals and groups within and outside the organization can exert power. Individual employees, including top and middle management, technical analysts and specialists, support staff, and other non-managerial workers can influence the actions an organization takes to reach its goals.

Authority is the legal right to say -Yes and -no. Managers usually have authority. They can give approval (or not) for new projects, spending limits, etc. Managers can authorize things like million dollar marketing plans.

Influence is the process of affecting the thoughts, behavior or feelings of another person. The other person could be the boss (upward influence), an employee (downward influence), or a co-worker (lateral influence). To understand how employees strengthen their power in organization, we can look at certain political behavior.

10.8 ANSWER KEY TO CHECK YOUR PROGRESS

1. Answers ; 1 true, 2 false, 3 true.

2. Answers ; a, Charismatic Authority, b; Traditional Authority, c; Legal or Bureaucratic Authority.

3. Answers ; 1; Formal Power, 2; Informal Power, 3; Knowledge, 4; Informal or illegitimate Power .

10.9 GLOSSARY

Power : Power refers to the potential or actual ability to influence others in a desired direction. This, it is the ability or capacity to perform or act effectively.

Authority is the legal right to say -Yes and -no. Managers usually have authority.

Influence is the process of affecting the thoughts, behavior or feelings of another person.

Politics : Politics is the process by which groups of people make decisions. The term is generally applied to behavior within civil governments, but politics has been observed in all human group interactions, including corporate, academic, and religious institutions.

Impression Management : A person's management of his or her own behavior and social actions, so that the impression he or she conveys to others can be controlled. The aim of impression management is for the person (e.g. a coach or team manager) to present himself or herself in a generally favourable way, which is appropriate to the social setting, and is often involves the person adopting a particular role.

Scape goating : Scapegoating is the act of holding a person, group of people.

Machiavellianism: It is a set of belief about human nature and a person's ability to use various tactics irrespective of their moral values in order to achieve his ambition.

Politicking : The act of engaging in political activities.

10.10 SELFASSESSMENT QUESTIONS

1. What is power? How is it different from authority? Explain.
2. Outline the different sources of power in the organizations. Which type of power is more influential and why?
3. What are some ways to empower people at work?
4. How will an employee ideally manage his relationship with his boss?
5. How will a manager use his power ethically?
6. What is politics? Why do people resort to politicking in the organizations and what power tactics do they use. Discuss its pros and cons.

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LESSON NO11 : LEADERSHIP

STRUCTURE OUTLINE

- 11.0 learning Objectives and outcomes
- 11.1 Introduction
- 11.2 Meaning and Definition of Leadership
- 11.3 Nature and Characteristics of Leadership
- 11.4 Leadership functions
- 11.5 Leadership and Effectiveness
- 11.6 Leadership Skills
- 11.7 Types of Leadership Styles
- 11.8 Theories of Leadership
 - 11.8.1 The trait theories
 - 11.8.2 Behavioral Theories
 - 11.8.3 The contingency or Situational Theories
- 11.9 Transactional and transformational leadership
- 11.10 Let us Sum up
- 11.11 Answer key to check your progress
- 11.12 Glossary
- 11.13 Test Questions
- 11.14 References
- 11.15 Suggested Readings

11.0 LEARNING OBJECTIVES AND OUTCOMES

After going through the lesson you should be able to :

- Define the meaning and nature of Leadership
- Outline the Characteristics of Leadership
- Describe the functions performed by the leaders
- Identify the Types and Styles of Leadership
- Find out the contemporary issues in Leadership

11.1 INTRODUCTION

Leadership is a function of management which is concerned with influencing others in a group. The significance of leadership arises from the fact that it can

be an important instrument which can bring change in behavior of people working in an organization. Leadership affects the behavior of other through persuasion, suggestion, argument etc. Good leadership is necessary for inspiring the people to work more and better for the accomplishment of predetermined objectives. Leadership provides a cohesive force which holds the group intact and develops a spirit of cooperation. A good leader is also able to coordinate the activities of the followers and induce them to work with confidence and zeal.

Who is a leader?

One who gives you the reason to follow?

And the freedom to follow.

At the outset, the idea of leadership appears to be quite simple. Wherever two people work together for the attainment of a common goal, a kind of superior and follower relationship is likely to develop between them. Even three persons meeting accidentally will quietly and unconsciously accept the domination of one of them for that short period. Leadership is thus an inevitable phenomenon of group life. Leadership presupposes followers. The two are inseparable in social life.

Leadership plays a vital role in management.

- It is the quality of leadership that usually determines the failure or success of business enterprise.
- Most of the failures of business establishments have been attributed to ineffective leadership.
- The main task of leadership is to direct and unify the efforts and inclinations of the individuals of a group towards the achievement of desired common goals.
- A leader is basically concerned about the task and human relationship. No organizational unit can function effectively without effective leadership.

There is considerable divergence of opinion among experts of what constitutes leadership.

It has been defined as a concept or a function or an admixture of both. **However, it is largely agreed that leadership is a means which directs, guides, and influences followers in the achievement of successful ends.**

It is good leadership that develops the spirit of cooperation among human beings and provides direction for coordination of activity. -It is the electric current that powers the motor, the ingredient that energizes the battery, the force that transforms chaos into order. The insight that converts despair into hope

and change half-hearted endeavor into superior performance. It is significant to note that a leader is not expected to be a superman; he is simply to do what the word -Leader|| indicates lead.

Success or failure of nations has been attributed to the quality of leadership provided. According to Keith Davies-

-Without effective leadership, an organizations is but a muddle of men and machines. Leadership is the ability to persuade others to seek defined objectives enthusiastically. It is the human factor which binds a group together and motivates it towards goals. Management activities such as planning, organizing and decision -making are dormant cocoons until the leader triggers the power of motivation in people and guides them towards goals. Leadership transforms potential into reality. It is the ultimate act which brings to success all of the potential that is in the organization and its people||.

11.2 DEFINITION AND MEANING OF LEADERSHIP

Leadership is a great quality and it can create and covert anything. There are many definitions of leadership. Some of the definition of leadership are reproduced below :

-Leadership|| according to Alford and Beatty, -is the ability to secure desirable actions from a group of followers voluntarily, without the use of coercion.||

According to Chester I Barnard, -It (Leadership) refers to the quality of the behavior of the individual whereby they guide people on their activities in organized efforts||.

According to Terry, "a leader shows the way by his own example, He is pusher, he pulls rather than pushes".

The following points highlight the importance of leadership:

1. Leadership is the process of influencing the activities of an individual or a group towards the achievement of a goat.
2. An effective leader motivates the subordinates for higher level of performance.
3. Leadership promotes team - spirit and team - work which is quite essential for the success of any organization.
4. Leadership is an aid, to authority. A leadership helps in the effective use of formal authority.
5. Leadership creates confidence in the subordinates by giving them proper guidance and advice.

11.3 NATURE AND CHARACTERISTICS OF LEADERSHIP

An analysis of the definition stated above shows and reveals the following features of leadership.

- (i) Leadership is a personal quality.
- (ii) Leadership emerges in a group situation.
- (iii) It exists only with followers.
- (iv) Leadership in influencing process.
- (v) It exists for realization of goals.
- (vi) Leadership style changes under different situations.
- (vii) Leadership refers to behavior in directing or guiding human resources in an organization.

Activity A

Leaders are born, not made. Comment on this statement.....

11.4 LEADERSHIP FUNCTIONS

A leaders whether formal or informal, is required to undertake several functions in relation to this group.

David Bowers and Stanley Seaschore : Classify the above functions into four categories.

- (a) Support – It is a behavior of leader which extends support to his group by understanding their values and needs.
- (b) Emphasis of goals – It is a behavior of leader which helps in achieving the group goals with excellence.
- (c) Facilitation of work – It is behavior of leader which facilitate work by providing proper work environment.
- (d) Facilitation of interaction – It is a behavior of leader which inspires group members to interact.

In other words, functions of leader can be summed up as under:

- (1) He formulates objectives for his group.
- (2) He gives orders that will be obeyed.
- (3) He maintains discipline.
- (4) He maintains communication in the organization.

- (5) He listens to subordinates and responds to their needs.
- (6) He takes important decision for the group.
- (7) He maintains unity and cohesiveness in the organization.
- (8) He sees that the group achieves its goals.
- (9) He represents the group to the outside worlds.

11.5 LEADERSHIP EFFECTIVENESS

Leadership is a process where one person influences others in a given situation. In the functioning of a leader, the ability to guide, direct and extract obedience from others is achieved by influencing them through his authority. Authority allows a leader to use power and power is ability to exercise influence. The relationship between authority and influence can only be understood if we understand different kinds of power.

Following are different kinds of power.

1. **Legal Power:** It is a formal power which arises out of position.
2. **Competency Power :** Competency of person acts as a power when authority originate from knowledge. He can lead others to trust his judgement and decisions.
3. **Referent Power :** It refers to power to give promotions, leaves, work allocation, monetary benefits etc. This power can increase the legal power to great extent.
4. **Power to Punish :** Punishment like dismissal, demotion, low rating etc. help in changing the behavior of group members and accepting the directions of a leader.
5. **Power to Attract :** The power of attraction help subordinates to identify themselves with the leader and get influenced by the leader.

A manager who is a formal leader having legal power by virtue of his position in an organization influences other to accomplish the goals. An informal leader chosen by the group can have influence on other as defined by the concept of leadership itself. However a combination of formal and informal leader can leave long lasting influence on the members and is a type of ideal leadership.

In any group activity importance of leadership is essential. Whether the leadership is effective or ineffective is considered from the facts that how he charges and activates his group that the entire group achieves the goals with full cohesiveness. An effective leader achieves success for an organization by influencing behavior of subordinates. If subordinates are influenced and charged to satisfy the goals of leader and through that they also accomplish their own needs.

To make leadership effective a leader must use following methods :

1. As a good visionary, the leader should take views of his subordinates whether positive or negative, listen carefully and appreciate their feeling and they lay down policies which satisfy his subordinates and also achieve common objectives through voluntary cooperation.
2. To make leadership effective he must communicate effectively by giving complete instructions to get policies implemented.
3. He must motivate his subordinates in such a way that they work with willingness, zeal and confidence.
4. He must use human resources i.e. his subordinates in such a way they feel comfortable in the healthy environments for competitive work according to their knowledge, skill and training.

Effective Leadership and Influencing Process :

Management is getting things done through others. The effectiveness of manager as leader is critical for organizational survival and success. So effective leadership is essential for business.

There are three Views :

- (1) Effective leadership requires certain basic qualities among person who assumes the role of leaders. There are necessary but not sufficient.
- (2) There is no ideal leadership style or behavior generally applicable for all situations. Leadership effectiveness can be secured or enhanced by tailoring the style to the demands of each situation.
- (3) Third view is that effectiveness is a function of interaction of leader, followers and situation. Leadership effectiveness depends on ability of leader to adopt different behavioural styles to match different situations. There is no best style for all situations.

Effectiveness is different from successfulness of a leader. Leaders are successful but ineffective when they have a short run influence over the behavior of others. They can be successful and effective if they have long term influence. For this they must understand their own abilities and their impact on others.

Leadership attempts to have effect on the behavior of another. The response to this attempt may or may not be successful. Manager is to get the work done with and through people. The success of a manager is measured by the productivity or output of the group they lead.

For instance, a manager influence his subordinate to do a job by virtue of his position or coercive power he has. He will get the job done and be successful. Subordinate might have complete the job as it shall fetch rewards for him. Whereas style of leader may not compatible with subordinates expectation. The influence may be short term. As leadership is an influencing process, he must exercise such influence through personal power one must not be forced to perform his work but be persuaded to complete his job.

Ultimately, goals of the organization are to be achieved through a leader or manager by changing and controlling the behaviour of people in the organizations. For this one has to influence others in way which lasts over among period of time and make them self directed and self controlled.

Check your progress 1

Identify the type of power used by the leaders;

1. It is a formal power which arises out of position.
2. Competency of person acts as a power when authority originate from knowledge. He can lead others to trust his judgement and decisions.
3. It refers to power to give promotions, leaves, work allocation, monetary benefits etc. This power can increase the legal power to great extent.
4. Punishment like dismissal, demotion, low rating etc. help in changing the behavior of group members and accepting the directions of a leader.
5. The power of attraction help subordinates to identify themselves with the leader and get influenced by the leader.

11.6 LEADERSHIP SKILLS

The leader is expected to play many roles and therefore, must be qualified to guide others to organizational achievement. Although no set of absolute traits or skills may be identified, the individuals who possess abilities to lead others must have certain attributes to help them in performing their leadership rolls.

In a broad way the skills which are necessary for an industrial leader may be summarized under four heads: see Exhibit 1 .

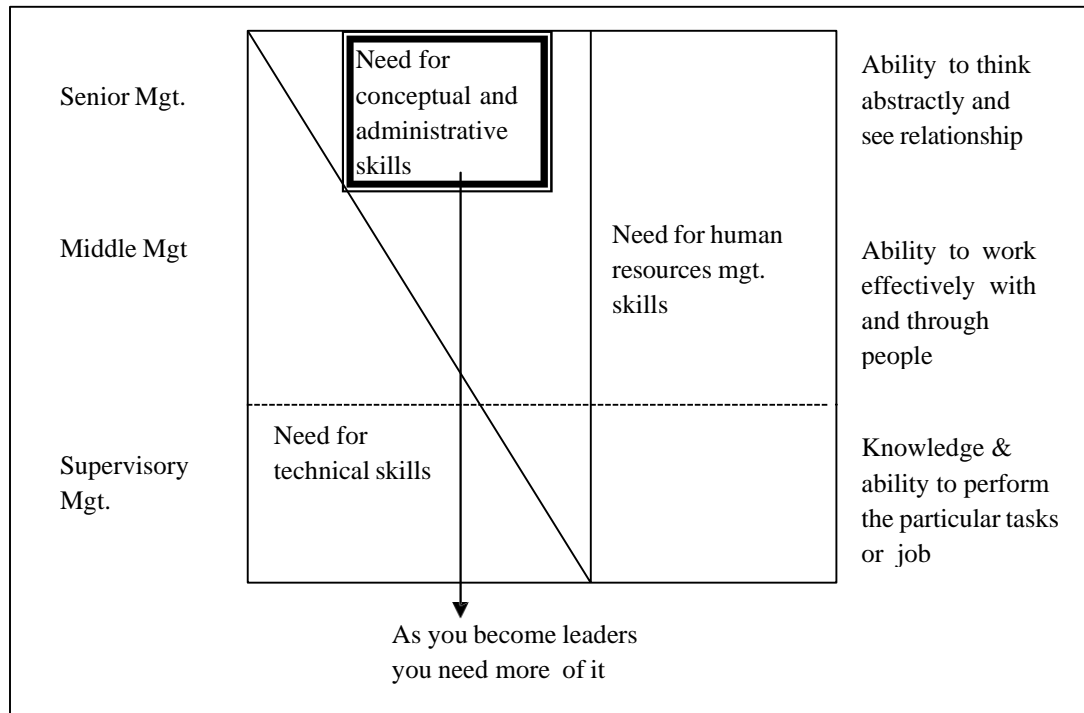
- (a) Human skills
- (b) Conceptual skills
- (c) Technical skills
- (d) Personal skills

Human Skills

A good leader is considerate towards his followers because his success largely depends on the co-operation of his followers. He approaches various problems in terms of people involved more than in terms of technical aspects involved. A leader should have an understanding of human behaviour. He should know people; know their needs, sentiments, emotions, as also their actions and reactions to particular decisions, their motivations etc. Thus, a successful leader possesses the human relations attitude. He always tries to

develop social understanding with other people. The human skill involves the following:

Exhibit 1 : Leadership skills



- (a) **Empathy:** A leader should be able to Look at things objectively. He should respect the rights, belief and sentiments of others. He should equip himself to meet the challenges emanating from the actions and reactions of other people. The leader should be empathetic towards his followers so that he can carefully judge their strengths, weakness, and ambitions and give them the attention they deserve.
- (b) **Objectivity:** A good leaders fair and objective in dealing with subordinates. He must be free from bias and prejudice while becoming emotionally involved with the followers. His approach to any issue or problem should be objective and not based on any pressure, prejudice or preconceived notions. Objectivity is a vital aspect of analytical decision making. Honesty, fairplay, justice and integrity of character are expected of any good leader.
- (c) **Communication Skill:** A leader should have the ability to persuade, to inform, stimulate, direct and convince his subordinates. To achieve this, a leader should have good communication skill. Good communications seem to find all responsibilities easier to perform because they relate to others more easily and can better utilize the available resources.

- (d) **Teaching Skill:** A leader should have the ability to demonstrate how to accomplish a particular task
- (e) **Social Skill:** A leader should understand his followers. He should be helpful, sympathetic and friendly. He should have the ability to win his followers confidence and loyalty.

Conceptual Skills

In the words of Chester Barnard – the essential aspect of the executive process is the sensing of the organization as a whole and the total situation relevant to it. Conceptual skills include :

- (a) The understanding of the organization behavior.
- (b) Understanding the competitors of the firm, and
- (c) Knowing the financial status of the firm.

A leader should have the ability to look at the enterprise as a whole, to recognize that the various functions of an organization depend upon one another and are interrelated, that changes in one affect all others. The leader should have skill to run the firm in such a way that overall performance of the firm in the long run will be sound.

Technical Skills

A leader should have a thorough knowledge of, and competence in, the principles, procedures and operations of a job. Technical skill involves specialized knowledge, analytical skill and a facility in the use of the tools and techniques of a specific discipline. Technical competence is an essential quality of leadership.

Personal Skills

The most important task of the leader is to get the best from others. This is possible only if he possesses certain qualities. These personal skills include-

- (a) **Intelligence:** Intellectual capacity is an essential quality of leadership. Leaders generally have somewhat higher level of intelligence than the average of their followers.
- (b) **Emotional Maturity:** A leader should act with self-coincidence, avoid anger, take decisions on a rational basis and think clearly and maturely. A leader should also have high frustration tolerance. According to Koontz and O'Donnell - "Leaders cannot afford to become panicky, unsure of themselves in the face of conflicting forces, doubtful of their principles when challenged, or amenable to influence".
- (c) **Personal Motivation:** This involves the creation of enthusiasm within the leader himself to get a job done. It is only through enthusiasm that one can achieve what one wants. Leaders have relatively intense achievement type motivational drive. He should work hard more for the satisfaction of inner drives than for extrinsic material rewards.

- (d) **Integrity:** In the words of F. W Taylor - "integrity is the straight forward honesty of purpose which makes a man truthful, not only to others but to himself;, which makes a man high-minded, and gives him high aspirations and high ideals.‖
- (e) **Flexibility of Mind:** A leader must be prepared to accommodate other's viewpoints and modify his decisions, if need be. A leader should have a flexible mind, so that he may change in obedience to the change in circumstances. Thomas Carle has said - "A foolish consistency is the hobgoblin of a little mind".

In sum, a leader must have a dynamic personality, intellectual attainment, amiable disposition, unassuming temperament and knowledge of how to deal with his followers.

Difference between Leadership and Management: Leadership is different from management. The main differences between these two terms are:-

1. A manager is required to plan, organize, direct and control. But a leader is one who gets others to follow him.
2. A manager depends on his authority. But a leader depends on his confidence and goodwill. He inspires enthusiasm.
3. Management is concerned with the formulation of broad policies to guide the operations of an enterprise. But leadership is concerned with the initiation of action for the accomplishment of the goals.
4. An individual is a leader in the true sense if he is accepted as a leader by the group. A manager is appointed and he derives his authority by virtue of his office.
5. Management is associated with the organized structure. But leadership may be associated with unorganized groups. .

Check your progress2

State true or false

1. A manager is required to plan, organize, direct and control. But a leader is one who gets others to follow him.
2. A manager and the leader both depend on their authority.
3. A manager must be prepared to accommodate other's viewpoints and modify his decisions.
4. A leader should act with self-coincidence, avoid anger, take decisions on a rational basis and think clearly and maturely.

11.7 TYPES OF LEADERSHIP STYLES

The behaviour exhibited by a leader during the supervision of subordinates is known as leadership style. There are probably as many different

styles of leadership as there are leaders. Basically, three styles namely directive, participative and laissez faire, listed thus:

1. Directive, Autocratic or Authoritarian Style

An autocratic leader is one who takes all decisions himself without consulting the subordinates. He centralises power and decision-making in himself. He oversees work from close quarters and exercises full control over subordinates. Orders are issued and subordinates are expected to execute these without back-talk. The leader, thus, tries to develop obedient and predictable behaviour from group members. He permits very little freedom of action. Discipline is enforced by the use of rewards and threats of punishment. Communication tends to take a one-way route. Subordinates have to depend on the superior for everything (setting goals, determining priorities and implementing plans, etc. (X=leader; A,B,C,D=subordinates) . see exhibit 2

Exhibit 2: Autocratic style of leadership

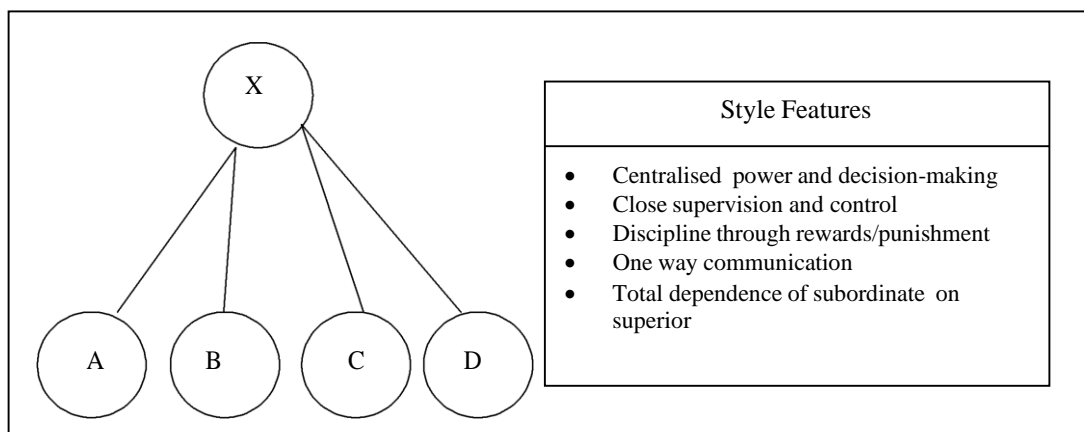


Table1 : Advantages and Disadvantages of Autocratic Style

Advantage	Disadvantages
Decision can be made quickly. Control can be centralized for orderly operations.	May result in low motivation. It is difficult to develop motivation when the leader makes all the decisions.
Well-developed leadership skills can be applied directly to group activities	There is very little scope for developing the creative potential of people
The leader can take direct control when there is a major problem or crisis. Best suited for crisis	Subordinates tend to develop defensiveness; they constantly look for ways and means to avoid

management	responsibility
Suitable for managing inexperienced insecure and incompetent subordinates	One way communication may lead to misunderstanding at various levels.
Offers consistence in goals and procedures by leader making the decision	Subordinates tend to depend on leader for everything. Matters move slowly and it becomes difficult to adapt to change.

II. Participative or Democratic Style

The participative leader encourages his subordinates to participate in the decision making process. He consults them before taking decisions. The suggestions put forward by subordinates are taken care of. There is open, two-way communication. Good rapport is maintained with members of the group. The leader does not dominate. He gives a lot of freedom to subordinates. The emphasis is on cooperation and participation to achieve the maximum potential of the group. See exhibit 3.

Exhibit 3: Participative or Democratic Style of leadership

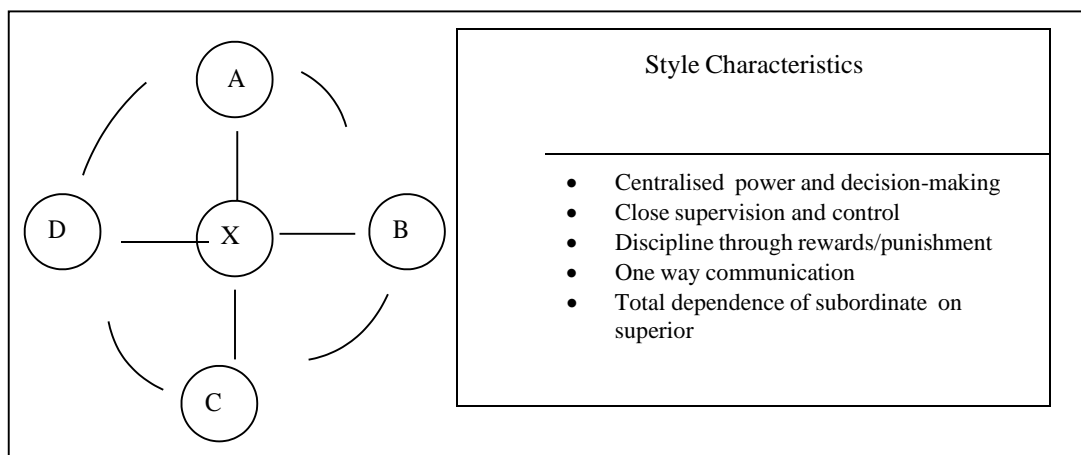


Table 2: Advantages and Disadvantages of Participative Style

Advantages	Disadvantages
<ul style="list-style-type: none"> • Motivates people to do better • Knowledge and experience of group members can be used in decision making 	<ul style="list-style-type: none"> • Individuals may dominate the participation or make disruptive contributions • Very time consuming approach from the leaders' point of view-quick decisions cannot be

<ul style="list-style-type: none"> • Individual abilities developed through participation • Members feel more committed to group goals. There is less resistance to managerial actions. • Members develop healthy attitude towards the leader, the work and the organization • Two-way communication keeps members informed about what is going on and why 	<p>taken.</p> <ul style="list-style-type: none"> • Participation may be used as an instrument to 'pass the buck' to subordinate • Decisions get diluted, when attempts are made to please everyone. • Participation may be viewed as a sign of inefficiency on the part of the leader. Subordinate may view the leader as incompetent to handle the job independently. • Participation may be used to manipulate people to exit personal ends.
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When to use Participative Style?

Participative style is most effective when,

- (i) the organization has communicated its goals and objectives to all the subordinates and the subordinates have accepted them,
- (ii) the leader is genuinely interested in obtaining ideas and suggestions from subordinates,
- (iii) the subordinates are highly interested in participating in organisational decision making,
- (iv) the subordinates have a reasonable amount of knowledge and experience and finally,
- (v) The time for task completion allows participation to take place in a meaningful way.

Is Participative Style Superior?

It is commonly believed that participative style helps subordinates to develop their talents fully. The participative leader is able to put them on the track easily and get the results without much difficulty, unlike an authoritarian leader. However, the superiority of participative style over authoritarian one is not supported by research.

In one study, McCurdy and Efer investigated the effects of both these styles on subordinates performance. The teams working under authoritarian leaders were told to simply obey orders, while those working under participative leaders were told to offer suggestions and not follow orders blindly. No

difference in productivity between these two groups was found by these researchers. In another study, by Morse and Reine it has been found that democratic style results in higher job satisfaction to employees and autocratic leadership in greater productivity. If the goal is to increase output, autocratic style is appropriate and if the goal is to have a highly motivated workforce, a democratic approach is called for. According to Vroom, the choice of a particular style depends on employee expectations also. Participative style will give positive results when applied on subordinates wanting to do things independently.

Autocratic Vs Democratic Style?

With the above information in the background, is it possible to draw the curtain between the autocratic and democratic styles now? The following table is developed for this purpose:

Table 3: Autocratic vs. Democratic Leadership Style

Autocratic	Democratic
<ul style="list-style-type: none"> • Manager using this style may be labeled as theory X leader • The leader is task oriented and restrictive • Leader structure the work, strives to find out better methods and keeps the employees busy on the task. • One way communication • Threads of control is the hands of one individual, Decision making is centralized. Quick decisions possible. • Employee resistance may be high; getting them committed to goal is not easy. • Developing subordinates and preparing a training ground for future managers is difficult. 	<ul style="list-style-type: none"> • Manager exhibiting this style may be labeled as Theory Y leader • The leader is follower-oriented and permissive • The leader is considerate of his subordinates, reconsider their needs and respects their human dignity. • Two-way communication • Pushes controlling power to subordinates to as reasonable extent: Decentralized decisions take time. • Resistance from employees is minimum and hence commitment to objectives may be high. • Develops the subordinate and prepares him for future managerial roles.

III. Laissez-Faire or Free-Rein Leadership Style

In the democratic style the leader encourages the group to think and develop a solution. The laissez faire or free rein leader goes a step further and turns an entire problem or project over to subordinates. The subordinates are asked to set their own goals and develop plan for achieving them. The leader does not direct at all. He acts as a passive observer and does not exercise power. There is total abdication of responsibility. He offers advice, when required. There is very little control over the group members.

The broken lines, in the **Exhibit 4**, show the leader passing on materials and information to group members on request. There is no attempt to regulate the course of events. Free-rein leadership may be suitable where the organisational goals have been communicated well in advance and are acceptable to subordinates. The subordinates, in turn, must be well-trained and highly knowledgeable concerning their tasks and willing to assume responsibilities. They must be highly motivated, sincere and duty-conscious. When these preconditions are met, free-rein style may yield good results.

Exhibit 4:Laissez-Faire or Free-Rein Leadership Style

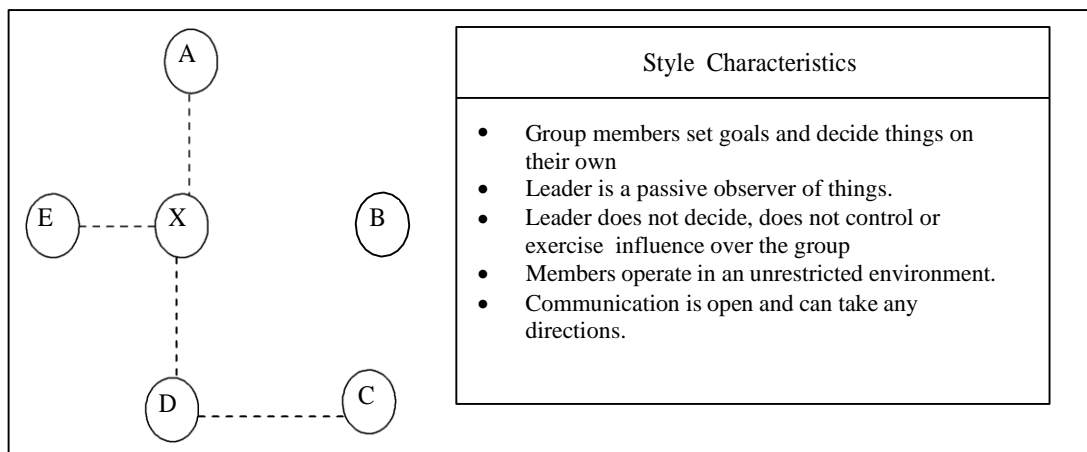


Table 4 : Advantages And Disadvantages Of Free Rein Leadership Style

Advantage	Disadvantages
<ul style="list-style-type: none"> • Working independently can be motivational for some people • May encourage suggestions, creativity and innovations, in the group. • Group is flexible and can adapt quickly to change. • Open and direct communication, 	<ul style="list-style-type: none"> • Activities may suffer owing to lack of coordination. • Group objectives may be ignored and individual objectives may dominate activities. • Lack of control may lead to disruptive behavior. • Individuals may go their own

with opportunity for self-expression

ways resulting in confusion and chaos.

11.8 THEORIES OF LEADERSHIP

11.8.1 Trait Theories/Great Man Theory

Thomas Carlyle was a precursor of the trait theory. It emphasized on what characteristics or traits make a person a leader?

Trait theories of leadership sought personality, social, physical, motivating skills, communicative skills and empathetic skills apart from the various requisite personality traits which will distinguish the leader from the non leader.

11.8.2. Behavioural Theories

These theories are based on the assumption that leaders can be made if specific behaviours are identified and are taught....

According to this theory, a particular behaviour of a leader provides greater satisfaction to the followers and so they recognize him as a good leader. The behavioural approach is based on the premise that effective leadership is the result: of effective role behaviour. A leader uses conceptual, human and technical skills to influence the behaviour of his subordinates. The behavioural theory does not concentrate on the traits of leaders; **it inspires study of the activities of leaders to identify their behavioural patterns.**

The inability of the trait approach to consistently define specific traits that would differentiate successful and unsuccessful leaders led to the conclusion that emphasis on the behaviour of leaders (which could be measured) rather than emphasis on traits (which could not be measured) were an appropriate new research strategy

- 1) **Study at Ohio State University:** Beginning in the late 1940s and continuing through the early 1960s, research based on this emphasis was conducted at Ohio State University and the University of Michigan. The Ohio State University Studies: A team of Ohio State University researchers including Edwin Fleishman conducted extensive surveys. The goal of the research was to:
 - (i) **Identify the behaviours exhibited by leaders.**
 - (ii) **Determine what affect these behaviours had on employee satisfaction and performance .**
 - (iii) **Identify the best leadership style.**

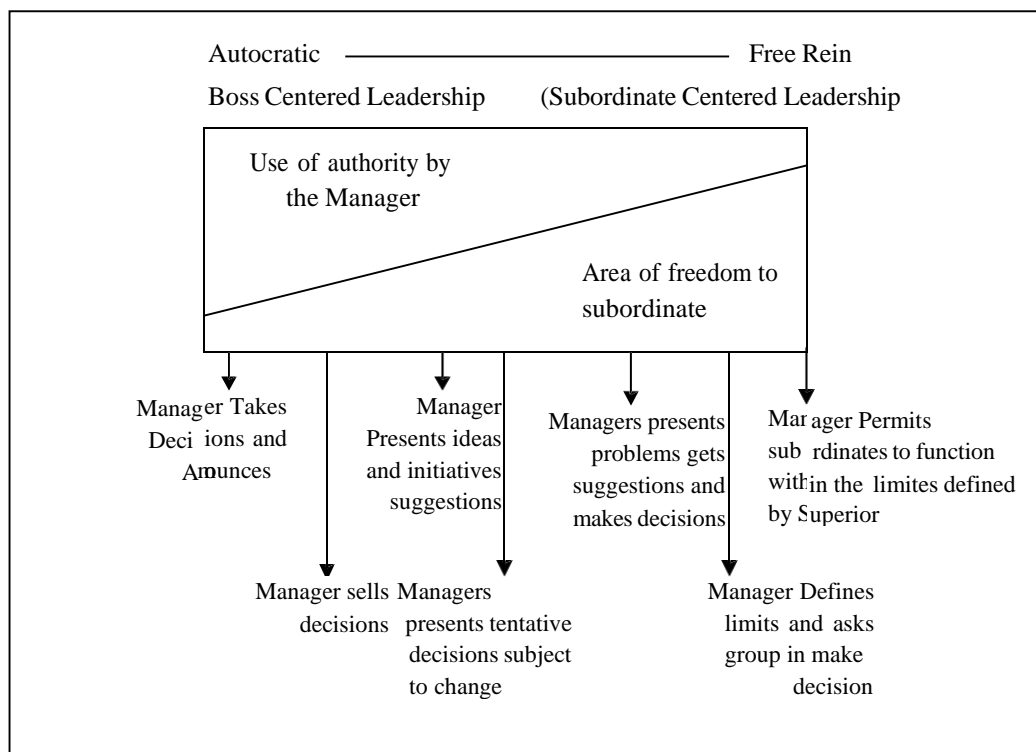
To do this, questionnaires were developed to assess leadership styles. The Leader Behaviour Description Questionnaire (LBDQ) was designed to tap subordinate perception of the leader's behaviours, while the Leader Opinion Questionnaire (LOQ) measured the leader's perception of his own style. After an analysis of actual leader/ behaviour in a wide variety of situations, two important leadership behaviours were isolated:

- (i) **Initiating-structure Behaviour (IS):** Clearly defining the roles of leader and follower so that everyone knows what is expected. This includes establishing formal lines of communication and deciding how tasks are to be performed.
- (ii) **Consideration Behaviour (C):** Demonstrating concern for followers and trying to establish a friendly and supportive work climate based on mutual trust.

Behaviours Exhibited By Leaders

Tannenbaum and Schmidt have identified the range of possible leadership styles, and presented them on a continuum journeying from authoritarian leadership behavior at one end to free rein behaviour at the other end, as shown in Exhibit 5 below.

Exhibit 5: Continuum of Leader Behaviour



The Exhibit 5 reveals that the manager is presented with a number of leadership behavior alternatives. On the left side of the continuum, are the leaders who enjoy a high degree of control and delegate very little authority. At the extreme right, the emphasis is on the subordinates. The subordinates enjoy a greater

amount off freedom to exercise initiative in work-related matters. Now, the question arises as to how a manager moves along this continuum? This depends upon three forces-in the manager, forces in the subordinates and forces in the situation.

(a) **Forces in the manager** : These forces include the value system of leader (e.g. the strong feeling that subordinates should participate in decisions that affect them), his confidence in his subordinates, his leadership inclination and his tolerance of ambiguity.

(b) **Forces in the subordinates**: These include the subordinates need for independence, their level of tolerance for ambiguity, readiness to assume responsibility for decision-making, their interest in and understanding of problems, understanding and identifying organizational goals, their experience with and expectations of leadership.

(c) **Forces in the situation**: These include the type of organization, problems, group effectiveness, and the pressure of time.

2) Likert Four Systems of Management (Prof. Rensis Likert)

Rensis Likert has developed four models of management (known as systems of management), after examining important factors that are closely related to the management process (such as motivation, communication, goal setting, controlling, decision making etc). His models are based on the human resource philosophy of management. Likert felt that personnel are precious assets and, therefore, must be treated and managed properly. Likert classified management philosophies into four convenient styles:

System 1: Exploitative authoritative

In this style, he sets goals and decides the means of achieving them. He decides things unilaterally, issues orders and instructions to subordinates as to how to achieve results. He seeks total compliance from his subordinates. He does not encourage subordinates to participate in any matter. Communication takes one-way route i.e., top to bottom and is highly formal in nature. The style is marked by unfriendly relations, distrust and ill-will. There are rewards for those who achieve results. Those who fall behind in the race are punished severely (carrots for achievers and stick for those who fail to achieve the goals).

System 2: Benevolent authoritative

System 2 managers are autocratic in their approach but not exploitative. They adopt a paternalistic approach towards the subordinates. They grant some freedom to subordinates to carry out their tasks within certain limits. Goal setting is centralised. Decisions flow from top to bottom. Subordinates have to carry out the decisions taken by the manager sincerely. The carrot and stick policy is followed here also. Efficient employees are rewarded and inefficient

ones are punished. Communication is one way; the superior, subordinate relations are marked by fear suspicion and distrust.

System 3: Consultative authoritative

In this system managers set goals and. issue orders after discussing them with subordinates. Major decisions are taken at the top. The routine ones are left to subordinates. Subordinates can discuss work-related matters with managers freely. There is, thus, two-way communication. Managers trust subordinates to a great extent and repose confidence in their implementation abilities. Greater emphasis is put on rewards than on penalties to motivate subordinates. The control system is flexible. This system of management, thus, gives due weightage and importance to the human factor.

System 4: Participative group

In this system managers maintain cordial and friendly relations with subordinates. Subordinates take active part in the process of goal-setting and decision-making. The manager acts like a friend, counsellor and mentor. Communication is open and transparent. Greater emphasis is put on self-appraisal and self-control, in place of close supervision and "control from above". Subordinates are encouraged to do things on their own, assume responsibility for their actions. There is a high degree of decentralisation of authority. Subordinates get a stimulating chance to exploit their potential and scale greater heights within the organisation.

According to Likert; System 4 is an ideal one which ought to be adopted by organization, so as to improve workers satisfaction and performance. Likert's research also indicated that System 4 management is far superior to other models. He, therefore, suggested leadership training at all levels of management so that managers can learn the basics of System 4 management.

3) The Managerial Grid

Robert R Blake and Jane S Moulton have designed an organization development program emphasizing the importance of the two basic leader behaviours (concern for people and concern for production) originally identified in the Ohio State and Michigan studies.

The managerial grid categorizes leadership behaviour as concern for people and concern for production. However, rather than viewing each type of concern as an absolute measure, the managerial grid puts them along two independent continuums. A manager thus has low to high concern for people and low to high concern for production. Each type of concern is ranked on a scale from 1 to 9, resulting in five major combinations of leader behaviour.

1. **Improvised (1,1) Management:** Minimal concern for production or people. This style of management results in employees doing the minimum required.
2. **Authority-Compliance (9,1) Management:** High concern for production and low concern for people. This style of management tends to result in efficient operations.
3. **Country Club (1,9) Management:** Low concern for production and high concern for people. This style of management creates a working environment where employees feel comfortable.
4. **Middle-of-the Road (5,5) Management:** Moderate levels of concern for both people and production. This style of management balances needs through compromise, resulting in adequate performance.
5. **Team (9,9) Management :** High levels of concern for people and production.

This style of management results in superior performance from committed employees.

The model is designed to help managers first see their current leadership style and then to help them develop the most desirable style. Blake and Mouton believe there is an ideal style 9, 9 management. However, they have found that most managers use the middle-of the road style .The table 5, below shows the five possible leadership style.

Table 5 : Five Possible Leadership Styles

Style Label	Leader Emphasis on	
	Production	People
1.1	Low	Low
9.1	High	Low
1.9	Low	High
5.5	Moderate	Moderate
9.9	High	High

11.8.3 CONTINGENCY /SITUATION THEORIES

Situational Leadership attempts to explain effective leadership within the context of the larger situation in which it occurs.

1. Fiedler's Contingency Theory.
2. House' Path-Goal Theory.
3. Vroom and Yetton's Normative Theory.
4. Hersey and Blanchard's Situational Leadership Theory.

1. Fiedler's Contingency Theory.

Fred Fiedler's contingency model focused on individual leadership.

The situational contingency theory proposes that the effectiveness of a leader or the organization is contingent on two elements:

- a. The leaders' motivational structures or leadership style.
- b. The degree to which the leadership situation provides the leader with control and influence over the outcomes.

Fiedler defines leadership effectiveness in terms of work group performance.

It holds that work group performance is contingent upon the match between a person's leadership style and the favorableness of the leadership situation.

Two leadership styles were proposed:

- Task-oriented.
- Person-oriented.

Whether the person-oriented or task-oriented is expected to be more effective depends on the favorableness of certain factors:

- The favorableness of the leader-member relations.
- The degree to which the tasks performed by the group were structured.
- The leader's position.
- A leadership style that specifically task-oriented and satisfies the leaders' need to gain satisfaction from performing the task.
- The second style is person-oriented toward attaining a position of prominence and toward achieving good interpersonal relationships.

Contingency theories of leadership focus on particular variables related to the environment that might determine which particular style of leadership is best suited for the situation. According to this theory, no leadership style is best in all situations. Success depends upon a number of variables, including the leadership style, qualities of the followers, and aspects of the situation.

There are many forms of contingency theory. In a general sense, contingency theories are a class of behavioral theory that contend that there is no one best way of organizing / leading and that an organizational/leadership style that is effective in some situations may not be successful in others (Fiedler, 1964). In other words: The optimal organization / leadership style is contingent upon various internal and external constraints.

Four important ideas of Contingency Theory are :

- I. There is no universal or one best way to manage

2. The design of an organization and its subsystems must 'fit' with the environment
3. Effective organizations not only have a proper 'fit' with the environment but also between its subsystems
4. The needs of an organization are better satisfied when it is properly - designed and the management style is appropriate both to the tasks undertaken' and the nature of the work group.

Check your progress 3

Fill in the blanks; identify the leadership style according to the managerial grid.

1. Minimal concern for production or people. This style of management results in employees doing the minimum required. -----
2. High concern for production and low concern for people. This style of management tends to result in efficient operations. -----
3. Low concern for production and high concern for people. This style of management creates a working environment where employees feel comfortable-----.
4. Moderate levels of concern for both people and production. This style of management balances needs through compromise, resulting in adequate performance. _____
5. High levels of concern for people and production.-----

2. House's Path-Goal Theory

Developed by Robert House, the Path Goal theory is one of the most respected approaches to leadership. The essence of the theory is that it's the leader's job to assist his or her followers in attaining their goals and to provide the necessary direction and for support to ensure their goals are compatible with the overall objectives of the group or organization. According to this theory, leaders attempt to influence their subordinate's perceptions of the pay off or accomplishing their goals and show them ways to achieve the goals. Thus, a leader's behaviour is motivational, to the degree it.

- (i) Makes subordinate need satisfaction contingent on effective performance, and
- (ii) Provide the coaching, guidance, support and rewards that are necessary for effective performance.

The theory proposes four types of leader behavior and two situational variables

To test these statements, House identified four leadership behaviours or styles:

- (i) **Directive Style:** The leader tells subordinates what is expected of them and gives them guidance about what-should be done and also shows them how to do it

- (ii) **Supportive Style:** The leader shows concern for the well-being and needs of his or her subordinates by being friendly and approachable.
- (iii) **Participative Style:** The leader involves subordinate in decision making consults with them about their views of the situation, asks for their suggestions considers those suggestions in making a decision, and sometimes lets the subordinates make the decision themselves.
- (iv) **Achievement-Oriented Style:** The leader helps subordinates set goals, reward the accomplishment of these goals and encourages subordinates to assume responsibility for their attainment.

The two situational variables are:

- a. **Subordinate characteristics-** which includes ability (for esteem and self-actualization) and personality traits (authoritarianism, close-mindedness).
- b. **Task characteristics-** which includes, simple versus difficult, stressful versus non-stressful, dull versus interesting, and safe versus dangerous tasks.

House assumes that leaders are flexible and implies that the same leader can display any or all of these behaviours, depending on the situation.

It is more flexible than Fiedler's theory in that it proposes that a manager uses different types of behaviors in different situations.

Moreover, a leader can enhance performance by either increasing the rewards or making the paths toward rewards easier to travel.

3. Vroom and Yetton's Normative Theory

- The normative theory offers guidelines on how decisions ought to be made in specific situations
- .
- Five decision-making methods ranging from highly autocratic to highly participative are identified.
- The appropriate method depends on the answer to seven questions relating to the problem being solved and subordinates involved.

The first three protect the quality of the decision and final four enhance the subordinate acceptance

This theory is attractive because it provides precise answers for dealing with the question of subordinate participation.

The theory is useful to managers because it suggests that a leader may need to be autocratic in one situation and consultative in the next.

Participation Theory of Leadership

Victor Vroom and Phillip Yetton developed a leader-participation model that related leadership behaviour and participation to decision making. They assume that leaders use four basic styles in making decisions: authoritative, consultative, group-based and delegative. These styles led to different decision-making processes for solving both individual and group problems. This is shown in the table 6 below.

Table 6 : Decision Making Process

	For Individual Problems		For group problems
A1	You solve or make the decision yourself.	A1	You solve the problem or make the decision yourself, using information available to you at the time.
AII	You obtain any necessary information from the subordinate, then decide on the solution to the problem yourself.	AII	You obtain any necessary information from subordinates, then decide on the solution to the problem yourself.
C1	You share the problem with the relevant subordinate, getting his or her ideas and suggestions. Then you make the decision, which may or may not reflect your subordinate's influence	CI	You share the problem with the relevant subordinates individually, getting their ideas and suggestions without bringing them together. Then you make the decision, which may or may not reflect your subordinates' influence.
G1	You share the problem with one of your subordinates, and together you analyze the problem and with at a mutually satisfactory solution in an atmosphere of free and open exchange of information and ideas.	CII	You share the problem with your subordinates in a group meeting,. In which you obtain their ideas and suggestions. Then you make the decision. which may or may not reflect their influences.
D1	You delegate the problem with one of your subordinates. providing him or her with any relevant information that you possess, . but giving him or her responsibility for making the decision and your support for any decision reached	GII	You share the problem with. your subordinates as -,a group. Together you generate and evaluate alternatives and attempt to reach true consensus on a solution. Acting as a coordinator of the discussion. you are willing to accept and implement any solution that the entire group supports.

4. Hersey & Blanchard's Situational Theory

Hersey & Blanchard developed a two-dimensional model where it is possible to be high or low in both task and relation behavior.

The framework of H&B is a function of three variables.

- **Task Behavior:**

Amount of direction demonstrated by the leader.

Guidance a leader gives-task behavior.

- **Relationship Behavior:**

Amount of emotional support demonstrated by the leader.

Relations behavior.

- **Maturity Level:**

Ability of followers on a particular task.

Readiness of followers to perform the task-maturity.

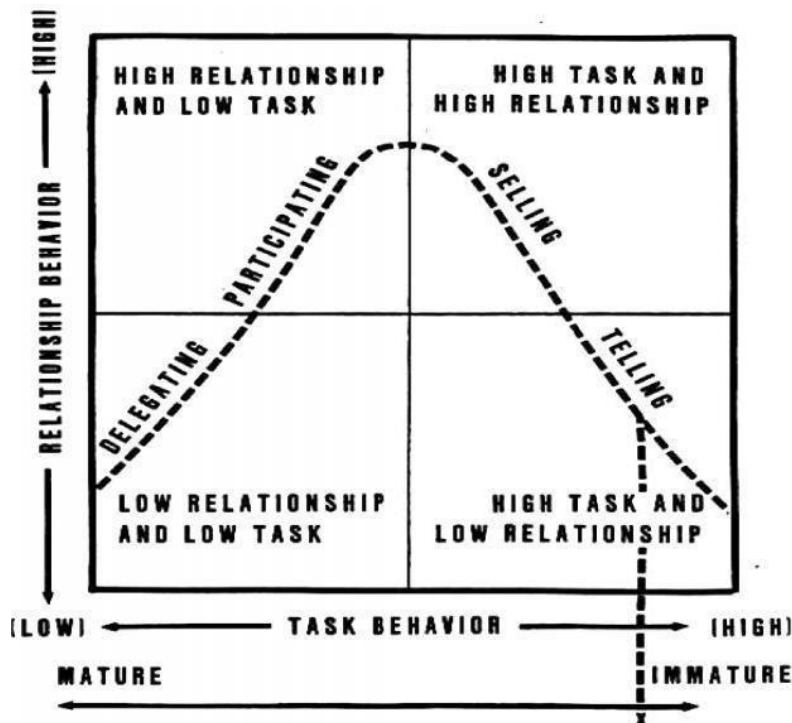
Horizontal Axis: the leader's concern for task behavior. Vertical

Axis: the leader's concern for relationship behavior. -Mature

followers respond to delegating and participating styles.

-Immature followers respond to telling and selling styles. See exhibit 7.

Exhibit 7: Situational Leadership



□ **Telling:**

- Leader decides on course of action and announces it.
- High task, low relationship.

□ **Selling:**

- Leader decides on course of action and sells it.
- High task, high relationship.

□ **Participating:**

- Leader involves followers in the decision making process.
- High relationship, low task.

□ **Delegating:**

- Leader allows followers to decide/implement.
- Low relationship, low task.

Hersey & Blanchard's theory provides a useful and understandable framework for situational leadership.

The model suggests that there is no one best leadership style for all situations.

Manager's leadership style must be adaptable and flexible to meet the changing needs of employees and situation.

- Know your style.
- Match your style to follower maturity and task situation.

Evaluation of The Theory

1. The leader-participation model is very sophisticated and complex.
2. Leader-participation model confirms that leadership research should be directed at the situation rather than the person.
3. The leader-participation model assumes the leader can adjust his or her style to different situations.

Situational Theory of Leadership

The situational theory of leadership is strongly affected by the situation from which a leader emerges and in which he works. This theory emphasizes that the leader action between the group and the leader is the main factor which makes a leader successful. The people (followers) tend to follow the person (leader) who is capable of fulfilling their aspirations. Thus, a leader recognize the need of the situation and acts accordingly. The merit of this theory that it makes it abundantly clear that there is no single universally "best style" of leadership. A leader have to change his style of leadership from situation to situation.

Contingency or situational theories differ from the earlier trait and behavioural theories in asserting that no single way of leading works in all situations. Recent research suggests that managers should select a leadership that best fits with the situation at a given time. Effective managers diagnose the situation, identify the leadership style that will be effective, and then determine if they can implement the required style. Early situational research suggested that three general factors affect the appropriate leadership style in a given situation.

- (i) **Subordinate Considerations:** Reflect the leader's awareness of subordinate's expertise, experience, competence, job knowledge, hierarchical level and psychological characteristics.
- (ii) **Supervisor Considerations :** Reflect the leader's degree of upward influence, as well as his or her similarity of attitudes and behaviours to those in higher positions.
- (iii) **Task Considerations :** Reflect the degree of time urgency, amount of physical danger, permissible error rate, presence of stress, degree of autonomy, degree of job scope, importance and meaningfulness, and degree of ambiguity of the work being performed.

The precise aspects of each dimension that influence the most effective leadership style vary in different situations. Most situational theorists suggest that effective leaders develop a range of leadership styles, which they adapt to different situations.

Activity B

Assess contingency theory of leadership theories of leadership by their level of support....

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and extend across the width of the page. There are no margins, text, or other markings on the paper.

11.9 Transactional vs. Transformational Leaderships

According to James Burns there are two types of leaders: transformational and transactional.

Transformational leaders are those who recognize, exploit and satisfy the needs of followers while elevating them into high levels of motivation and morality.

Transformational leadership elevates the goals of subordinates and inspires them to give their best to an organization.

Transformational leadership, primarily, consists of three dimensions: charisma, individualized consideration and intellectual stimulation.

- (a) **Charismatic behaviour** is that which instills pride, faith and respect and, effectively articulates a sense of vision. Examples include J.F. Kennedy, F.D. Roosevelt, General George Patton and in India, Jawaharlal Nehru etc. Charismatic behaviour is certainly important for elevating subordinates goals but does not offer the necessary follow-through for successful goal accomplishment. Individualized consideration and intellectual stimulation are needed to convert expectations into reality. Boss agreed that rather than being a mystical gift, rarely seen, charisma may be normally distributed and that all leaders possess varying degrees of it.
- (b) **Individualized consideration** involves delegating tasks to stimulate and induce, learning, recognizing the individual needs of each subordinate and respecting: each subordinate as capable of achieving the assigned goals.
- (c) **Intellectual stimulation** involves introducing and encouraging new ideas as well as rethinking of traditional methods, with emphasis on the many angles in doing a job.

In Transactional leadership, the leader exercises influence during daily leader subordinate exchanges without any special emotional inputs or considerations. The leader offers rewards to subordinates who achieve the tasks assigned to them (or, for showing appropriate behaviour). His focus is on achieving results in a practical way, clarifying things to subordinates. He is hardworking, tolerant and fair minded. He generally takes pride in keeping things running smoothly and efficiently. He often emphasizes the importance of impersonal aspects of performance such as plans, schedules and budgets. He has a sense of commitment to the organisation and conforms to organizational norms and values.

11.10 LET US SUM UP

People working in business enterprises need leaders who could be instrumental in guiding the efforts of group;; of workers to achieve the goals of both the individual and the organization. Leadership is a process of influence on a group. Leadership is the ability of a manager to induce subordinates to work with confidence and zeal. Leadership is a psychological process of influencing followers (subordinates) and providing guidance, directing and leading the people in an organization towards attainment of the objectives of the enterprise.

People working in an organization need individuals (leaders) who could be instrumental in guiding the efforts of groups of workers to achieve goals and objectives of both the individuals and the organization. The leader guides the action of others in accomplishing these tasks. Major decisions in organizations are most often made by more than one person.

11.11 ANSWER KEY TO CHECK YOUR PROGRESS

CHECK YOUR PROGRESS 1: Answers: 1;Legal Power:, 2;Competency Power , 3;Referent Power , 4;Power to Punish,5; Power to Attract).

CHECK YOUR PROGRESS 2:Answers: 1;True,2;False,3;False,4;True

CHECK YOUR PROGRESS 3: Answers : 1;Improvised (1,1) Management , 2;Authority-Compliance (9,1) Management: 3;Country Club (1,9) Management: 4;Middle-of-the Road (5,5) Management,5; Team (9,9) Management

11.12 GLOSSARY

Leader: One that leads or guides.

Leadership: Leadership is the process through which an individual tries to influence another individual or a group of individuals to accomplish a goal.

Skill: 'skill' is used to denote expertise developed in the course of training and experience. It includes not only trade and craft skills acquired by apprenticeship, but high-grade performances in many fields such as professional practice, the arts, games, and athletics.

Social Skill: The knowledge of and ability to use a variety of social behaviors that are appropriate to interact positively with other people.

Conceptual Skill: Conceptual skills refer, to the ability to form concepts. These are various levels of cognitive (mainly verbal) abstractions beginning with the exercise of denoting simple physical objects (e.g. a cat) to higher level abstractions which go beyond the physically visible (e.g. truth).

Technical Skill: Operational capabilities necessary to perform certain job specifications. Word Processing is a very widely used technical skill in many organizations.

Interpersonal Skill: "Interpersonal skills" refers to mental and communicative algorithms applied during social communications and interactions in order to reach certain effects or results.

Transformational leaders are those who recognize, exploit and satisfy the needs of followers while elevating them into high levels of motivation and morality.

Transactional leadership, the leader exercises influence during daily leader subordinate exchanges without any special emotional inputs or considerations

11.13 QUESTIONS

1. Define leadership? What are its characteristics? .
2. Leadership and Effectiveness go hand in hand. Do you agree? Justify with real life cases of exemplary effective leadership.
3. What Leadership Skills are of paramount importance to make a great organization?
4. Which according you, the behavioral or the situational theories of leadership are more applicable in today's workplace where employee retention is a biggest challenge.
5. What do you think? The leaders are born or made .explain and justify your answer.
6. "A good leader is one who understands his subordinates, their need and their sources of satisfaction." Comment.
7. Give the Meaning and Definition of Leadership in your own words on the basis of your personal experience.
8. Outline the Nature and Characteristics of a great and visionary Leadership.
9. What are the Leadership functions performed by the leaders and the managers.
10. Critically examine the different approaches to the study of leadership behaviour. Is there one best style of leadership?
11. Explain the various Theories of leadership.
12. "A Successful Leader is not necessarily effective." Comment.

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LESSON NO 12 COMMUNICATION

- 12.1 Learning objectives**
- 12.2 Introduction**
- 12.3 Definition of Communication**
- 12.4 Importance of Communication**
- 12.5 Functions of Communication**
- 12.6 Communication Process**
- 12.7 Models of Communication Process**
- 12.8 Directions of Communication in the organization**
- 12.9 Communication Effectiveness**
- 12.10 How Communication Leads Globally.**
- 12.11 The Johari Window Style of Communication**
- 12.12 Transactional Analysis and Communication**
- 12.13 Communication and Group Decisions Making**
- 12.14 Let us Sum Up**
- 12.15 Answer key to check your progress**
- 12.16 Glossary**
- 12.17 Test Questions**
- 12.18 References**
- 12.19 Suggested Readings**

Learning objectives

After going through the lesson you should be able to

- Define communication and understand its importance and the functions it facilitates in the organization.
- Delineate the Communication Process and the Models of Communication Process
- Appreciate the Directions of Communication in the organization ,Communication Effectiveness
- And How Communication Leads Globally.
- Explain the Johari Window Style of Communication, Transactional Analysis and Communication
- Outline the role of Communication in Group Decision Making.

INTRODUCTION

Communication is the exchange of messages between people for the purpose of achieving common meanings. Unless common meanings are shared, managers find it extremely difficult to influence others. Whenever group of people interact, communication takes place. Communication is the exchange of information using a shared set of symbols. It is the process that links group members and enables them to coordinate their activities. Therefore, when managers foster effective communication, they strengthen the connections between employees and build cooperation. Communication also functions to build and reinforce interdependence between various parts of the organization. As a linking mechanism among the different organizational subsystems, communication is a central feature of the structure of groups and organizations. It helps to coordinate tasks and activities within and between organizations.

DEFINITION OF COMMUNICATION

Whenever a group of people interact, communication takes place. Communication is the exchange of information using a shared set of symbols. It is the process that links group members and enables them to coordinate their activities. Therefore, when managers foster effective communication, they strengthen the connections between employees and build cooperation. The term "communication" is derived from the Latin word "communis" which means "common". This stands for the sharing of ideas in common. It is the process of passing information and understanding from one person to another.

According to Theo Haiman, "Communication, fundamental and vital to all managerial actions, is the process of imparting ideas and making oneself understood by others".

According to Dalton McFarland, "Communication may be broadly defined as the process of meaningful interaction among human beings. More specifically, it is the process by which meanings are perceived and understandings are reached among human beings".

According to Louis A Allen, "Communication is the sum of all the things one person does when he wants to create understanding in the mind of another. It is a bridge of meaning. It involves a systematic and continuous process of telling, listening and understanding".

In the words of Newman and Summer, "Communication is an exchange of fact, ideas, opinions or emotions by two or more persons".

According to Hudson, "Communication in its simplest form is conveying of information from one person to another".

According to Charles E Redfield, communication is "the broad field of human interchange of facts and opinions and not the technologic of telephone, telegraph, radio and the like".

According to Koontz and O'Donnell, "Communication. Is an intercourse by words, letters symbols or messages, and is a way that the organization members shares meaning and understanding with another".

In the words of Jacques, "Communication is the sum loud of directly and indirectly, consciously and unconsciously transmitted feeling, attitudes and wishes",

In the words of Mockier, -Communications is the process of passing information ideas or even emotion from one person to another.¶

In the words of Kelly "Communication is a field of knowledge dealing with systematic application of symbols to acquire common information regarding an object or event".

In the words of Brown, communication is "a process of transmitting ideas or thoughts from one person to another, for the purpose of creating understanding in the thinking of the person receiving the communication",

According to Sigmund, communication is "the transmission and reception of ideas, feelings and attitudes both verbally and non-verbally eliciting a response, it is a dynamic concept underlying all lands of living systems".

- Of information given and received.
- Of learning experience in which certain attitudes, knowledge and skills change, carrying with them alternations of behaviour,
- Of a listening effort by all involved.
- Of a sympathetic fresh examination of issues by communicator himself,
- Of a sensitive interaction of points of view – leading to a higher level of shared understanding and common intention.

It should be clear from the above definitions that communication is not merely sending or receiving message. It is much more than that. It includes proper understanding of message, its acceptance and action on it. Unless common meanings are shared, managers find it extremely difficult to influence other Communication is a critical part of every manager's job. Without effective communication, even the most brilliant strategies and the best-laid plans may not be successful. As a result, it is not surprising that high-level executives, as well as managers at other levels, often mention effective communication skills, both oral and written, as crucial elements for managerial success. Communication is thus an attempt to share understanding by two or more persons, It is a two-way process and is completed when there is some response from the receiver of information, It has two basic objectives:

- To transmit message, ideas or opinions, and
- To create an impression or understanding in the minds of the receiver of information.

IMPORTANCE OF COMMUNICATION

Communication is an indispensable activity in all organizations. No organization can think of its existence without effective communication. That is why, Chester Bernard remarked, "the first executive function is to develop and maintain a system, of communication". An organization's very survival depends on its employees ability to communicate with one another and with the members of its environment. The free flow of ideas and information is an essential ingredients in the drive for quality and continuous improvement. The organization relies on communications to learn what its customers want, to foster cooperation among its employees, and to identify and adapt to changes in the environment. An effective communication system is essential to pass messages, ideas and information for explaining objectives and plans, controlling, performance and taking corrective action.

The importance of communication in management can be judged from the following:

1. Gaining acceptance of policies, winning cooperation of others, getting instructions and ideas clearly understood and bringing about the desired changes in performance are dependent upon effective communication.
2. Communication helps the management in arriving at vital decisions. In its absence. It may not be possible for the top-level management to come in closer contact with each other and discuss the important problems pertaining to the organization.
3. Constant communication with personnel helps the management to remain informed about their problems, difficulties and grievances. Appropriate steps can be taken in time to remove the worker's difficulties. Conflicts often arise because of communication gap. They can be averted by setting up a regular arrangement of keeping contact with the workers through communication media.
4. Communication is guide essential for coordination, which is the essence of effective management. It brings about mutual understanding between the personnel at all levels and fosters the spirit of cooperation. In the words of Mary Crushing Niles, "Good communications are essential to coordination. They are necessary upward, downward and sideways, through all the levels of authority and advise for the transmission, interpretation and adoption of policies, for the sharing of knowledge and information, and for the more subtle needs of good morale and mutual understanding."
5. Greater, better and cheaper production are the aims of all managers. In today's organizations; the information passes through a variety of filters and there is always a chance for misinterpretation. An effective system of communication can play a vital role in avoiding this illusion. The employees should be told clearly what exactly to do and the way in which an instruction is to be carried out. In this process certain directions are to be given, certain feelings must be expressed and a certain amount of interpersonal perceptions must be exchanged. In the words of Shobhana Khandwala, "For this, management has to sell ideas, motivate the

workers to work with a will, and build up higher morale in the company.

'Communication, as an influence, process, plays a vital role here. It becomes, thus, a part of education, propaganda, leadership and guidance function of the management'.

Under an effective system of communication it is quite convenient for the employees to express their grievances, and bring all their problems to the notice of the management. Proper communications between the interested parties reduce the point of friction and minimize those that inevitably arise. Hence by effective communication, a group having 'skill' and 'will' to do is to be built up.

7. Communication helps in securing the largest possible participation or consultation in decision making, planning and general administration. This will give democratic character to managerial process and strengthen the morale of the staff.

FUNCTIONS OF COMMUNICATION

Communication serves four major functions within the organization.

Control

Communication acts to control the employees behaviour. Organizations have authority hierarchies and formal guidelines that employees are required to follow. The control mechanism can work only when the communication - oral and written, is effective. Informal communication also controls behaviour,

Information

Communication is a vital necessity to an organization, just as the bloodstream is to the person. It is essential that information must be communicated to the managers on the basis of which the plans can be developed; these plans must be communicated to the operating managers and employees.

Motivation

Communication fosters motivation by clarifying to employees what is to be done, how well they are doing and what can be done to prove performance if it is unsatisfactory.

Emotional Expression

Communication provides a release for the emotional expression of feelings and for fulfillment of social needs. Employees show their frustrations and feelings of satisfaction through communication.

THE COMMUNICATION PROCESS

Communication is important in building and sustaining human relationships at work. It cannot be replaced by the advances in information technology and data

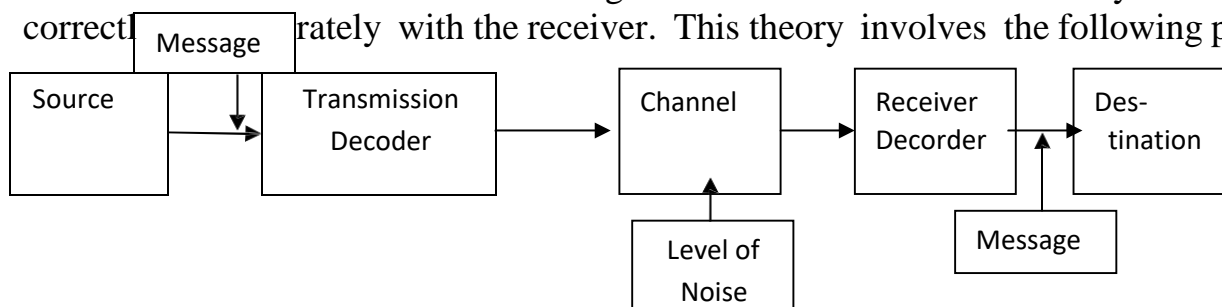
management that have taken place over the past several decades. Communication can be thought of as a process or flow. Before communication can take place, a purpose; expressed as a message to be conveyed is needed. It passes between the sender and the receiver. The result is transference of meaning from one person to another.

MODELS OF COMMUNICATION

Different methods have given different models for effective communication process with the purpose that sender sends the right message to the receiver of message. These are as under :

1. Shannon – Weaver Model :

Coude E. Shannon and Wanen Weaver model is based on the information theory. This information theory is mechanical approach to lay down a communication process. The aim of this model is that the message which is to be communicated by sender reaches correctly with the receiver. This theory involves the following process.



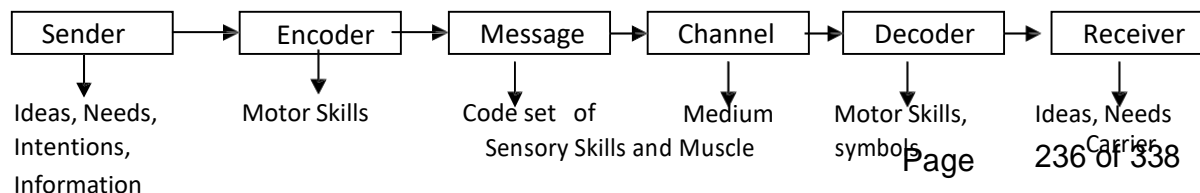
This model tells about how the message is delivered by sender to receiver but does not include process of feedback, hence, we assume that the same process will be adopted for feedback making receiver the sender and sender the receiver. In this model communication problem can arise in any of the following three levels:

- (i) The Technical Level : How accurately and correctly the communication can be transmitted through the symbols used.
- (ii) The Semantic level : How effectively, the desired meaning is conveyed by the symbols used.
- (iii) Effective Level : This tells how effectively does the received meaning affect conduct of the receiver in the desired way.

II. Berlo Model:

This model is widely accepted model of Communication process and also known as dynamic interactive communication process model. David K. Berlo gave this model based on the following idea:

-If we accept the concept of process, we view events and relationships as dynamic, on going, ever changing, continuous. When we label something as a process, we also mean that it does not have a beginning, an end, or a fixed sequence of events. It is not static at rest. It is moving. The ingredients within a process interact, each affects all the others.



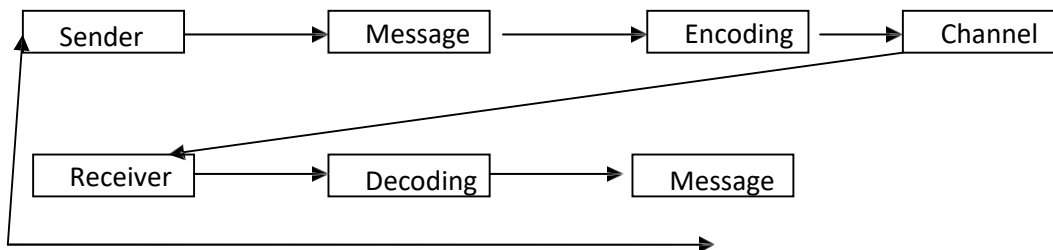
sensory skills,
muscle

Intentions
Information

According to Berlo this process is an ongoing process which involves feedback also but he has mentioned specifically how feedback will be there.

III. Transactional Process Model :

Communication theorists like Wenburg and Wilmount gave this contemporary theory of communication process and called it as a transactional process Model. They have extended the David Berlo model. These two theorists state that -all persons are engaged in sending (encoding) and receiving (decoding) messages simultaneously. Each person is constantly sharing the encoding and decoding process and each person is affecting the other. This model is based on its continuous process of feedback of communication and the social approach to organization and behavior makes it the most effective model. This is as follows:



IV. Lasswell Model : This model is a persuasive process of communication. It is based on one assumption that every sender of communication tries to influence the receiver of message. It does not involve feed back. It was only an introductory model and not effective till it was modified later on by Bradock who included circumstances, purpose and effect in persuasive process.

V. Managerial Communication Model

This model is continua which extends from the informal developer to the formal controller. Managers are informal developers who communicates with everyone in the establishment. He tries to develop the skills of his subordinate. They are humanitive interactors.



On the other hand when managers do not interact and communicate freely with subordinate except when needed are called formal controllers.

Now we explain the terms usually used in some models of communication process. (1) the communication source, (2) encoding, (3) the message, (4) the channel, (5) decoding, (6) the receiver, and (7) feedback.

Source :

The source initiates a message. This is the origin of the communication and can be an individual, group or inanimate object. The effectiveness of a communication depends to a considerable degree on the characteristic of the source. Aristotle believed that acceptance of the source's message could be increased by:-

- Pathos - Playing on the emotions of the receiver.
- Logos - Generating logical arguments or
- Ethos - Asking for message acceptance because the source is trustworthy.

The person who initiates the communication process is known as sender, source or communicator. In an organization, the sender will be a person who has a need or desire to send a message to others. The sender has some information which he wants to communicate to some other person to achieve some purpose. By initiating the message, the sender attempts to achieve understanding and change in the behaviour of the receiver.

Encoding

Once the source has decided what message to communicate, the content of the message must be put in a form the receiver can understand. As the background for encoding information, the sender uses his or her own frame of reference. It includes the individual's view of the organization or situation as a function of personal education, interpersonal relationships, attitudes, knowledge and experience.

- Skill: Successful communicating depends on the skill you possess. Without the requisite skills, the message of the communicator will not reach the receiver in the desired form. One's total communicative success includes speaking, reading, listening and reasoning skills.
- Attitude : Our attitudes influence our behavior.
- Knowledge: We cannot communicate what we don't know. The amount of knowledge the source holds about his or her subject will affect the message he or she seeks to transfer.

The Message

The message is the actual physical product from the source encoding. The message contains the thoughts and feelings that the communicator intends to evoke in the receiver. The message has two primary components:-

- **Tile Content:** The thought or conceptual component of the message is contained in the words, ideas, symbols and concepts chosen to relay the message.
- **Tile Affect:** The feeling or emotional component of the message is contained in the intensity, force, demeanour (conduct or behaviour), and sometimes the gestures of the communicator.

According to D.K Berlo - "when we speak, the speech is the message. When we write, the writing is the message. When we paint, the picture is the message. When we gesture, the movements of our arms, the expressions Oil our faces arc the message".

The Channel

The actual means by which the message is transmitted to the receiver (Visual, auditory, written or some combination of these three) is called the channel. The channel is the medium through which the message travels. The channel is the observable carrier of the message. Communication in which the sender's voice is used as the channel is called oral communication. When the channel involves written language. The sender is using written communication. The sender's choice of a channel conveys additional information beyond that contained in the message itself. For example, documenting an employee's poor performance in writing conveys that the manager has taken the problem seriously.

Channel	Required source of Activity	Required Receiver activity	Some Examples
1. Auditory	Speaking use of mechanical sending device	Listening	Telegraph signals Radio
2. Visual	Action	Observing	Ship-to-shore visual signals Hands Singals Colour emphasis
3. Written	Composition	Reading	Reports Company policy manual Books
4. Auditory-visual combination	Speaking and action	Listening and observing	Television-movies Ballet Student listening to a lecture
5. Visual –	Action and	Observing and	Billboard

written combination	Composition	reading	advertising Magazines Newspapers transit advertising.
6. Auditory written combination	Speaking and composition	Listing and reading	Students following handouts provided by the instructor

Source : Jerry L. Gray and Frederick A Strake, -Organizational Behaviour – Concepts and Applications| Charles E. Merrill Publishing Company, Columbus (Third Edition) Page 307.

Decoding

Decoding means interpreting what the message means. The extent to which the decoding by the receiver depends heavily on the individual characteristics of the sender and receiver. The greater the similarity in the background or status factors of the communicators, the greater the probability that a message will be perceived accurately. Most messages can be decoded in more than one way. Receiving and decoding a message are a type of perception. The decoding process is therefore subject to the perception biases.

The Receiver

The receiver is the object to whom the message is directed. Receiving the message means one or more of the receiver's senses register the message - for example, hearing the sound of a supplier's voice over the telephone or seeing the boss give a thumbs-up signal. Like the sender, the receiver is subject to many influences that can affect the understanding of the message. Most important, the receiver will perceive a communication in a manner that is consistent with previous experiences. Communications that are not consistent with expectations is likely to be rejected.

Feedback

The final link in the communication process is a feedback loop. Feedback, in effect, is communication travelling in the opposite-direction. If the sender pays attention to the feedback and interprets it accurately, the feedback can help the sender learn whether the original communication was decoded accurately. Without feedback, one-way communication occurs between managers and their employees. Faced with differences in their power, lack of time, and a desire to save face by not passing on negative information, employees may be discouraged from providing the necessary feedback to their managers

DIRECTIONS OF COMMUNICATION IN THE ORGANIZATION

Within organizations, there are three directions in which communications flow: downward, upward and laterally (horizontal).

I. Downward Communication

Downward communication involves a message travelling to one or more receivers at the lower level in the hierarchy. The message frequently involves directions or performance feedback. The downward flow of communication generally corresponds to the formal organizational communications system, which is usually synonymous with the chain of command or line of authority. This system has received a great deal of attention from both managers and behavioural scientists since it is crucial to organizational functioning.

II. Upward Communication

In upward communication, the message is directed toward a higher level in the hierarchy. It often takes the form of progress reports or information about successes and failures of the individuals or work groups reporting to the receiver of the message. Sometimes employees also send suggestions or complaints upward through the organization's hierarchy.

The upward flow of communication involves two distinct manager-subordinate activities in addition to feedback:

- (a) The participation by employees in formal organizational decisions.
- (b) Employee appeal is a result against formal organization decisions. The employee appeal is a result of the industrial democracy concept that provides for two way communication in areas of disagreement.

Stimulating Upward Communication

Although most managers agree on the need for upward communication, it is often not clear what actions can be taken to stimulate it. Given this situation, it is important to develop ways stimulate upward communication. Planty and Machaver give the following suggestions.

Stimulating Upward Communication

1. Coverage must be systematic and balanced : While spontaneous communication is.' often useful, 'efforts at stimulating upward communication must be planned, systematic, and balanced. The planning requirement assures that communication is not left to chance, while the balance requirement attempts to prevent upward communication originating from only a few sources. Many times only the most vocal organizational members are heard, whereas the less vocal may have important things to say as well. In following these principles, management obtains information from a wider variety of sources, and communication is not limited to crisis

situations. The old adage "no news is good news" does not hold for upward organizational communication.

2. The flow of communication must be directed Communication that is not directed to the proper receivers becomes rumour and finds its way through the organization according to who will listen. Proper directed communication, however, reaches those individuals who are in a position to take action. Employees who are dissatisfied and wish to communicate with management must be directed to the correct channels, and these channels should be known to everyone.

3. Listening must be sensitive : Because of the fundamental nature of hierarchical systems, employees may be conditioned to tell management what they think management wants to hear rather than what they actually feel. Complaints are often disguised in ways that prevent them from being obvious; to the listener. Consequently, management must attempt to respond not only to the spoken word, but to the meaning of the words. To a large degree, the sensitivity of the manager determines the amount and type of communication that is directed upward from subordinates.

4. Listening must be objective. Upward communication will be selective and infrequent if employees think their communications are not being perceived in an objective fashion. It is easy for managers to show more interest in favorable communication than unfavorable or seek out those employees who will agree with them and ignore those who do not. Objectivity in upward communication means that management must make a conscious effort to avoid these biases.

5. Listening implies action. Communication is not an end in itself but a means to an end. While listening to employees is certainly important, unless some kind of action is forthcoming, the listening function loses its value. In some cases, listening itself can give the employee the impression that action will be taken, and management must be cautious not to leave the impression that communication efforts guarantee results. If, for example, employees offer suggestions for work improvements that cannot be implemented, they should be told why.

If properly utilized, upward communication is potentially one of the most useful managerial practices. Upward communication keeps managers aware of how employees feel about their jobs, co-workers and the organization in general. Managers also rely on upward communication for ideas on how things can be improved.

COMMUNICATION EFFECTIVENESS

Managers can and should improve communication in organizations. Interpersonal communication between managers and their employees is a critical foundation for effective performance in organizations. In his research work F.M. Jablin has identified five communication skills that distinguish -good from -bad supervisors.

A) Expressive Speakers

Better supervisors express their thoughts, ideas and feelings. Supervisors who speak out let the people they work with know where they stand what they believe and how they feel.

Effective Listening

Too many people take listening skills for granted. They confuse hearing with listening. What's the difference? Hearing is merely picking up sound vibrations. Listening is making sense out of what we hear. That is, listening requires paying attention, interpreting, and remembering sound stimuli.

The average person normally speaks at the rate of 125 to 200 words per minute. However, the average listener can comprehend up to 400 words per minute. This leaves a lot of time for idle mind wandering while listening. For most people, it also means they've acquired a number of bad listening habits to fill in the "idle time".

The following eight behaviors are associated with effective listening skills. If you want to improve your listening skills, look to these behaviors as guides:

1. *Make eye contact.* How do you feel when somebody doesn't look at you when you're speaking? If you're like most people, you're likely to interpret this as aloofness or disinterest. We may listen with our ears, but others tend to judge whether we're really listening by looking at our eyes.

2. *Exhibit affirmative head nods and appropriate facial expressions.* The effective listener shows interest in what is being said. How? Through nonverbal signals. Affirmative head nods and appropriate facial expression, when added to good eye contact, convey to the speaker you're listening.

3. *Avoid distracting actions or gestures.* The other side of showing interest is avoiding actions that suggest your mind is somewhere else. When listening, don't look at your watch, shuffle papers, play with your pencil, or engage in similar distractions. They make the speaker feel you're bored or uninterested. Maybe more importantly, they indicate you aren't fully attentive and may be missing part of the message the speaker wants to convey.

4. *Ask Questions.* The critical listener analyzes what he or she hears and asks questions. This behaviour provides clarification, ensures understanding, and assures the speaker you're listening.

5. *Paraphrase.* Paraphrasing means restating what the speaker has said in your own words. The effective listener uses phrases like "what I hear you saying is ... " or "do you mean ... ?" Why rephrase what's already been said ? Two reasons! First, it's an excellent control device to check on whether you're listening carefully. You can't paraphrase accurately if your mind is wandering or if you're thinking about what you're going to say next. Second, it's a control for accuracy. By rephrasing what the speaker has said in your own words and feeding it back to the speaker, you verify the accuracy of your understanding.

6. *Avoid interrupting the speaker.* Let the speaker complete his or her thought before you try to respond. Don't try to second-guess where the speaker's thoughts are going. When the speaker is finished, you'll know it

7. *Don't over talk.* Most of us would rather speak our own ideas than listen to what someone else says. Too many of us listen only because it's the price we have to pay to get people to let us talk. While talking may more fun and silence may be uncomfortable, you can't talk and listen at the same time. The good listener recognizes this fact and doesn't over talk.

8. *Make smooth transitions between the roles of speaker and listener.* When you're a student sitting in a lecture hall, you find it relatively easy to get into an effective listening frame of mind. Why? Because communication is essentially one way: The teacher talks and you listen. But the teacher-student dyad is atypical. In most work situations, you're continually shifting back and forth between the roles of speaker and listener. The effective listener, therefore, makes transitions smoothly from speaker to listener and back to speaker. From a listening perspective, this means concentrating on what a speaker has to say and practicing not thinking about what you're going to say as soon as you get your chance.

(b) Empathetic Listeners

The better supervisors are willing, empathetic listeners. Empathetic listeners are able to hear the feelings and emotional dimensions of the messages people send them, as well as the content of the ideas and issues. Better supervisors are approachable and willing to listen to suggestions and complaints.

Are you a Good Listener ?

Reflective listening is a skill that you can practice and learn. Here are ten tips to help you become a better listener.

1. Stop talking. You cannot listen if your mouth is moving.
2. Put the speaker at ease, Break the ice to help the speaker relax, Smile!
3. Show the speaker you want to listen. Put away your work. Do not look at your watch. Maintain good eye contact.
4. Remove distractions. Close your door. Do not answer the telephone.
5. Empathize with the speaker. Put yourself in the speaker's shoes.
6. Be patient. Not everyone delivers messages at the same pace.
7. Hold your temper. Do not fly off the handle.
8. Go easy on criticism. Criticizing the speaker can stifle communication .
9. Ask questions. Paraphrase and clarify the speaker's message.
10. Stop talking. By this stage, you are probably very tempted to start talking, but do not. Be sure the speaker has finished.

Think of the last time you had a difficult communication with someone at work or school. Evaluate yourself in that situation against each of the ten items. Which one(s) do you need to improve on the most?

Source : C. Hamilton and B.H. Kleiner -Steps to Better Listening|| Personnel Journal February, 1987.

C) Persuasive Leaders

Better supervisors are persuasive leaders. They are distinguished by their use of persuasive communication when influencing others. Specifically, they encourage others to achieve results instead of telling others what to do. They are not highly directive or manipulative in their influence attempts.

D) Sensitive to Feelings

Better supervisors are also sensitive to the feelings, self-Image and psychological defences of their employees. Care is taken to avoid giving critical feedback or reprimanding in public. They work to enhance that self-esteem as appropriate to the person's real talents, abilities and achievements.

E) Informative Managers

Finally, better supervisors keep those who work for them well informed. They give advance notice of organizational changes and explain the rationale for-organizational policies.

Check Your Progress

1. Explain the different types of communication.
2. What suggestions do you give to supervisors to improve their

communication?

HOW COMMUNICATION LEADS GLOBALLY ?

- Improved communication might be considered a supportive reason for opening up few markets overseas, because the reason for opening up new markets overseas, because the effective ability to communicate with subordinates and customers has given managers confidence in their ability to control foreign operations if they should undertake them.
- Good, relatively inexpensive international communication enables, international firms to transmit computer-oriented tasks worldwide to a cheap but skilled labour force abroad.
- Shorter travelling time has also been responsible for numerous business opportunities because foreign businessmen have come to the home country to look for new products to improve or to buy new technology.

THE JOHARI WINDOW COMMUNICATION STYLE

When people communicate, they differ not only in non-verbal behaviours and language but in the degree to which they provide and seek information. Such differences constitute various communication styles. A popular model for describing differences in communication style is the Johari window developed by Joseph Luft and Harry Ingham. The name Johari is derived from the first names of its developers. The Johari window is a grid that describes tendencies for facilitating or hindering interpersonal communication.

		The person knows	The person does not
The person knows about him or herself	1	Open Self	Hidden Self
			The person does not

The model classifies an individual's tendencies to facilitate or hinder interpersonal communication along two dimensions: exposure and feedback. Exposure is defined as the extent to which an individual openly and candidly divulges feelings, experiences, and information when trying to communicate. Feedback is the extent to which an individual successfully elicits exposure from others. As shown in the figure above, these dimensions translate into four "windows" - open self, hidden self, blind self and undiscovered self.

1. Open Self : The open self is the arena information known to the person and to others. A large arena results from behaviour that is high in both exposure and feedback. There would generally be openness and compatibility and little reason to be defensive. This type of interpersonal relationship would tend decrease interpersonal conflict.

2. Hidden Self: In this situation the hidden information is known to the person but not to others; it encompasses those things or feelings that we are aware of but don't share with others for fear they will think less of us or possibly use the information against us. Very large hidden knowledge can cause problems if the person expends too much effort in keeping secrets or others if suspicious about the lack of disclosure. There is potential interpersonal conflict in this situation because the person may keep his or her true feelings or attitudes secret and will not open up to the others.

3. Blind Self: The blind self are information known to others but not to yourself. This is the result of no one ever telling you or because you are defensively blocking them out. The person may be unintentionally irritating to the other. The other could tell the person but may be fearful of hurting the person's feelings. Such a configuration is rarely total human resources. Furthermore, the person is likely to make many blunders, reflecting insensitivity to others. As in the "hidden self", there is potential interpersonal conflict in this situation.

4. Undiscovered Self : The undiscovered self include feelings, experience, and information that neither you nor others are aware of. It arises from lack of communication. A manager whose unknown area is very large tends to be an autocratic leader, perceived as aloof. Employees may have trouble discerning what this person

wants. In other words, there is much misunderstanding and interpersonal conflict and is almost sure to result.

The Johari window only points out possible interpersonal styles, it does not necessarily describe but rather helps analyze possible interpersonal conflict situations. The National Training Laboratory (NTL) recommends seven guidelines for providing feedback for effective interpersonal relations. These guidelines given below can help to decrease the potential for interpersonal conflict.

Guidelines for Effective Interpersonal Relations

- | | |
|----|--|
| 1. | Be descriptive rather than judgemental |
| 2. | Be specific rather than general |
| 3. | Deal with things that can be changed. |
| 4. | Give feedback when it is desired |
| 5. | Consider the motives for giving and receiving feedback. |
| 6. | Give feedback at the time of behavior takes place. |
| 7. | Give feedback when its accuracy can be checked with others |

Source : National Training Laboratories, -Summer Reading Book, NTL, Institute for Applied Behaviour Sciences, Bethel, Maine, 1968.

CHECK YOUR PROGRESS 1 IDENTIFY THE WINDOW ;

1. The arena information known to the person and to others. This type of interpersonal relationship would tend decrease interpersonal conflict.
2. In this situation the hidden information is known to the person but not to others; it encompasses those things or feelings that we are aware of but don't share with others for fear they will think less of us or possibly use the information against us.
3. Information known to others but not to yourself. This is the result of no one ever telling you or because you are defensively blocking them out..
4. Include feelings, experience, and information that neither you nor others are aware of

TRANSACTIONAL ANALYSIS AND COMMUNICATION

T.A. is a set of practical conceptual tools for personal growth and change, a social psychology developed by Eric Berne MD. According to Eric Berne, T.A. is a powerful tool for human well being that utilizes the "Adult", in both the client and the counsellor to sort out thoughts and behaviours that result in personal difficulties. TA is a model of communication. According to premise we use always converse and communicate with others from one of three parts or 'Ego- states' of our personality and a systematic

psychotherapy for personal growth and change. When two people interact with each other there results a social transaction. Analysis of the social transactions is called transactional analysis. Knowing about TA can be very useful for improving our communication skills. TA is about how people are structured psychologically and is both a theory of communication and a theory of child development.

Key Concepts of Transactional Analysis

Ego States

Eric Berne made complex interpersonal transactions understandable when he recognized that the human personality is made up of 3 "ego states", each of which is an entire system of thought, feeling, and behavior from which we interact with each other. The Parent, Adult, and Child ego states and the interaction between them form the foundation of transactional analysis theory.

Transactions

Transactions refer to the communication exchanges between people. Transactional analysts are trained to recognize which ego states people are transacting from and to intervene in the interactions so that they can improve the quality and effectiveness of communication.

Life scripts

A large part of your life story unfolds like the script of a drama or play. When Shakespeare said "All the world's a stage and all the men and women merely players" he alluded to the repetitive predictable aspects of life scripts. You are "in script" when your life follows family influences and childhood decisions. The nature of your script, whether positive or negative, depends on the kinds of permissions and prohibitions you received as a child, and the resulting early decisions you made.

The Philosophy of Transactional Analysis

Transactional Analysis is a humanistic social psychology. The underlying philosophical assumptions that form TA's foundational principles are:

- People can be responsible for their choices and thoughts
- People are OK, worthwhile, and deserve to be treated with dignity
- People make decisions about their lives
- People can change

Berne's model is a three part ego-state model. An ego state is

- "A consistent pattern of feeling and experience directly related to a corresponding consistent pattern of behaviour".

There are three ego states in Berne's model:

- Parent,
- Adult,
- Child.

Ego states are irrespective of age and are capitalised to differentiate from the normal use of the words parent, adult and child. The Parent and Child ego states are echoes of the past. The Adult ego state is a response to the here and now when a person is grown up and using grown up responses. Ego states are 'things' not names. They are a set and related; thoughts, feelings and behaviours. Communication between people can be from one ego state to a different one or from one ego state to the same ego state.

Normally communication will be from one ego state either to the same ego state or a different one. The person who first communicates will expect a reply to be from a certain ego state. If communication is from a different ego state to the expected one, then the communication may be ineffective and the message may be lost, not received or disregarded by the person receiving it. If communication is from Adult to Adult then it is likely to be the most effective communication for most of our communications.

The '3 Rules of Communication' in TA

1st Rule of Communication

- So long as transactions remain complementary, communication can continue indefinitely.

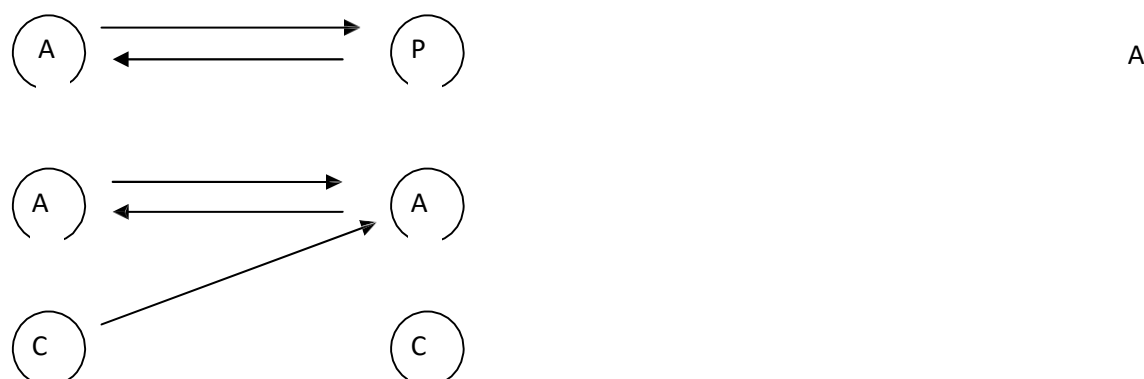
2nd Rule of Communication

- When a transaction is crossed, a break in communication results, and one or both individuals will need to shift ego states in order for the communication to be re-established

3rd Rule of Communication

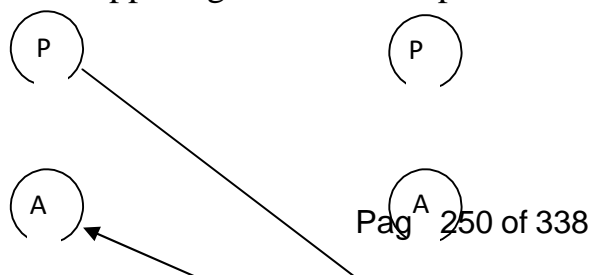
- The behavioural outcome of an ulterior transaction (one where two messages are sent at the same time; one overt social and one covert psychological) is determined at the psychological level and not at the social level.

Example of Complementary Communication :



Example of non complementary communication

Diagram shows Parent ego state - expected reply would have been something like "I'm sorry it won't happen again" from Adapted Child



"You took your time to reply to my call.¶

-So What, I was busy¶

The ego states are sub-divided

Parents ego state is divided into :

- Parent into Critical Parent CP - which is negative, unsupportive, critical.
- Nurturing Parent NP - which is supportive, helpful, nurturing, comforting.

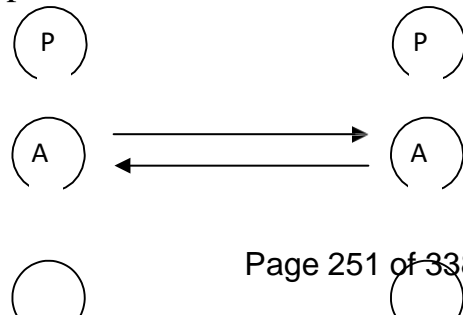
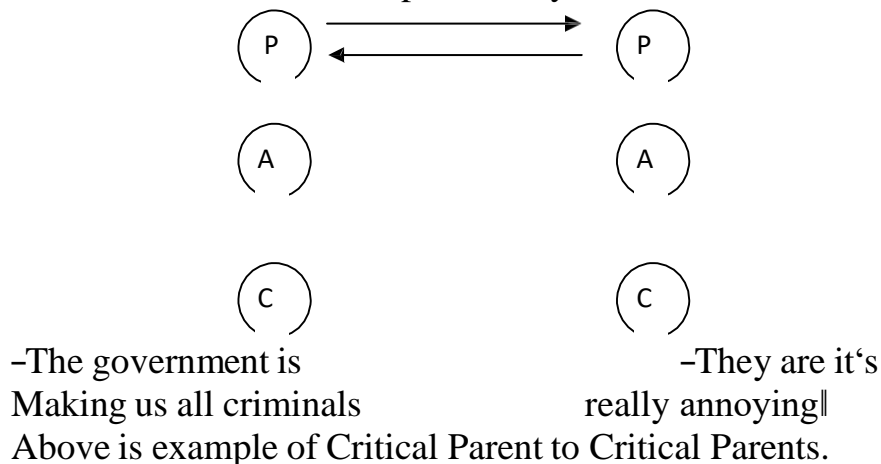
Child ego state is divided into :

- Free Child FC (sometimes referred to as Natural Child NC) which is spontaneous, free-wheeling, playful, self-indulgent, curious, rebellious.
- Adapted Child AC - which is toned down behaviour that has been learnt in response to the reactions from other people to us and our behaviour. The learned or adapted responses are more likely to generate a given result from the receiver.

The 3 ego states can be used as a way of analysing transactions (communications) between people. A transaction is a communication from A to B and the response from B to A.

Examples of Complementary Transactions

Where the message is sent from one ego state and the reply is from the expected ego state. The transaction is complementary.



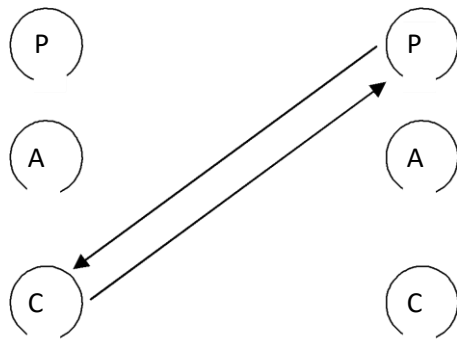
c

c

-what time is the
Train due?||

-It's due at
One fifteen

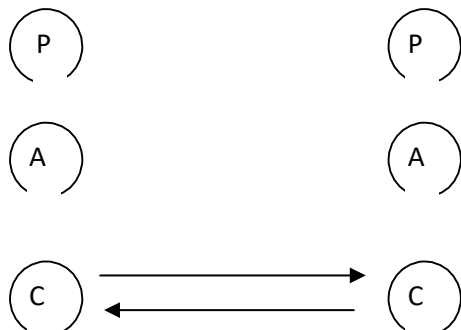
The above is example of Adult to Adult



-Oh, I'm really struggling
With all this painting||

-Don't Worry, i'll give
you a hand right now||

The above is example of Adapted Child to Nurturing Parent.

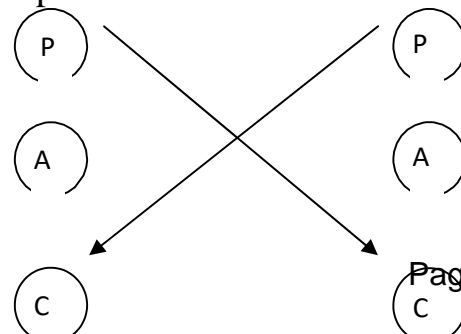


-Oh what the hell,
Let's have another drink
And pudding||

-Yeah, great idea make that
a pudding, and some gateaux.||

Above is example of Free Child to Free Child

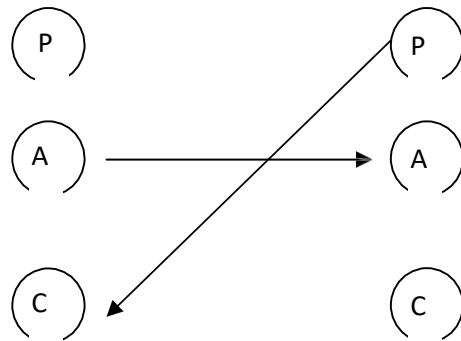
Examples of Crossed Transactions



-You messed that up, its, full of errors and typos.‖
eng.

-Rubbish, it's your fault. It's you That can't understand or use correct

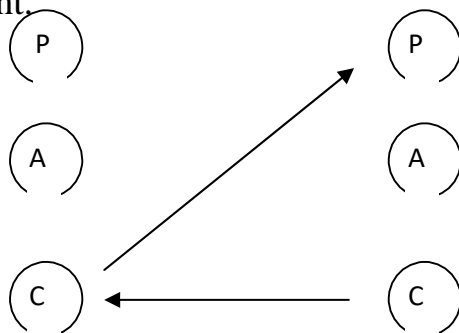
Above is example of Critical Parent expecting reply from Adopted Child but receiving reply from Critical Parent.



-The deadline is tomorrow. We'll need to stay on a final Half hour to give it another check‖.

-What do you mean _we_. If you didn't always leave things to the last minute.‖

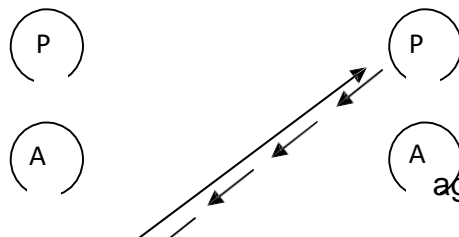
Above is example of Adult expecting reply from Adult but receiving reply from Critical Parent.



-Oh, I'm really struggling With all this painting‖.

-Oh, I know that you mean, it's Really difficult isn't it‖

Above is example of Adapted Child expecting reply from Nurturing Parent but receiving reply from Adapted Child.



-Oh,I'm really struggling with This painting.‖ -So pl*****y what. I've got enough To do without you moaning all the time.‖

Above is example of Adapted Child expecting reply from Nurturing Parent but receiving reply from Critical Parent.

A crossed transaction could lead to argument and loss of effective communication. The message is 'lost'.

Check your progress 2

State true or false with regard to the rules of communication in TA

1st Rule of Communication: So long as transactions remain complementary, communication can continue indefinitely.

2nd Rule of Communication:When a transaction is crossed, a break in communication results, and one or both individuals need not to shift ego states in order for the communication to be re-established

3rd Rule of Communication :The behavioural outcome of an ulterior transaction (one where two messages are sent at the same time; one overt social and one covert psychological) is determined at the psychological level and at the social level as well.

Using T.A. for effective communication :

For effective communication you need to keep the transaction complementary i.e. Focus on sender to receiver and receiver to sender where the message is sent to the ego state from which you expect a reply. Using ego states we can look at how others communicate and how we communicate with others. It's possible to identify which ego state we are in and which ego state we are expecting a reply from.

We can also use TA to help us plan transactions. For example we can identify which ego state would be most valuable for us to send the message from and which ego state it would be better for it to be received by. If we receive a reply from the wrong (non expected) ego state then we can either try to shift the other person's ego state; or if we cannot do this it may be better to stop the communication and try again another time when the person may be in a different ego state.

We can listen to people's communication to identify if they are habitually in one ego state and then decide if communication to that ego state would be appropriate or not.

TA therefore can be used to elicit the reactions you want from other people (and this will happen consciously or unconsciously).

We can help communication if we need to by trying to shift the other person's ego state by inviting people to move into a different ego state (they may not always move into it though, particularly if someone is habitually in one ego state). Do this by acknowledging their current ego state (by the appropriate message or response) and then invite them into another ego state by the words (and body language) which you use.

Invite them to move into Adult by :

- Asking a question
- Stating a few facts
- Asking for their opinion
- Asking for their preference
- Asking for their view

Invite them to move into Nurturing Parent By :

- Asking for their help
- Asking for their service
- Asking for their expert opinion
- Communicating your fears/worries

Invite them to move into Natural Child (Free Child) by :

- Being one yourself
- Showing the funny side of the situation
- Going to nurturing parent
- Being enthusiastic
- Showing an unconventional way of looking at things.

TA implies that you can have considerable impact on modifying unsatisfactory behaviour by the way you communicate with others. You use your Adult ego state to think about what behaviour is appropriate. The Adult ego state has the capacity to control the other two ego states.

(inviting people to move into a different ego state from by Peter Honey in Improve your People Skills).

Playing Games

In 'Games People Play' Berne identified that people habitually adopt certain ego states (not necessarily consciously) and "play games" in the way they communicate with others. E.g. A person might say "I'm fat" or "Nobody Loves Me", they are in Adapted child. They expect a nurturing parent response of "no you are not" or "yes they do". If they received a response of "no you are" or 'You're right, everybody hates you' then they have received a reply that they didn't want. Some people go through life playing a game and people can be in a relationship where one person is the Adapted child and the other the Nurturing parent.

Some people habitually play games and go through life playing games such as:

'Isn't life unfair',

'Everyone is against me'

'I am poorly',

'I am always right and you are always wrong'

'It is your fault that I

Games typically:

- Are repetitive
- Are played without Adult awareness
- Always end up with players experiencing racket feeling.
- Games entail an exchange of ulterior transactions between the players
- Games always include an element of surprise or confusion.

Racket feeling - a familiar emotion, learned and encouraged in childhood, experienced in many different stress situations, and useless as a means of problem solving but frequently carried out E.g. My computer screen freezes, I get stressed and hit it.

Common games include: "oh how I suffer" "Isn't it awful" "victim, persecutor, rescuer" and 'If it weren't for you'

Strokes – Units of recognition

Can be : verbal or non-verbal

Positive or negative

Conditional or unconditional

A stroke is a unit of recognition. E.g. You walk down the street and see your neighbour. As you pass you smile and say "hello". They smile and say "yes, great day?" That's a positive stroke you've given and received.

If your neighbour ignored you then you felt left out or deprived or wonder what you have done to offend them.

Any transaction is an exchange of strokes. This may be entirely non-verbal.

Positive strokes – the receiver experiences as being pleasant.

Negative Strokes – the receiver experience as being painful

For example if your neighbour replied "It was a nice day until I saw you" then that's an example of a negative stroke. But any kind of stroke is better than no stroke at all.

Stewart and Jones identify that this is supported by work on rats where one group were given electric shocks and the other group were not. The rats given the shocks developed better - as they were receiving some stimulation.

Conditional strokes relate to what you do.

Unconditional strokes relate to what you are.

E.g. Conditional "That was a good piece of work "

"That painting you've done is a real mess "

Unconditional "Your humour always brightens things up"

"I hate you and all which you represent"

As infants we test out behaviours to find out which give us the strokes we need. If we receive strokes from a certain behaviour then we are likely to repeat it (and that can be where many of our learnt behaviours come from - albeit unconsciously learnt)

COMMUNICATION AND GROUP DECISION MAKING

Communication verbal and written are necessary to share ideas with anyone. Communication between involved parties is important to bring forth opposition with reason as well as positive forecast information. If these aspects cannot be communicated effectively, oversight on many projects can result resulting in disaster in terms of marketing.

Communication is an essential process in the development of group culture: The type of communication structure determines leadership, roles settlements status hierarchy within the group; group morale and cohesiveness; and it limits or enhances productivity (Hare, 1992). The balance between task-focused and socio-emotional Communication is crucial if a group is to be effective. Different types of communication are needed for different tasks. If a group's task is relatively simple, a centralized communication network in which interaction between members is limited, tends to increase effectiveness. Complex problem-solving is facilitated by decentralized communication networks (Shaw, 1981). As recommended by Wheelan (1994, p33), the choice of a Communication network might be more effective if strategies of decision-making: were outlined in advance and if urges to stabilize the structure too early were resisted as there is considerable resistance to change once these structures are established awareness of these issues is usually low and it is one of the tasks of the group leader or facilitator to bring them to the group's attention. It is notable that a decentralized multi-stakeholder processes communication network does not exclude the existence of a group leader. Communication standards and thus performance, are raised if the group has clear, performance-oriented goals; an appropriate task strategy; and a clear set of rules; fairly

high tolerance for inter member conflicts and explicit communication feedback to ensure that information is understood.

Major decisions in organizations are most often made by more than one person. Managers use groups to make decisions for the following reasons.

1. Synergy: Synergy is a positive force in groups that occurs when group members stimulate new solutions to problems through the process of mutual influence and encouragement in the group.
2. Commitment: Another reason for using a group is to gain commitment to a decision.
3. Knowledge and Experience: Groups also bring more knowledge and experience to the problem-solving situation.

Individual versus group decision making

Advantages of Group Decision Making

Compared with individual decision-making, group decision making has several advantages. They are:

- (a) More knowledge and information through the pooling of group member resources;
- (b) Increased acceptance of, and commitment to, the decision, because the members had a voice in it;
- (c) Greater understanding of the decision, because members were involved in the various stages of the decision process;
- (d) An increased number of alternatives can be developed;
- (e) Members develop knowledge and skills for future use.

Disadvantages of Group Decision Making

Disadvantages of Group Decision Making

Despite its advantages, group decision-making also has several disadvantages when contrasted with individual decision making. They are:

- (a) Pressure within the group to conform and fit in;
- (b) Domination of the group by one forceful member or a dominant clique, who may ramrod (ramifications) the decision;
- (c) It is usually more time consuming, because a group is slower than an individual to make a decision;
- (d) Disagreement may delay decisions and cause hard feelings ;
- (e) Groupthink may cause members to overemphasize gaining agreement.

Given the emphasis on teams in the workplace, many managers believe that groups produce better decisions than do individuals, yet the evidence is mixed. Two potential liabilities are found in group decision: Groupthink and Group polarization.

LET US SUM UP

Whenever a group of people interact, communication takes place. Communication is the exchange of information using a shared set of symbols. Communication is a critical part of every manager's job. Without effective communication, even the most brilliant strategies and the best-laid plans may not be successful. Communication is an indispensable activity in all organizations. No organization can think of its existence without effective communication. When people Communicate, they differ not only in nonverbal behaviours and language but in the degree to which they provide and seek information. Such differences constitute various communication styles. A popular model for describing differences in communication style is the Johari window. Within organizations, there are three directions in which communications now: downward, upward and laterally. The network for much informal communication is the organization's grapevine. Grapevines develop in organizations to handle communications that the formal channels of communication do not handle. It typically supplements or replace the organizational Hierarchy as the means for transmitting communication. Effective managerial communication skills helps to overcome many barriers to communication in organizations.

Different types or communication are needed for different tasks. If a group's task is relatively simple, a centralized communication network in which interaction between members is limited, tends to increase effectiveness.

ANSWER KEY TO CHECK YOUR PROGRESS

1. ANSWERS : 1;Open Self , 2;Hidden Self, 3;Blind Self, 4;Undiscovered Self .
2. Answers : 1; t , 2; f , 3; f

GLOSSARY

Communication: The exchange of thoughts, messages, or information, as by speech, signals, writing, or behavior.

Johari window: A Johari window is a cognitive psychological tool created by Joseph Luft and Harry Ingham in 1955 in the United States, used to help people better understand their interpersonal communication and relationships. It is used primarily in self-help groups and corporate settings as a heuristic exercise

Group decision-making: Groups decision making in decision making in groups consisting of multiple members/entities.

TEST QUESTIONS

1. Define Communication. Why has communication assumed importance in modern industrial organizations?
2. "Communication is sharing of understanding". Comment.
3. Explain the process of communication.
4. Bring out clearly the importance of communication.

5. Explain the various types of communication. Discuss the comparative advantages of oral and written communications.
6. Bring out clearly the characteristics of a good communication system.
7. Describe the steps in the communication process.
8. What are the five communication skills of effective supervisors?
9. Explain the term 'Grapevine' as a channel of communication. What are the benefits to the management?
10. How does perception affect the communication process ?
11. Contrast encoding and decoding?
12. Describe the communication process and identify its key components.
13. What is the main function of "effective listening"? What are the common organizational situations in which this technique might be useful?
14. What function does feedback serve in the communication process?
15. What conditions stimulate the emergence of rumors?

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ORGANIZATIONAL EFFECTIVENESS

In organizational effectiveness research, there is little consensus emerged, either theoretically or empirically, as to what constitutes organizational effectiveness and how

best to measure it. Robbins asserts that effectiveness, like beauty, is in the eye of the beholder. Different groups (Stakeholders) judge organizations by different criteria. According to Etzioni organizational effectiveness is the degree to which an organization realizes its goals. Etzioni considers –organizational effectiveness|| another name for –goal achievement||.

Organizational effectiveness encompasses

- Meeting organizational objectives and prevailing societal expectations in the near future,
- Adapting and developing in the intermediate future,
- And surviving in the distant future. (see figure 1)

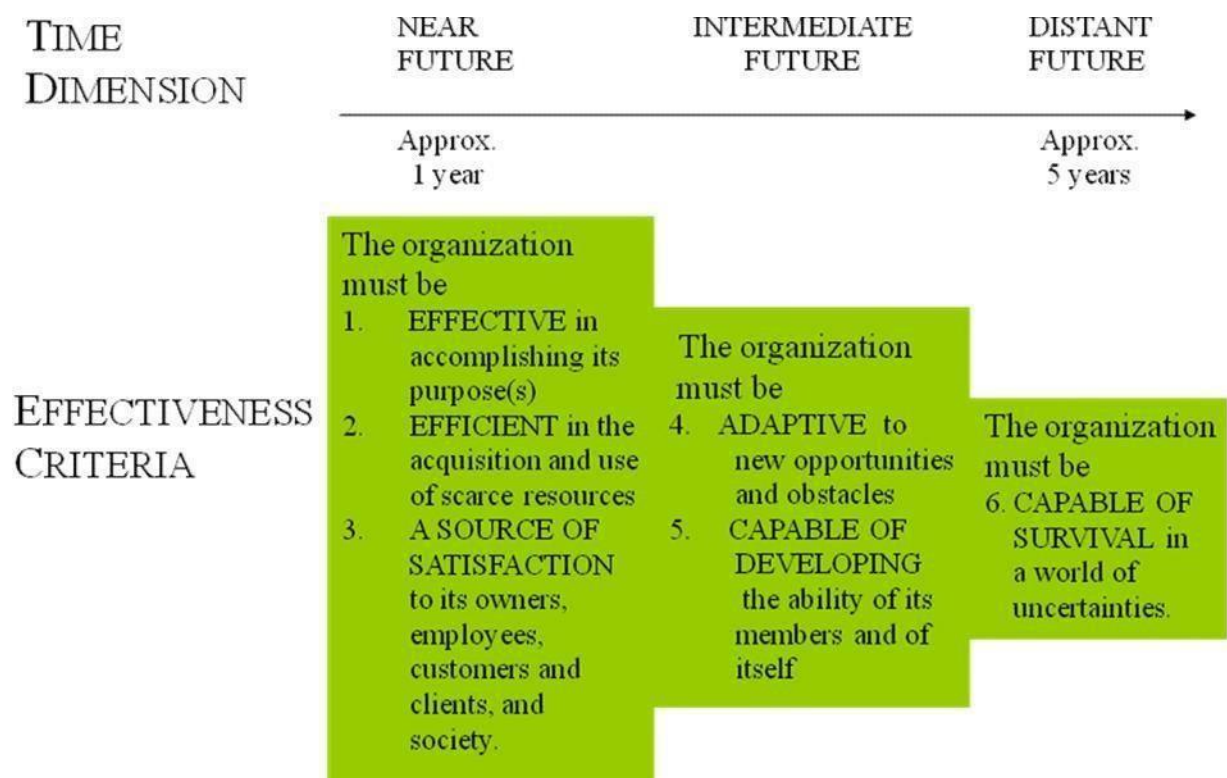


Figure 1: Time dimensions of Organizational effectiveness

Historical opinions about organizational effectiveness

1. FREDERICK TAYLOR: According to him organizational Effectiveness was determined by factors such as production maximization, cost Minimization and technological excellence, etc.
2. HENRI FAYOL: According to him organizational effectiveness is a function of clear Authority and discipline within an organization
3. ELTON MAYO: According to him organizational effectiveness is a function of Productivity resulting from Employee satisfaction

APPROACHES TO MEASURING ORGANIZATIONAL EFFECTIVENESS

The various approaches to measuring organizational effectiveness are delineated below. These are;

1. Goal Approach
2. Internal Process Approach
3. System Resource Approach
4. Constituency Approach
5. Domain Approach

The Goal Approach: Here in the Effectiveness of the organization lies in its ability to excel at one or more output goals.(see figure 2). Goal approach is concerned with the output side and whether the organization achieves its goals in terms of desired levels of output. Since organizations have multiple and conflicting goals, effectiveness cannot be assessed by a single indicator. Ex: operative goals.

Flow Charts of Approaches to Organizational Effectiveness – Goal Approach

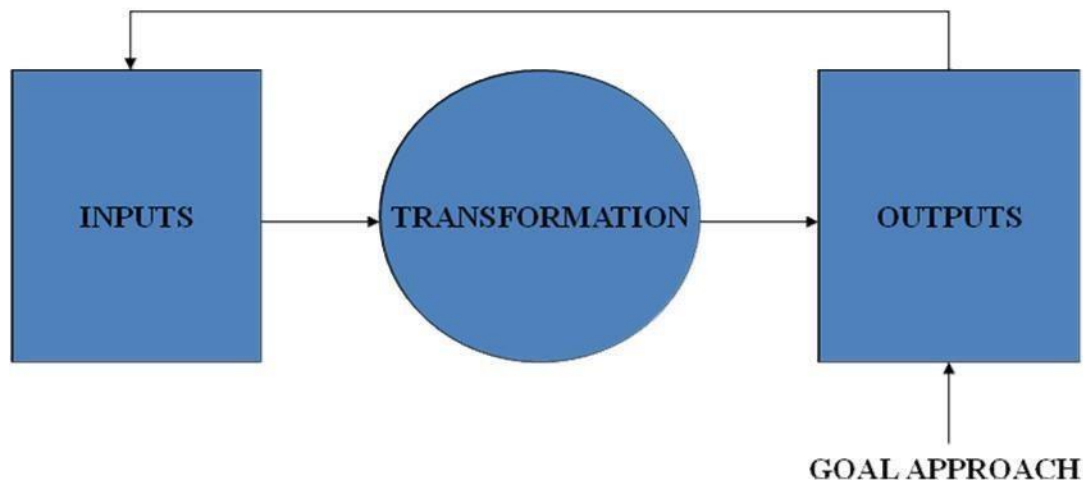


Figure 2 : The Goal Approach to Effectiveness of the organization

Internal Process Approach: Here in the Effectiveness of the organization lies in its ability to excel at internal efficiency, coordination, motivation, and employee satisfaction. (See figure 3). Internal process approach looks at the internal activities. Organizational effectiveness is measured as internal organizational health and efficiency. Ex: strong corporate culture.

Flow Charts of Approaches to Organizational Effectiveness – Internal Process Approach

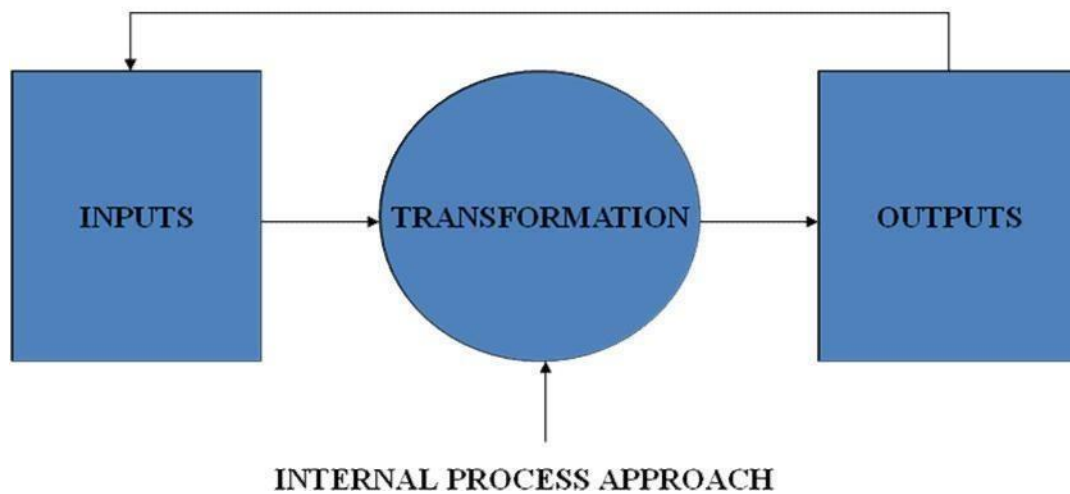
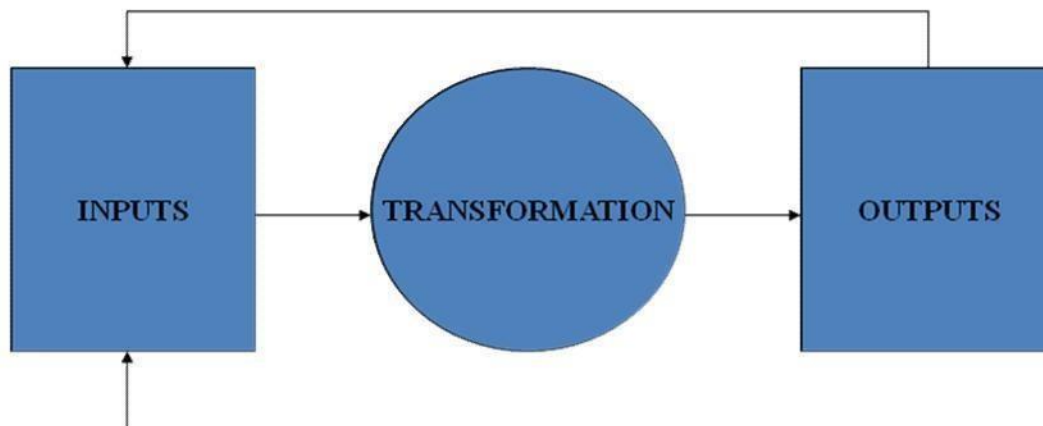


Figure 3 :Internal Process Approach in Effectiveness of the organization

System Resource Approach: Here in the Effectiveness of the organization lies in its ability to acquire scarce and valued resources from the environment.(see figure 4) - Resource based approach assesses effectiveness by observing the beginning of the process and evaluating whether the organization effectively obtains resources necessary for high performance. Organizational effectiveness is defined as the ability of the organization to obtain scarce and valued resources. Ex: Low cost inputs, high quality raw materials. (In many not-for-profit organizations it is hard to measure output goals or internal efficiency.)

Flow Charts of Approaches to Organizational Effectiveness – System Resource Approach



SYSTEM RESOURCE APPROACH

Figure 4 :System Resource Approach in the Effectiveness of the organization

Constituency Approach: Here in the Effectiveness of the organization lies in its ability to satisfy multiple strategic constituencies both within and outside the organization.(see figure 5)

Flow Charts of Approaches to Organizational Effectiveness – Constituency Approach

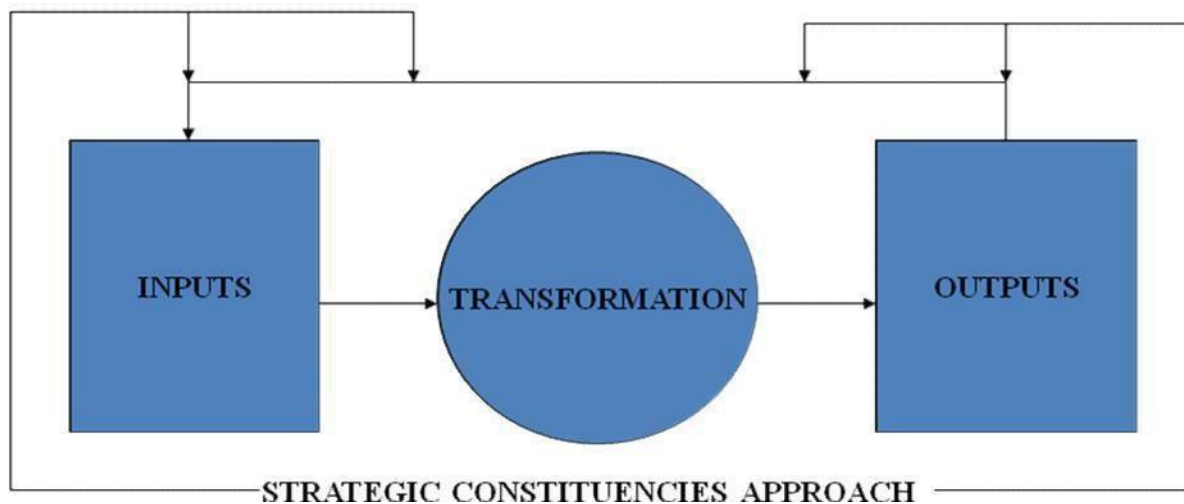


Figure 5 : Constituency Approach in the Effectiveness of the organization

Domain Approach: Here in the Effectiveness of the organization lies in its ability to excel in one or more among several domains as selected by senior managers.

Table 1 below exhibits a comparative statement of the above discussed approaches to organizational effectiveness.

COMPARISON OF THE FOUR OE APPROACHES

Approach	Definition	When Used
	An organization is effective to the extent that:	Preferred when:
Goal attainment	it accomplishes its stated goals	goals are clear, time bound and measurable
System Resource	it acquires needed resources	a clear connection exists between inputs and outputs
Constituencies	all strategic constituencies are at least minimally satisfied	constituencies have powerful influence on the organization, and the organization must respond to demands
Internal Processes	combines internal efficiency and affective health	costs, outputs & satisfaction are easily measurable

OE Criteria for Selected Constituencies

There are several Selected Constituencies or stakeholders who would determine the success of the organization or what we call organizational effectiveness, they are the owners, the employees ,the suppliers , the creditors, the customers, the union and the local communities and the various government agencies. The table 2 shown below exhibits their criterion for determining organizational effectiveness.

OE Criteria for Selected Constituencies

Constituency	Typical Criteria
Owners	Return on Investment; growth in earnings
Employees	Compensation; fringe benefits; job satisf.
Customers	Satisf. w/price, quality, service
Suppliers	Satisf. w/payments, future sales
Creditors	Satisf. w/debt payments
Unions	Satisf. w/competitive wages & benefits; satisf. working conditions, fairness in bargaining
Local Communities	Involvement in local affairs; environmental damage
Government Agencies	Compliance w/laws, avoidance of penalties

MODELS OF ORGANIZATIONAL EFFECTIVENESS

The two prominent models of organizational effectiveness are;

1. The contradictions model of organizational effectiveness
2. The Competing Values Model

1. The contradictions model of organizational effectiveness

The idea of trying to characterize a whole organization as totally effective or ineffective is problematic. In any complex organization there may be parts of the organization that function well and suggest effectiveness while other aspects of that same organization perform poorly.

Four Central Assumptions of the Contradictions Model are ;

1. Organizations face complex environments that place multiple and Conflicting demands and constraints on them. It may not be possible To succeed in meeting all the environmental conditions an organization Faces.
2. Organizations have multiple, conflicting goals. It is impossible to Maximize achievement of all goals.
3. Organizations face multiple internal and external stakeholders or Constituent groups that make competing or conflicting demands. It May be impossible to satisfy all groups of people who express interest In a company.
4. Organizations must manage multiple and conflicting time demands. Satisfying short- or long-term demands at the expense of the other may Result in sub-optimal performance.

2. The Competing Values Model

The –Competing Values Framework of Quinn and Rohrbaugh (1983) is a theory derived from research conducted on major indicators of effective organizations. Based on statistical analyses of a comprehensive list of effectiveness indicators, they discovered two major dimensions underlying the conceptions of effectiveness.

First dimension is related to organizational focus. Internal emphasis is on the well being and development of the people in the organization. External emphasis is on the well being and development of the organization itself with respect to its environment.

Second dimension is related to preference for structure and represents the contrast between –stability and control and –change and flexibility. see figure 6.

The Organizational goals and performance are defined by top and middle management. By comparing the diverse effectiveness indicators used by managers and researchers, Quinn & Rohrbaugh looked for underlying similarities and found underlying dimensions of effectiveness criteria that reflected competing management values in organizations.

Competing Values Dimensions I

Focus: whether dominant values concern issues that are *internal* to the organization or *external* to it.

- *Internal focus* reflects management concern for well-being and efficiency of employees.
- *External focus* reflects an emphasis on the well-being of the organization itself and its-fitll with its environment.

Competing Values Dimensions II

Structure: whether *stability* versus *flexibility* is the dominant structural consideration.

- *Stability* reflects a management value for efficiencyand top-down control, while
- *flexibility* represents a management value for learning and change.

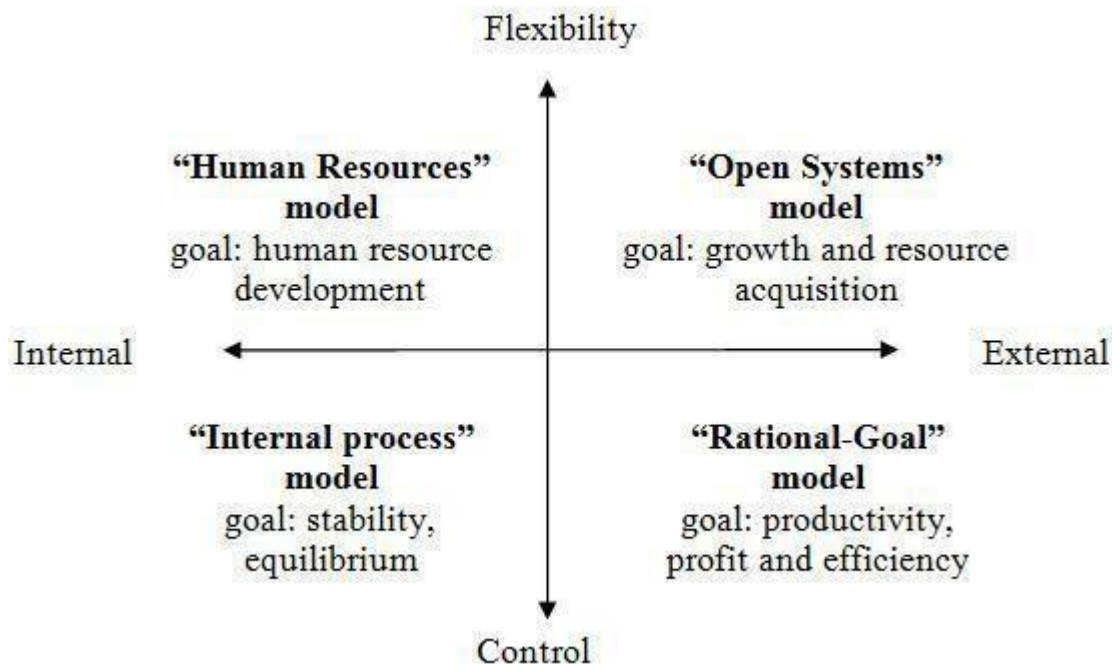


Figure 6: The Competing Values Model

1. Human Resources model emphasizes flexibility and internal focus and stresses cohesion, morale, and human resources development as criteria for effectiveness

2. Open Systems model emphasizes flexibility and external focus and stresses readiness, growth, resource acquisition and external support
3. Rational goal model emphasizes control and external focus and stresses planning, goal setting, productivity, efficiency as the criteria for effectiveness
4. Internal process model emphasizes control and internal focus and stresses role of information management, communication, stability and control

Four Models of Effectiveness

Quadrant I : Human Relations Model – internal Focus and flexible structure.

Management Concern is on the development of human Resources. Employees are given opportunities For autonomy and development. Management Works toward sub-goals of cohesion, morale, and Training opportunities. Organizations using this Are more concerned with employees than the Environment.

Quadrant II: Open Systems Model – Combination Of external focus and flexible structure.

Management's goals are primarily growth and Resource acquisition. Sub-goals are flexibility, Readiness, and positive evaluation by the external Environment. Dominant value is establishing A good relationship with the external environment To grow and acquire resources. Similar to the Systems Resource Model.

Quadrant III: Internal Process Model – Reflects The values of internal focus and structural Control.

Seeks a stable organizational setting that Maintains itself in an orderly way. Well Established in environment and just wish to keep Their current position. Sub-goals include Mechanisms for efficient communication, Information management, and decision-making.

Quadrant IV: Rational Goal Model – Reflects Management values of structural control and External focus.

Primary goals are productivity, Efficiency, and profit. Organization wants to Achieve output goals in a controlled way. Sub-goals include internal planning and Goal-setting, which are rational management Tools. Similar to the Goal Approach.

BENEFITS OF AN EFFECTIVE ORGANIZATION

An effective organization entails the following benefits; it leads to

- Improved profitability
- Increased customer retention
- Reduced customer complaints and warranty claims
- Reduced costs through less waste, rework
- Greater market share
- Increased employee involvement and satisfaction, lower turnover
- Increased ability to attract new customers
- Improved competitiveness
- Improved customer satisfaction
- Improved management-employee relations
- Improved focus on key goals
- Improved communication
- Improved teamwork. See figure 7.

Figure 1-5

Benefits of Creating and Maintaining an Effective Organization

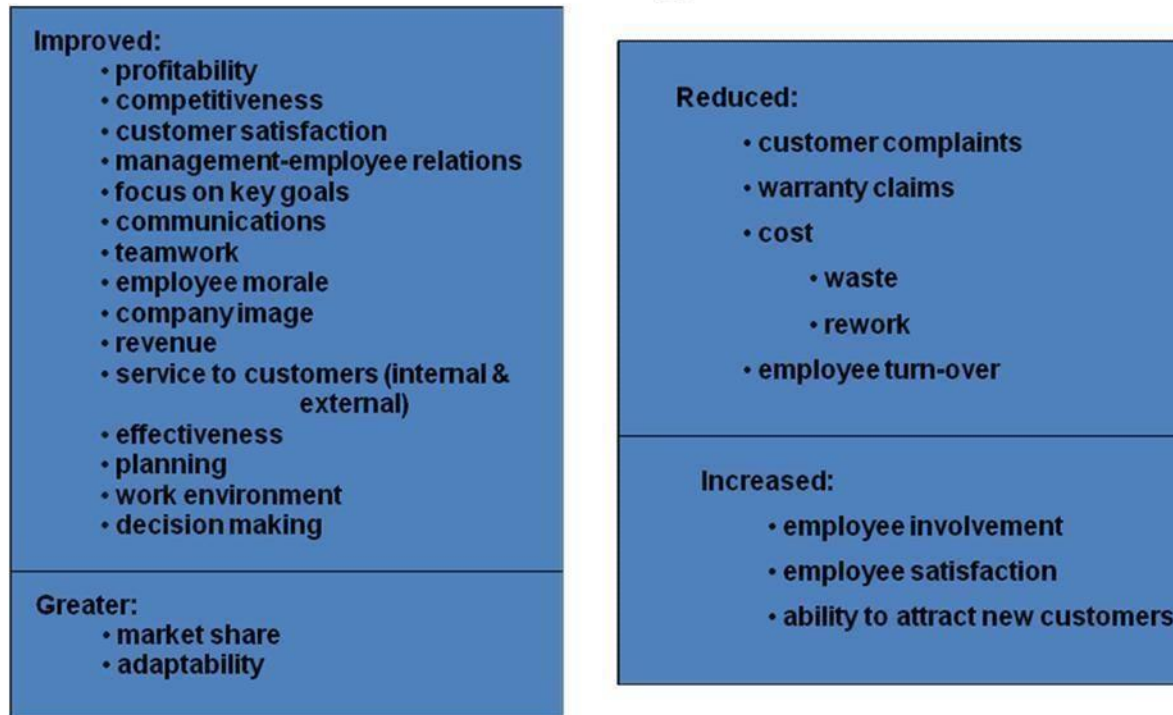


Figure 7 : benefits of an effective organization

FORCES OF CHANGE

Hussey, D. E (2000) feels that many organizations appear to be in an almost continuous state of change, and the respite one change and the other seems to vanish. On the other hand Demakis, John G. (2000) feels that change can be deliberate and planned by leaders within the organization or change can originate outside the organization and be beyond its control. It is well established and known that the forces of change prevailing today are different from those prevailing in the previous years. The most prominent force is the wave of globalization which brings in its fold the globalization of the markets, rapid advancements in technology, increased level of competition, increased focus on the cost and the quality of the products and the services. All this coupled with supply less than the demand of the talented people poses a huge challenge for today's organizations.

The various forces of change can be categorized as the internal forces and the external forces.

The external forces are ;globalization, technological changes, change in market conditions , workforce diversity and the emergence of the ethical behaviour apart from the usual social political and legal changes taking place.

The internal forces are; declining effectiveness , company crisis, changing employees expectations and the changing work climate apart from the human resource problems, managerial behaviour and decisions, efficiency in existing organization structure and the change in managerial personnel.

The external forces:

The global forces for change includes technological innovations which are more cost effective which leave no other option for the organizations but to adapt to the changes.

The changes in the marketing conditions are leading to subsequent changes in the expectations of the customers, where they are now demanding high quality and competitive prices for the products and the services. All this puts a pressure on the organizations to keep track of the latest trends and the innovations thereof and adapt to the customers needs to survive in the long run.

The social changes encompassing the demographic profile of the employees, the level of education, urbanization, feeling of self sufficiency impacts the behaviour of the employees in the organization.

On the other hand the political and the legal changes in the external environment also impact the working of the organization to a large extent. the government tends to announce new policies on the corporate front from time to time which the organizations need to take care of thus affecting their operational framework .

Globalization



Workforce
Diversity

Changing
Technology

Ethical
Behavior

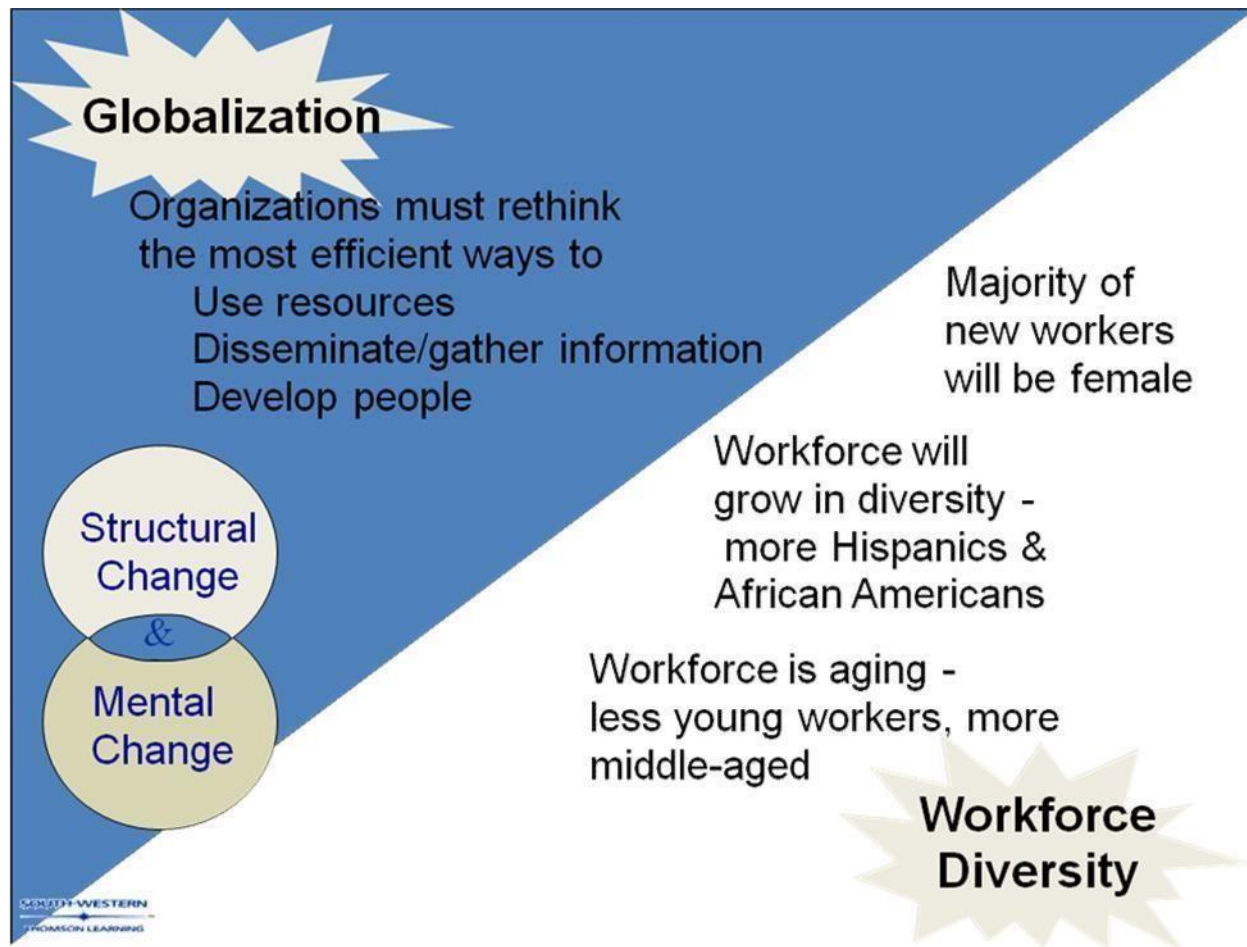
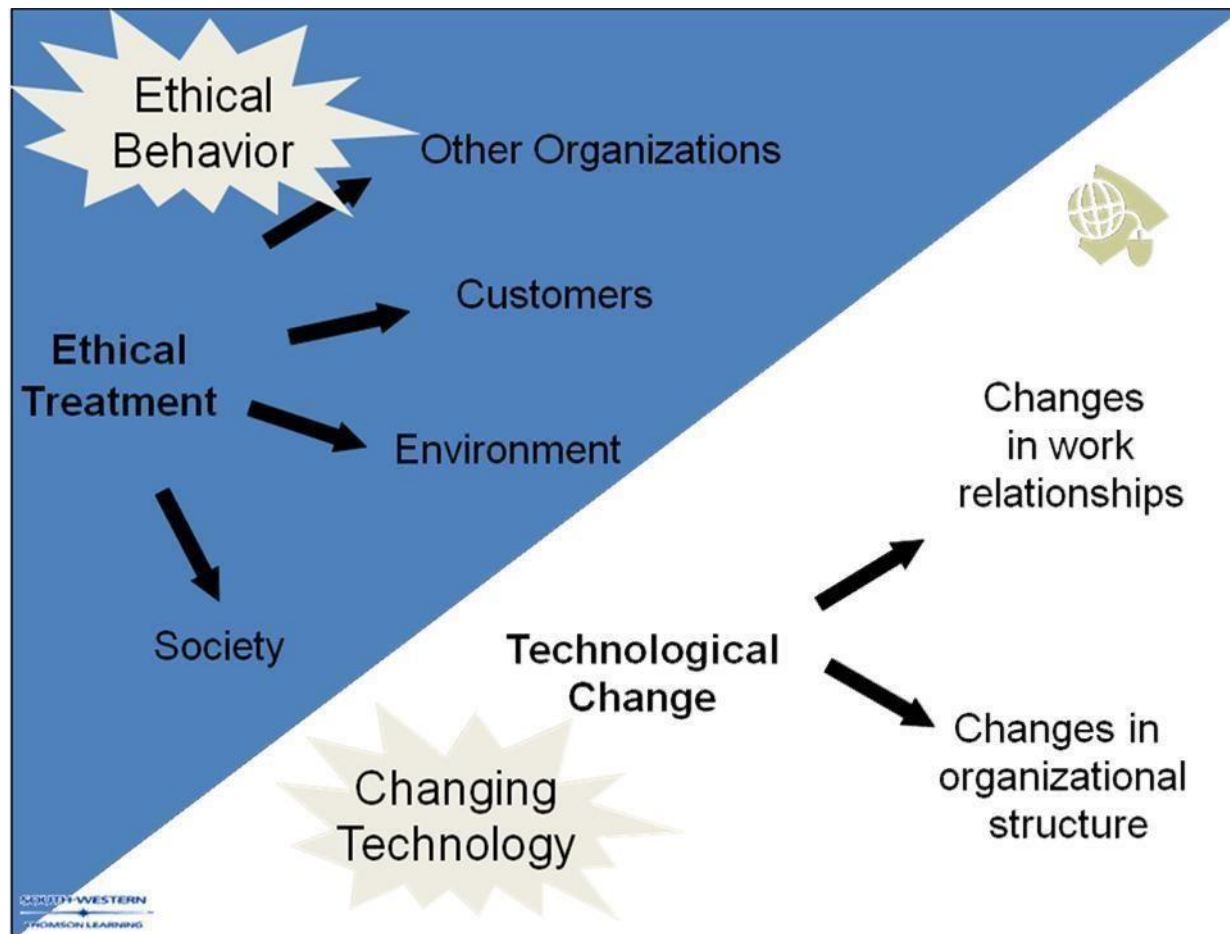


Figure : globalization and workforce diversity as external forces of change



The internal forces:

The internal forces of change occurs within the organization. These forces may manifest itself in low employee morale, outward signs such as low productivity and increases level of conflict within the organization. The internal forces of change come from both human resources problems and managerial decisions as well. Some other factors are the financial constraints, the requirement to do additional things with the limited resources already present, cross functional teams, mergers and acquisitions, empowered workers etc are some of the factors that make the organizations to compete in the international all inclusive competitive marketplace.

Change in the managerial personnel: any substitution of managers in the organization resulting from transfer, change promotion and retirement etc leads to the new manager

bringing his own new ideas and ways of working that ultimately cascades down into the organization work culture, thus bringing along the change itself.

The deficiency in the existing organization structure : may take the form of unmanageable span of management, faulty structure or hierarchy, large number of managerial levels, lack of coordination between the departments, obstacles in communication, all these result in the organizations steering in the change process.

Managerial behaviour and decisions: excessive interpersonal conflict between managers and their subordinates is a sign that change is inevitable. both the manager and the employee may need training in interpersonal skills or need to be separated.

The human resource problems and prospects : these problems stem from the fact how the employees are treated in the organization and how their needs and desires are met. dissatisfaction at the level of the employees should be addressed at the earliest to avoid any kind of discontentment brewing amongst the managers. if not met they may lead to high executive turnover and absenteeism which is obviously not good for the organizational health and effectiveness.

LESSON 13: ORGANIZATIONAL CULTURE

STRUTURE OUTLINE

13.0 Learning Objectives

13.1 Introduction

13.2 Basic Elements and Characteristics Of Culture

13.3 Do Organizations Have Uniform Culture

13.4 Functions of Organizational Culture

13.5 How Culture Is Formed, Determinants Of Culture

13.6 Keeping the Culture alive

13.7 How Employees learn Culture

13.8 Multicultural Diverse Organizations

13.9 Culture and Ethics

13.10 Development Implications of OC for Performance and Satisfaction

13.11 Corporate Culture and Organizational Success

13.12 Let Us Sum Up

13.13 Answer key to check your progress

13.14 Glossary

13.15 Self assessment Questions

13.16 References

13.17 Suggested Readings

13.0 LEARNING OBJECTIVES:

After studying this lesson, you will be able to:

- Outline the basic elements and Characteristics of Culture
- Find out whether the organizations have uniform culture
- Delineate functions and liabilities of organizational culture
- Understand how culture is formed, How the employees learn culture
- Deliberate upon the Development Implications of OC on performance and satisfaction
- Find out the relationship between Corporate culture and organizational success

13.1 INTRODUCTION

Culture is the social glue that helps hold an organization together by providing appropriate standards for what employees should say or do.

According to Edgar Schein, –Organizational culture can be defined as a pattern of basic assumptions invented, discovered or developed by a given group as it learns to cope with its problems of external adaptation and internal integration – that has worked well enough to be considered valuable and therefore, to be taught to new members as the correct way to perceive, think and feel in relation to those problems.¶

According to Elderidge and Crombien, –The culture of an organization refers to the unique configuration of norms, values, beliefs and ways of behaving that characteristics the manner in which groups and individuals combine to get things done.¶

Deal and Kennedy defines culture as –culture is the system of informal rules that spells out how people are to behave most of the time.¶

Hence, when we talk about culture, we are typically referring to the pattern of development /reflected in a society's system of knowledge, ideology, values, Jaws, social norms and day-to-day rituals. Accordingly, culture varies from one society to another. The word "culture" has been derived metaphorically from the idea of "cultivation" the process of tilling and developing land. Thus, culture can be considered as a constellation of factors that are learned through our interaction with the environment According to Larry Senn, The corporate culture "consists of the norms, values and unwritten rules of conduct of an organization as well as management styles, priorities, beliefs and inter-personal behaviour that prevail. Together they create a climate that influences how well people communicate, plan and make decisions."



—The way we do things around here.‖

When an organization takes on a life of its own, apart from any of its members, becomes valued for itself, and acquires immortality

It is a system of shared meanings and common beliefs held by organizational members that determines, in a large degree, how they act towards each other.

Cultural values are collective beliefs, assumptions, and feelings about what things are good, normal, rational, valuable, etc.

13.2 BASIC ELEMENTS AND CHARACTERISTICS OF CULTURE

The basic Characteristics of culture are delineated below; see figure

- 1. Innovation and risk taking**
- 2. Attention to detail**
- 3. Outcome orientation**
- 4. People orientation**
- 5. Team orientation**
- 6. Aggressiveness**
- 7. Stability**

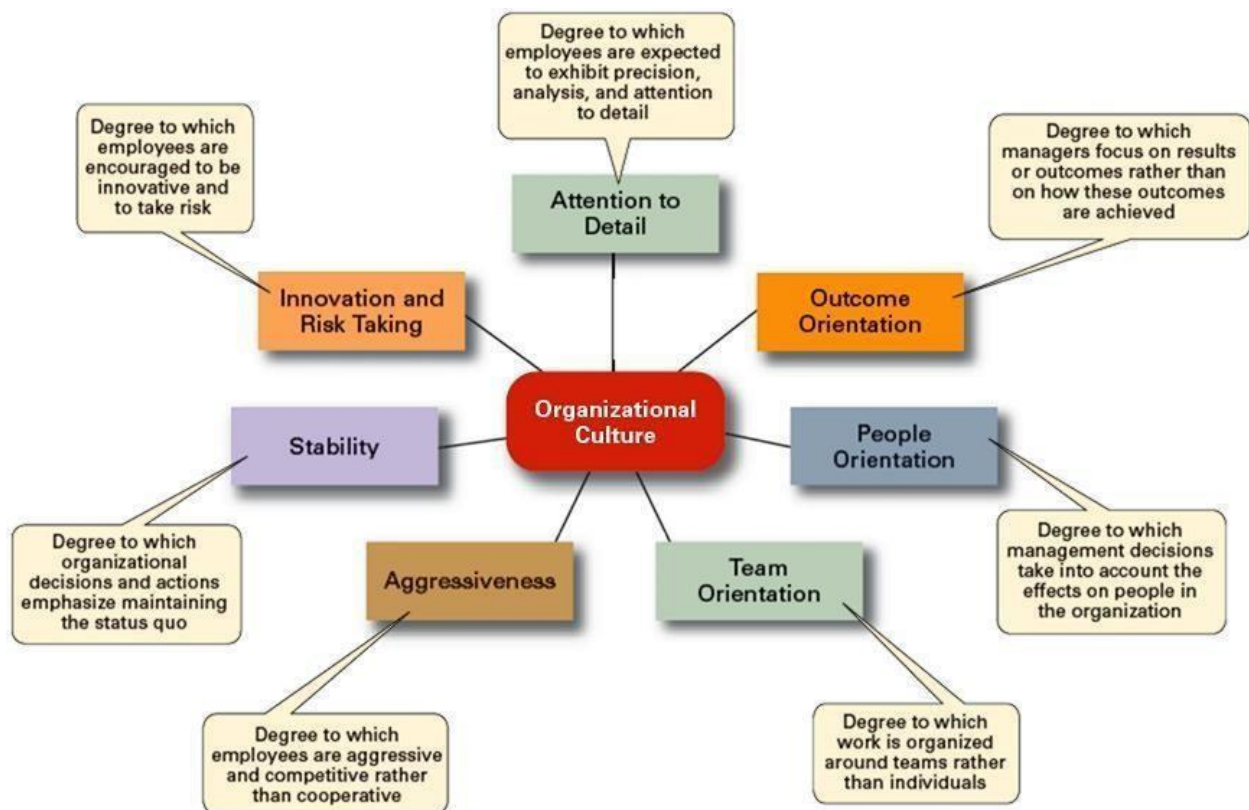


FIGURE 1: Dimensions of Organizational Culture

CHARACTERISTICS OF ORGANIZATIONAL CULTURE

Organizational culture has a number of important characteristics. Fred Luthans has given six characteristics which is given below:

1. **Observed behavioral regularities** When organizational participants interact with one another, they use common language, terminology, and rituals related to deference and demeanor.
2. **Norms.** Standards of behavior exist, including guidelines on how much work to do, which in many organizations come down to "Do not do too much; do not do too little."
3. **Dominant values.** There are major values that the organization advocated and expect the participants to share. Typical examples are high product quality, low absenteeism, and high efficiency.
4. **Philosophy.** There are policies that set forth the organization's beliefs about how employees and/or customers are to be treated.
5. **Rules.** There are strict guidelines related to getting along in the organization. Newcomers must learn those "ropes" in order to be accepted as full-fledged members of the group.
6. **Organizational climate.** This is an overall "feeling" that is conveyed by

the physical layout, the way participants interact, and the way members of the organization conduct themselves with customers or other outsiders

Contrasting Organizational Cultures; have a look at the two organizational cultures discussed and find out for yourself how the cultures can vary. see exhibit 1 below to find out the differences in the two cultures.

Organization A

This organization is a manufacturing firm. Managers are expected to fully document all decisions; and –good managers‖ are those who can provide detailed data to support their recommendations. Creative decisions that incur significant change or risk are not encouraged. Because managers of failed projects are openly criticized and penalized, managers try not to implement ideas that deviate much from the status quo. One lower-level manager quoted an often used phrase in the company: –If it ain't broke, don't fix it.‖

There are extensive rules and regulations in this firm that employees are required to follow. Managers supervise employees closely to ensure there are no deviations. Management is concerned with high productivity, regardless of the impact on employee morale or turnover.

Work activities are designed around individuals. There are distinct departments and lines of authority, and employees are expected to minimize formal contact with other employees outside their functional area or line of command. Performance evaluations and rewards emphasize individual effort, although seniority tends to be the primary factor in the determination of pay raises and promotions.

Organization B

This organization is also a manufacturing firm. Here, however, management encourages and rewards risk taking and change. Decisions based on intuition are valued as much as those that are well rationalized. Management prides itself on its history of experimenting with new technologies and its success in regularly introducing innovation products. Managers or employees who have a good idea are encouraged to –run with it.‖ And failures are treated as –learning experiences.‖ The company prides itself on being market-driven and rapidly responsive to the changing needs of its customers.

There are few rules and regulations for employees to follow, and supervision is loose because management believes that its employees are hardworking and trustworthy. Management is concerned with high productivity, but believes that this comes through treating its people right. The company is proud of its reputation as being a good place to work.

Job activities are designed around work teams, and team members are encouraged to interact with people across functions and authority levels. Employees talk positively about the competition between teams. Individuals and teams have goals, and bonuses are based on achievement of these outcomes. Employees are given considerable autonomy in choosing the means by which the goals are attained

Exhibit 1 Contrasting Organizational Cultures

Dimension	Organization A	Organization B
Attention to Detail	High	Low
Outcome Orientation	Low	High
People Orientation	Low	High
Team Orientation	Low	High
Aggressiveness	Low	High
Stability	High	Low
Innovation and Risk Taking	Low	High

The culture can be either Strong or Weak Culture

Strong Cultures:

Are cultures in which key values are deeply held and widely held.

Have a strong influence on organizational members.

Factors Influencing the Strength of Culture

- Size of the organization
- Age of the organization
- Rate of employee turnover
- Strength of the original culture
- Clarity of cultural values and beliefs

Benefits of a Strong Culture

- Creates a stronger employee commitment to the organization.
- Aids in the recruitment and socialization of new employees.

- Fosters higher organizational performance by instilling and promoting employee initiative. see exhibit 2 below.

Exhibit 2 Strong versus Weak Organizational Cultures

Strong Cultures	Weak Cultures
Values widely shared	Values limited to a few people—usually top management
Culture conveys consistent messages about what's important	Culture sends contradictory messages about what's important
Most employees can tell stories about company history/heroes	Employees have little knowledge of company history or heroes
Employees strongly identify with culture	Employees have little identification with culture
Strong connection between shared values and behaviors	Little connection between shared values and behaviors

13.3 DO ORGANIZATIONS HAVE UNIFORM CULTURES

Organizational culture is a system of meaning that members share and that distinguishes the organization from others.

The dominant culture expresses the core values shared by a majority of the organization's members.

However, **subcultures** exist in any organization. Developing along departmental or geographical lines to reflect common problems, situations, or experiences faced by members, **subcultures include core values** of the dominant culture plus additional values unique to members of the department.

If organizations had no dominant culture and were composed, instead, of numerous subcultures, the value of organizational culture as an independent variable would be significantly lessened because there would be no uniform interpretation of what represented appropriate and inappropriate behavior. It is the –shared meaning‖ aspect of culture that makes it such a potent device for guiding and shaping behavior.

13.4 FUNCTIONS OF ORGANIZATIONAL CULTURE

1. Culture is the social glue that helps to hold an organization together by providing standards for what employees say or do.
2. It provides boundary-defining roles.
3. It conveys a sense of identity for organization members.
4. It serves as a "sense-making" and control mechanism that guides

and shapes the attitudes and behaviors of the employees.

5. Give member an organizational identity or sense of belonging
6. Promote social system stability
7. Facilitate collective commitment
8. Shape behavior by helping members make sense of their surroundings.

CHECK YOUR PROGRESS 1

FILL IN THE BLANKS ;

1. Culture is the ----- that helps to hold an organization together by providing standards for what employees say or do.
2. **The-----** expresses the core values shared by a majority of the organization's members.
3. The cultures in which key values are deeply held and widely held are called -----
4. The overall "feeling" that is conveyed by the physical layout, the way participants interact, and the way members of the organization conduct themselves with customers or other outsiders is the -----

Activity-A

Explain different functions of organizational culture-----

13.5 HOW IS ORGANIZATIONAL CULTURE FORMED

An organization's current customs, traditions and general way of doing things are largely due to what it has done before and the degree of success it has had with those endeavors. The original source of an organization's culture usually reflects the vision or mission of the organization's founders. Because the founders had the original idea, they also may have biases on how to carry out

the idea. Their focus might be on aggressiveness or it might be on treating employees as family. The small size of most new organizations helps the founders instill their vision in all organizational members. See figure 2.

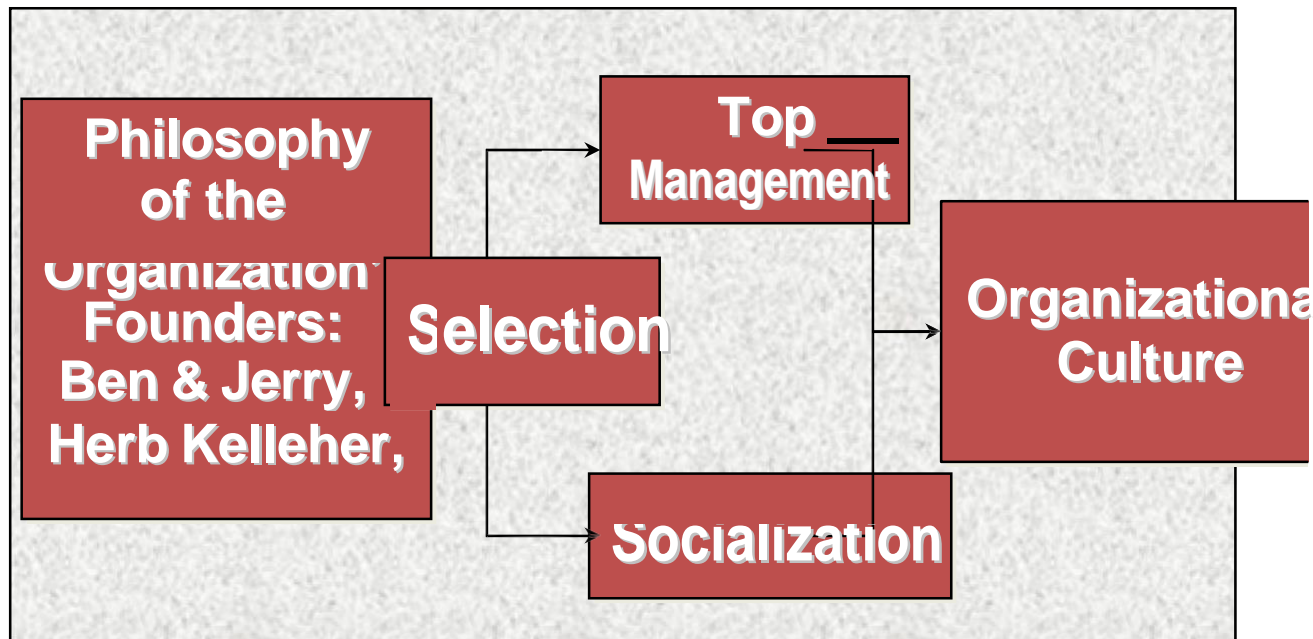


Figure 2: How Organization Culture Form

Organizational cultures can develop in a number of different ways, these steps are explained below:

1. **A single Person (founder) has an Idea for a New Enterprise:** Some organizational cultures may be the direct, or at least, indirect, result of actions taken by the founders. The founders of an organization traditionally have a major impact on that organization's early culture. They have a vision of what the organization should be.

2. **Founders' Creation of a Core Group:** The founder brings in one or more other key people and creates a core group that shares a common vision with the founder. The founder's only hire and keep employees who think and feel the way they do. These employees who form the core group believe that the idea is a good one, is worth the investment of time, money and energy. Sometimes founders create weak cultures, and if the organization is to survive, a new top manager must be installed who will sow the seeds for the necessary strong culture.

3. **Indoctrinate and Socialize:** The founding core group begins to act in concert to create an organization by raising funds, obtaining patents, incorporating, locating land, building infrastructure and so on. The core group indoctrinate and socialize employees to their way of thinking and feeling.

4. **Build a Common History:** The founders' own behavior acts as a

role model that encourages employees to identify with them and thereby internalize their beliefs, values, and assumptions. At this point, others are brought into the organization, and a common history begins to be built. When the organization succeeds, the founder's vision becomes seen as a primary determinant of that success. At this point, the founders' entire personalities become embedded in the culture of the organization. Most of today's successful organizations follow the vision of their founders.

13.6 KEEPING THE CULTURE ALIVE; SUSTAINING A CULTURE

Once a culture is in place, there are practices within the organization that act to maintain it by giving employees a set of similar experiences. Sustaining a culture depends on three forces. These forces are explained below:

Selection: The goal of the selection process is to identify and hire individuals who could make the organization successful through their services. Therefore candidates who believe in the values of the organization have to be selected. Thus, the selection process attempt to ensure a proper match in the hiring of people who have values essentially consistent with those of the organization or at least a good portion of those values cherished by the organization. In this way, the selection process sustains an organization's culture by selecting those individuals who will fit into the organizations core values.

Top Management: Top management have a important role to play in sustaining the organization's culture. It is the top management who establish norms that filter down through the organization. It is they through their conduct both implicit and explicit that shows what is desirable. They do this through pay raises, promotions and other rewards.

Socialization: Socialization is the process that adapts employees to the organization's culture. Organization wants to help new employees adapt to its culture. The adaptation is done through the process of "socialization"

Socialization is made up of three stages

The Pre-arrival Stage: This stage encompasses all the learning that occurs before a new member joins the organization. The socialization process covers both the work to be done and the organization. The pre-arrival stage is the period of learning in the socialization process that occurs before a new employee joins the organization. For example, when students join a business school to pursue their MBA degree, they are socialized to have attitudes and behaviors that business firms want. This is so because the success depends on the degree to which the student has correctly anticipated the expectations and desires of those in the business school.

Encounter Stage: In this stage of the socialization process, the new employee sees what the organization is really like and confronts the possibility that

expectations and reality may diverge. In expectations prove to have been more or less accurate, the encounter stage merely provides a reaffirmation of the perceptions gained during the pre-arrival stage. Those employees who fail to learn the essential or pivotal role behaviours risk being labelled as "rebels" and face the risk of expulsion. This further contributes to sustaining the culture. See figure 3

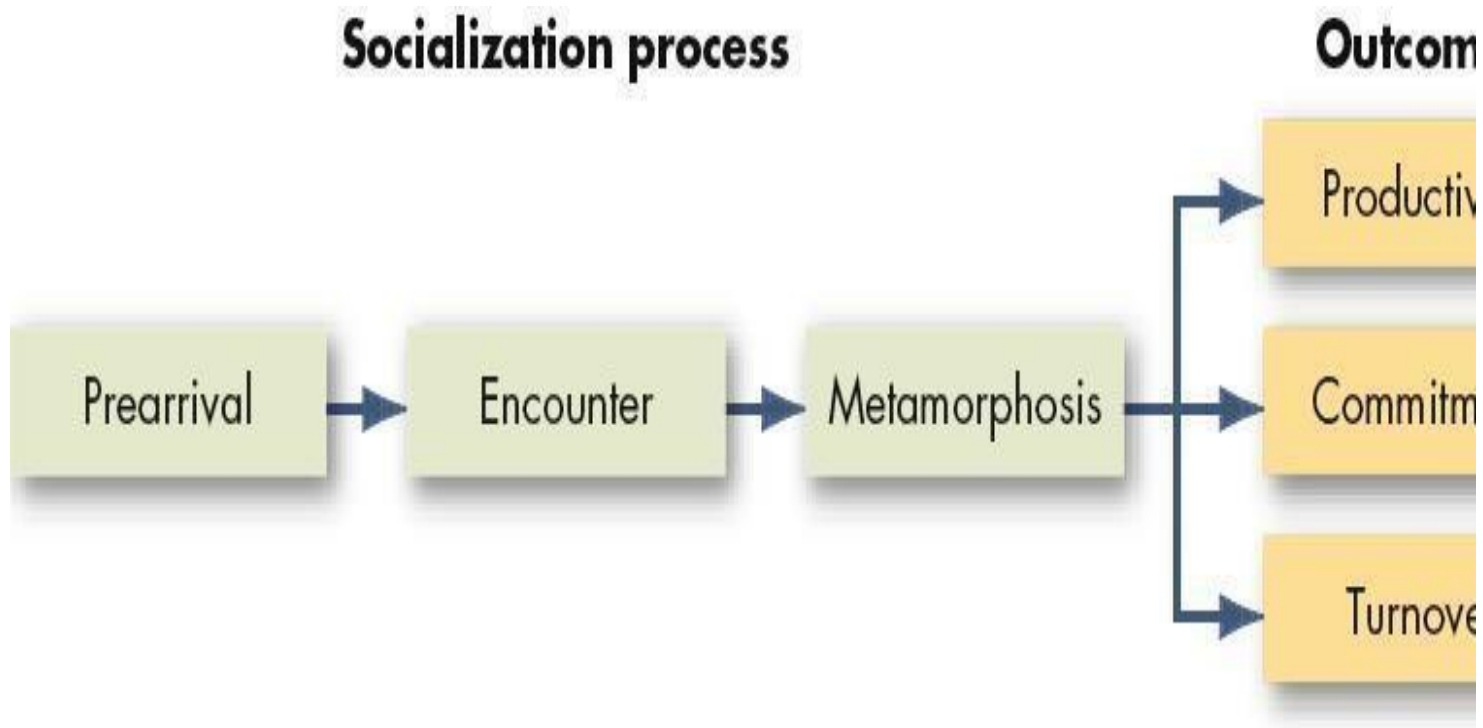


Figure 3 : The Socialization Process

Metamorphosis Stage: Metamorphosis stage is the stage in the socialization process in which a new employee changes and adjusts to the job, work group and organization. In this stage relatively long lasting changes take place. The employee masters the skill required for his or her job, successfully performs his or her new roles, and makes the adjustments to his or her work group's values and norms. The metamorphosis stage completes the socialization process. The new employee internalizes the norms of the organization and his work groups and understands and accepts the norms of the organization and his work group. The success of this stage have a positive impact on the new employee's productivity and his commitment to the organization.

13.7 HOW EMPLOYEES LEARN THE CULTURE OF THE ORGANIZATION

The employees get to know about the culture of the organization from the various stories, rituals material symbols and the language used in the office. see figure 4.

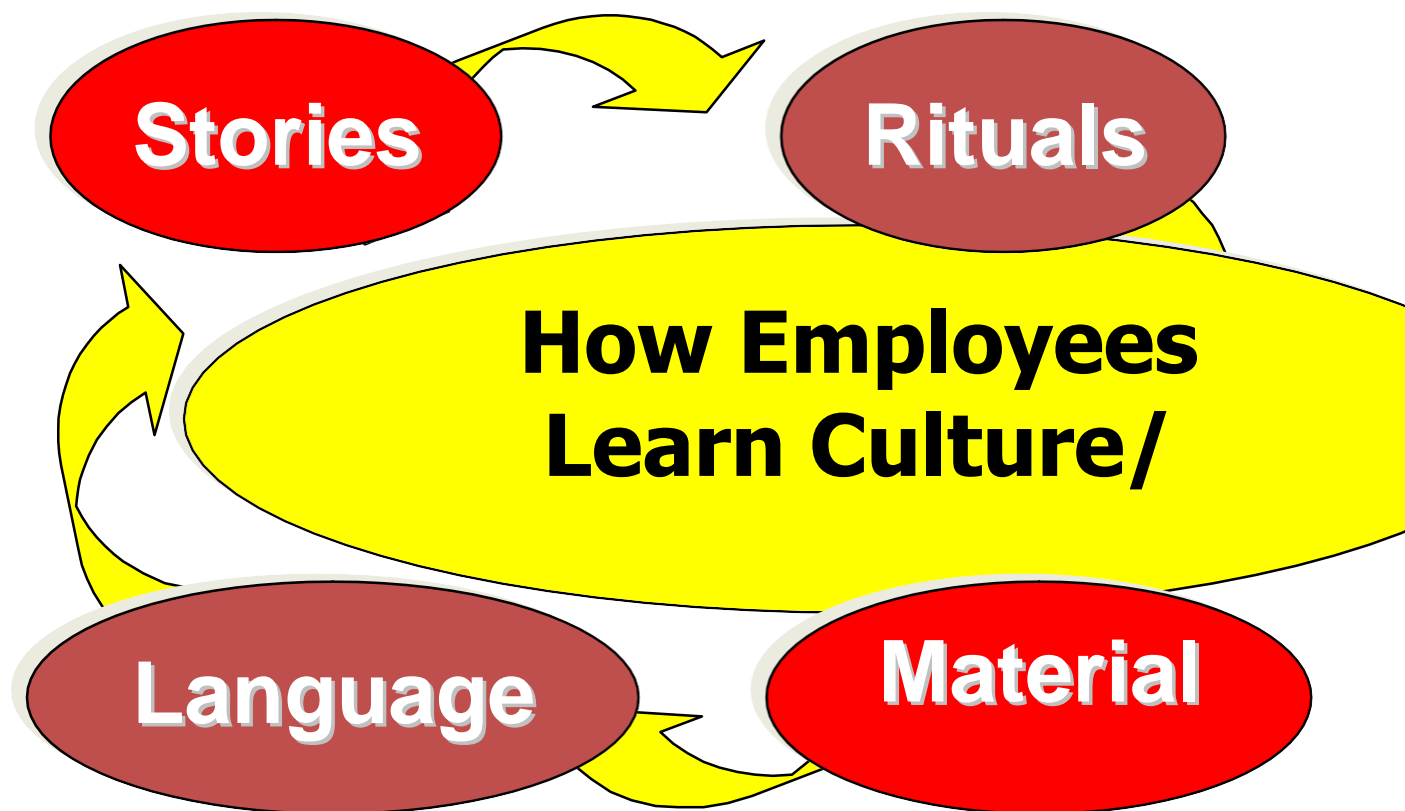


Figure 4: How the Employees Learn the Culture

Stories

These are the Narratives of significant events or actions of people that convey the spirit of the organization.

The stories which circulate through most organizations typically contain the following:

- A Narrative Of Events About The Organization's Founders,
- Rule Breaking,
- Rags-To-Riches Successes,
- Reductions In The Work Force,
- Relocation Of Employees,
- Reactions To Past Mistakes,
- And Organizational Coping.

These stories anchor the present to the past and explain and legitimize current practices.

Rituals

Repetitive sequences of activities that express and reinforce the values of the organization.

These reinforce the goals that are most important, and identify the people who are either important or expendable.

Material Symbols

Physical assets distinguishing the organization.

The material symbols like ;

- An Organization's Facilities,
- Types Of Executive Vehicles,
- The Size Of Offices,
- The Elegance Of Furnishings,
- Executive Perks,
- Employee Lounges,
- On-Site Dining Facilities,
- And Reserved Parking Spaces.

Language

Acronyms and jargon of terms, phrases, and word meanings specific to an organization

- Organizational units use language as a way to identify members of a culture or a subculture.
- Organizations, over time, develop jargon, unique terms to describe equipment, offices, key personnel, suppliers, customers, or products related to their business.
- By learning this language, members attest to their acceptance of the culture and, in so doing, help to preserve it.

Check your progress 2

State whether true or false

1. Stories are the Repetitive sequences of significant events or actions of people that convey the spirit of the organization.
2. Rituals are the Narratives of activities that express and reinforce the values of the organization. These reinforce the goals that are most important, and identify the people who are either important or expendable.
3. Metamorphosis stage is the stage in the socialization process in which a new employee changes and adjusts to the job, work group and organization.

13.8 MULTICULTURAL DIVERSE ORGANIZATIONS

Since every organization has a unique style of working which is often called its culture, the beliefs, policies, principles, its ideologies etc forms its culture. The culture of the organization is nothing but the outcome of the interaction among the employees working for quite some time. The behavior of the individual with his fellow workers as well as external parties forms the culture. The management style of dealing with the employees in its own way also contributes to the culture of the organization. Employees working for a considerable amount of time in any particular organization tend to make certain rules and follow some policies as per their convenience and mutual understanding. Such policies and procedures practiced by the employees for a long time to make the workplace a happier place form the culture. The culture often gives the employees a sense of direction at the workplace.

Culture can be further understood in three dimensions viz primary secondary and tertiary.

- The primary dimensions would encompass the race, ethnicity, gender, age and the disability if any of the workforce.
- The secondary dimensions would envelop the religion, the thinking style, the family status, the lifestyle, the level of education and the language spoken by the workforce.
- The tertiary dimensions would entail the beliefs, assumptions, attitudes, feelings values and the group norms of the workforce. See table 1.

Table 1: Dimensions of Culture & Diversity

Primary Dimensions	Secondary Dimensions	Tertiary Dimensions
Race	Religion	Beliefs
Ethnicity	Thinking Style	Assumptions
Gender	Family Status	Perceptions
Age	Lifestyle	Attitude
Disability	Work Experience	Feelings
	Education	Values
	Language	Group Norms

The dimensions interact with and influence one another, or are displayed differently in different contexts, environments and circumstances, making analysis and management complex. Race, for example, may be more dominant than age in a certain social situation, but may be less dominant than education in a work context. Thus the position and dominance of each dimension are not static, but dynamic. In addition to this, the secondary dimensions are more malleable and many of them will change over time.

The Nature of Culture

The nature of culture can be best understood in terms of values engrained in the Culture and Cultural diversity which are briefly described below;

In management parlance, culture means acquired knowledge that people use to interpret their experiences and generate social behavior. This knowledge forms values, creates attitudes, and influences behavior.

Characteristics of culture; it is,

- Learned
- Shared
- Trans generational
- Symbolic
- Patterned
- Adaptive
- Subject to change
- Relative
- Socially constructed realities

If international managers do not know something about cultures of the countries they deal with, the results can be quite disastrous as is evident in the opening case.

Cultural diversity

Most importantly, culture affects how people think and behave. Therefore, cultural differences have impacts on international management.

1. An example of a handshake shows that there is difference in the way in which this simple yet significant activity is conducted in different cultures:

- The Americans do it firmly,
- The Asians do it gently,
- The Britishers do it softly,
- The French do it lightly and quickly,
- The Latin Americans do it with a moderate grasp.

2. An example of Business customs in South Africa ;

- Arrange a meeting before discussing business over the phone.
- Appointments should be made as far in advance as possible.

- When introduced, maintain eye contact, shake hands, and provide business cards to everyone.
- Women are highly respected.
- Make business plans clear.
- Patience between proposition and answer.
- Keep presentation short and concise.

Thus it is quite evident that priorities of cultural values are not the same in different countries or groups of countries.

There are certain basic beliefs and behaviors that can directly affect management approaches. These are outlined as below;

- Centralized vs. Decentralized decision making
- Safety vs. Risk
- Individual vs. Group rewards
- Informal vs. Formal procedures
- High vs. Low organizational loyalty
- Cooperation vs. Competition
- Short-term vs. Long-term horizons
- Stability vs. innovation

Activity-B

Describe different characteristics of culture-----

Values in culture

Values form the bedrock of a culture. They provide the context within which a society's norms are established and justified. These are the basic convictions that people have regarding what is right and wrong, good and bad, important and unimportant. They may include a society's attitudes towards such concept as individual freedom, democracy, truth, justice, honesty, loyalty, social

obligations, collective responsibility, the role of women, love, sex, marriage and so-on.

These values are learned from the culture in which the individual is reared, and they help direct the person's behavior. Thus, values are not just abstract concepts; they are invested with considerable emotional significance. Differences in cultural values often result in varying management practices.

Value differences and similarities across cultures

Number of surveys has been conducted to find out the Value differences and similarities across cultures. The result of one such survey found that ;

- Japanese managers placed high value on respect to superiors and company commitment.
- Korean managers placed high value on personal forcefulness and low value on recognition of others.
- Indian managers place high value on the nonaggressive pursuit of objectives.

However, while examining the above managerial values it was found that more successful managers appear to favor pragmatic, dynamic, achievement-oriented values, while less successful managers prefer more static and passive values.

LEVELS OF CULTURE

There are three levels of culture that are part of the learned behavior patterns and perceptions of the employees in the organization. These are exhibited in figure 5.

1. Cultural traditions followed in the organization,
2. The Subculture of the organization
3. The Cultural universals.

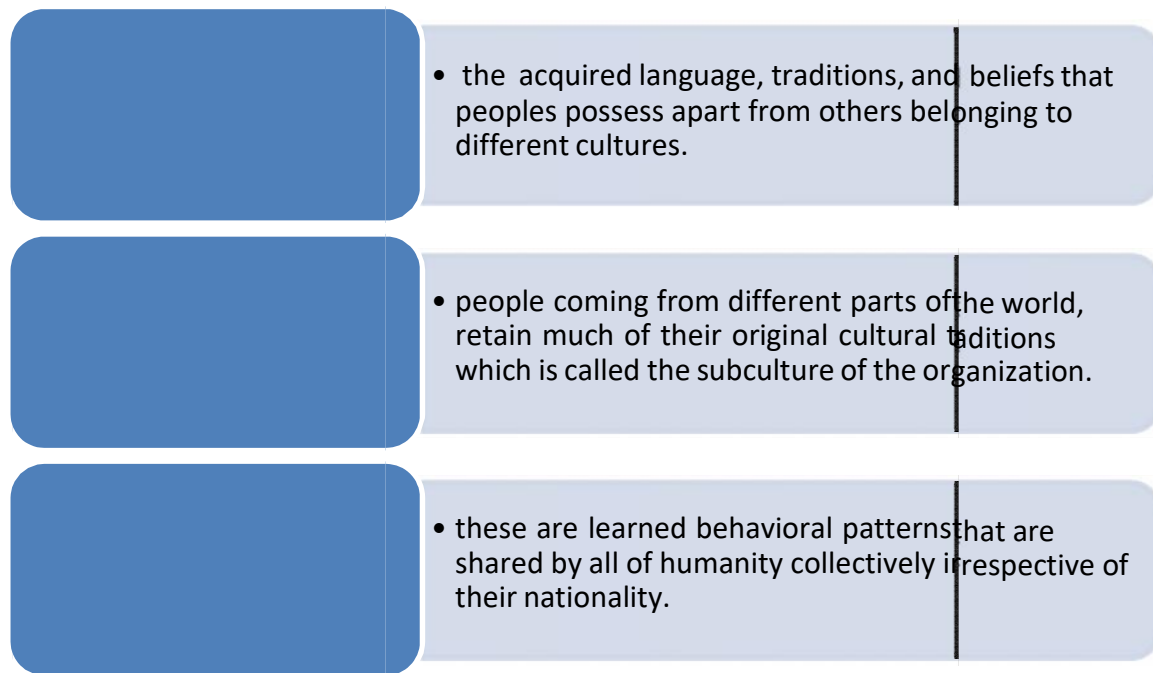


Figure 5 : the levels of culture in the organization

1. Cultural traditions that distinguish the specific society.

Attitudes are described as the tendency to respond favorably or unfavorably to objects or situations based on traditions and beliefs about them. When people speak of American, Indian, Italian, or Japanese culture, they are referring to the shared language, traditions, and beliefs that set each of these peoples apart from others. They do so, mostly because they have acquired it as they were raised by parents and other family members who have it.

In a business setting, dress can mean quite different things depending on what the tradition and society values and how different types of dresses are interpreted. If wearing a suit and a tie indicates a conservative business perspective and conservatism is valued, this would result in a favorable attitude to someone in this attire. Elsewhere, if innovation in business was more highly valued, and wearing a brightly colored t-shirt and jeans was seen as indicating an innovative perspective, this might be viewed positively.

2. The second level of culture is a subculture.

In complex, diverse societies in which people have come from many different parts of the world, they often retain much of their original cultural

traditions. As a result, they are likely to be part of an identifiable subculture in their new society. The shared cultural traits of subcultures set them apart from the rest of their society. Examples of easily identifiable subcultures in the United States include ethnic groups such as Vietnamese Americans, African Americans, and Mexican Americans. Members of each of these subcultures share a common identity, food tradition, dialect or language, and other cultural traits that come from their common ancestral background and experience.

Working with a variety of subcultures within one national location provides many of the same experiences as working in a new national culture. Managers can increase their cross-cultural sensitivity by seeking out members of different cultural minorities and interacting and working with them on an ongoing basis.

3. Cultural universals

These are learned behavioral patterns that are shared by all of humanity collectively. No matter where people live in the world, they share these universal traits. Human Cultural traits includes having age and gender to classify people like teenagers, senior citizens etc or classifying people based on people based on marriage and descent relationships and having kinship terms to refer to them (e.g., wife, mother, uncle, cousin) etc. While all cultures have these and possibly many other universal traits, different cultures have developed their own specific ways of carrying out or expressing them. For instance, people in deaf subcultures frequently use their hands to communicate with sign language instead of verbal language. However, sign languages have grammatical rules just as verbal ones do.

CULTURE AND DIVERSITY REVISITED

Every workplace is influenced by cultural backgrounds, values, attitudes and behaviors. In today's global business world, the ability to interact effectively with people from different cultures is vital. Managers and leaders need to develop intercultural competencies that can help them to be more aware of their own culturally-based perceptions, norms and patterns of thinking, and consequently adapt their behaviors according to specific cultural contexts to achieve specific business objectives.

Cultural diversity has been defined as –the representation, in one social system, of people with distinctly different group affiliations of cultural significance.

Leading a global team, however, is about embracing differences and pulling the right levers at the right time to get the best out of a team. Different cultures

think differently. If you believe that doesn't matter, try crossing a road in England or Australia if you come from America or the Middle East. You'll be looking left when you should be looking right as you begin to cross. If you automatically look in the wrong direction, you'll be lucky not to get run over. If you speak English, you may look at and refer to a red house. If you speak Arabic, you'll refer to the same house as al beit hamar (the house red). The linguistic differences reveal different perceptions: the English speaker perceives the color first and then the house. The Arabic speaker sees the house first and then its color. Isn't it amazing and interesting? Of course it is.

Milliken and Martins [1996] argued that diversity can affect an organization's functioning through four types of mediating variables.

Firstly, diversity can have -affective consequences, such as lower organizational commitment or lower satisfaction, because people prefer interactions with similar others.

Secondly, -cognitive outcomes refer to an increase in creativity and innovation. Diversity can enhance a group's ability to gather and process information and therefore it could result in a greater creativity.

Thirdly, a diverse organizational workforce is a symbol of equality. These -symbolic effects are important for an organization's reputation.

And lastly, diversity also has clear implications on the communication process within a group or organization, i.e. -communication effects.

Milliken and Martins' typology takes into account the fact that diversity can have both positive and negative effects on the functioning of organizations. Also Benschop [1999] argued that their typology provides a clear view on the effects of diversity on an organization's functioning.

DIMENSIONS OF CULTURE

Dimensions are the cultural aspects. We inherit culture and preserve it and in the process of our upbringing, we also modify it. Culture is best understood as the way in which a group of people solves problems and reconciles with the dilemmas at the workplace on a day today basis.

Hence, Culture can be broken down into two distinct categories surface culture and deep culture.

Surface culture is visible in things like what food and drinks are consumed, what holidays are observed, how people greet etc. Surface culture can be defined as visible social actions we do that don't reflect the way people think.

Deep culture is visible in the way people think and feel about issues such as dating and marital dynamics, family relationships, moral/religious beliefs, individualism vs. collectivism, punctuality etc.

Culture can also vary across nations in terms of the following four dimensions:

- 1) Assertiveness- determination of some of the aspects & attributes of people like modest and tender vs. tough and competitive.
- 2) Future Orientation- degree of importance towards the future like planning for future and researching for the betterment.
- 3) Performance Orientation- extent and importance of excellence like receiving highest of all
- 4) Humane Orientation- social touch like care and concern.

Many writers have contributed towards the dimensions of culture and various models have been developed on this basis so far. It would be discussed in detail in chapter 4 .

Now let us try to find out the dimensions of culture ;

HOFSTEDE'S CULTURAL DIMENSIONS

In 1980, the Dutch management researcher Geert Hofstede first published the results of his study of more than 1,16,000 employees of the multinational IBM in 70 countries (Hofstede, 1980, 1983, 1984, 1991, 1997, 2001). Hofstede was attempting to locate value dimensions across which cultures vary. His dimensions have been frequently used to describe cultures.

Hofstede identified four dimensions that he labeled individualism, masculinity, power distance, and uncertainty avoidance and long term orientation. See figure 6

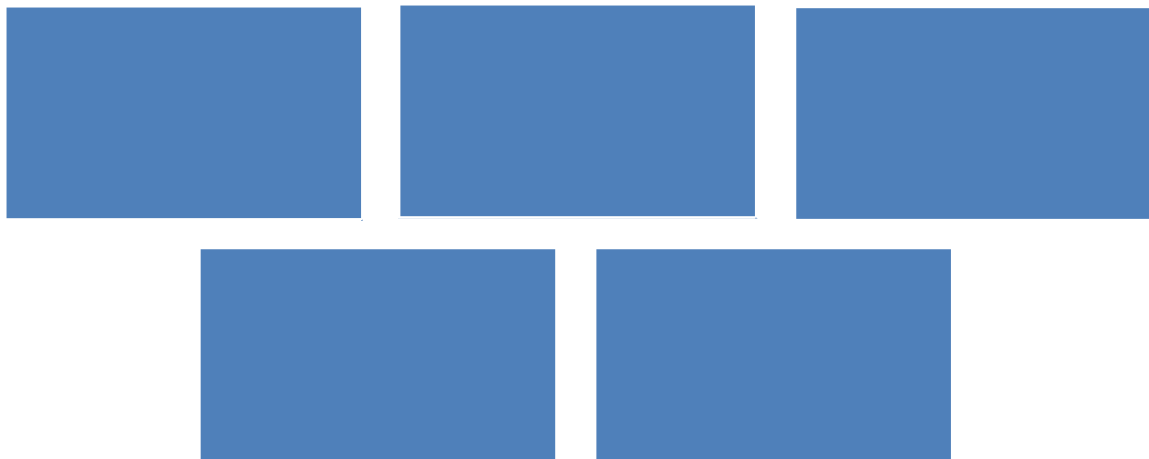


Figure 6: Hofstede's four dimensions of culture

1. Power Distance; Low vs. High

This cultural dimension exhibits the extent to which less powerful members of institutions and organizations accept the unequal distribution of power in the organization. Countries in which people blindly obey the orders of their superiors have high power distance and vice versa. High power distance culture says that;

- Inequality is good
- Everyone has a place
- People should depend on a leader
- The powerful are entitled to privileges
- The powerful should not hide their power

2. Uncertainty Avoidance; Low Vs High

This cultural dimension exhibits the extent to which people feel threatened by ambiguous situations and have created beliefs and institutions that try to avoid these. Countries populated with people who do not like uncertainty tend to have a high need for security and a strong belief in experts and their knowledge; examples include Germany, Japan, and Spain. The cultures which are high on uncertainty avoidance;

- Avoid conflict
- Have Low tolerance of deviant people and ideas
- Show Respect for laws and rules

- Are the ones where Experts and authorities are usually correct
- Believe that Consensus is important in the organizations.

3. Individualism vs Collectivism

This cultural dimension exhibits the tendency of people to look after themselves and their immediate family only. Collectivism (in contrast to individualism) is the tendency of people to belong to groups or collectives and to look after each other in exchange for loyalty. Hofstede's findings show that the wealth or the developed countries have higher individualism scores and poorer or developing countries have higher collectivism scores. The cultures with high individualism are the ones where;

- People are responsible for themselves only
- Individual achievement is ideal and worshipped
- People are not emotionally dependent on organizations or groups

On the other hand, cultures high on Collectivism are the ones where;

- Self identity is based on group membership
- group decision making is considered the best
- groups protect you in exchange for loyalty to them .

4. Masculinity Vs Femininity

This cultural dimension exhibits a cultural characteristic in which the dominant values in society are success, money, and things. In contrast, femininity is the term used by Hofstede to describe a situation in which the dominant values in society are caring for others and the quality of life. A masculine culture has the following features;

- It has clear definitions of gender roles and responsibilities
- Men are assertive and dominant
- Support for Machismo
- Men are supposed to be decisive
- Work is considered to be a priority
- Growth, success, and money are important in life.

5. Long Term Orientation vs. Short term orientation

This cultural dimension says that there should be;

- Belief in substantial savings for the secure future
- Willingness to invest for future
- Acceptance of slow results
- Persistence to achieve goals
- Sensitivity to social relationships
- Pragmatic adaptation

The gist of Hofstede's cultural dimensions can be understood as following;

- His individualism and collectiveness dimensions describe culture from loosely structured to tightly integrate.
- His masculinity and femininity dimension describes how a culture's dominant values are assertive or nurturing.
- Power distance refers to the distribution of influence within a culture.
- And, uncertainty avoidance reflects a culture's tolerance of ambiguity and acceptance of risk.
- The long term orientation believes in keeping the future in mind and working accordingly.

Hofstede's cultural Dimensions as exhibited by various Countries:

- The countries with an Anglo cultures like the United States, Great Britain and Australia are high on individualism and masculinity, low on power distance and uncertainty avoidance
- The Latin European countries show high uncertainty avoidance
- The Nordic countries show low masculinity
- The Far Eastern countries show high power distance, low individualism

13.9 AN INTRODUCTION TO ETHICS VALUES AND CULTURE

If recent history teaches us anything is that ethics and character count, especially in business. Huge organizations like Enron, Arthur Andersen and Health South have been destroyed and others were seriously damaged (AIG, Fannie Mae, Freddie Mac) by executives with massive ambition and intelligence but no moral compass. In today's ultra competitive, high tech, interdependent business world, charisma without conscience and cleverness without character are a recipe for economic and personal failure of epic proportions. As President Theodore Roosevelt said, -To educate the mind without the morals is to educate a menace to society.¶

Competitiveness, ambition and innovation will always be important to success but they must be regulated by core ethical principles like the ones described below.

Let's start with some basic definitions

Ethics defined: It is a code of behavior that a society considers moral and appropriate for guiding relationship with one another. The issue at stake here includes: honesty, integrity, fair, open and straight-forward dealing. Ethics involves judgments as to good and bad, right and wrong and what ought to be (Hartman, 2002). The golden rule therefore is: –do unto others as you would have them do unto you. Ethics deals with things to be sought and things to be avoided, with ways of life and with telos (Telos is the chief aim or end in life) (the philosopher, Epicurus, cited in Hartman, 2002).

Ethics involves notions of

- Right and wrong
- Fair and unfair
- Moral and immoral

Morals: rules or duties that govern our behavior, e.g. –do not tell lies, or –do not hurt another person.

Values: these are beliefs that a given behavior or outcome is desirable or good. They serve as standards of conduct that guide our behavior: For Example: how we value (a) the environment, (b) self-respect (c) keeping our family safe, (d) good health, (e) politics.

Business Ethics: It is the application of general ethical principles and standards to the actions and decisions of business organizations and the conduct of their personnel

- Ethical principles in business are not materially different from ethical principles in general
- Business actions are judged by the general ethical standards of society

Thus, **Ethical principles are universal standards of right and wrong prescribing the kind of behavior an ethical company or person should and should not engage in.**

These principles provide a guide to making decisions but they also establish the criteria by which your decisions will be judged by others.

In business, how people judge your character is critical to sustainable success because it is the basis of trust and credibility. Both of these essential assets can be destroyed by actions which are, or are perceived to be unethical.

Schools of thought on ethics

There are two Schools of thought on ethics;

The Existentialists and the Relativists

- **The Existentialists** led by Jean-Paul Sartre believe that standards of conduct cannot be rationally justified and no action is inherently right or wrong. Thus each person may reach their own choice about ethical principles. This view resides in the notion that humans are only what they want to be. Sartre claimed that existence precedes essence, i.e., first humans exist, then we individually define what we are – our essence. Therefore each of us is free, with no rules to turn to for guidance. That ethics and moral responsibility belongs to each of us.
- **According to the Existentialists**, ...what one person believes is –right|| or –just|| may not necessarily be believed by others. They may say, perhaps, there is no right answer in this situation.
- **The Relativists** however call for some universal principles of right and wrong. They contend that the ethical answer depends on the situation, i.e., that ethics is relative to a particular society.

Theories about ethics and religion: two issues

- **Theory of Rationalization:**

Based on the case whereby religious people attempt to be ethical both at home and outside their home (e.g., very devout religious people).

- **Theory of Sacred Canopy:**

In today's materialistic, opportunistic and fast-paced lifestyle, it is a common belief that religious people have lost their influence on the direction of morals and ethics. This has meant that although people may be ethically astute at home, they may behave differently away from home.

ETHICS AND VALUES ACROSS CULTURES

Different cultures hold different values, making it tough to make a singular "right" ethical choice.

For example, The French and Americans have different views on whistle-blowing. Compared to the French, American companies consider it to be a natural part of business. So natural, in fact, that they set up anonymous hotlines. The French, on the other hand, view whistle-blowing as undermining solidarity amongst co-workers and deplore such procedures.

Business ethics is a very complex and controversial issue. The varying norms and social issues makes the international business environment very intricate and perplexing.

The term culture describes people's 'way of life,' meaning the way they do things. It is the outlook, attitudes, values, goals, and practices shared by a society. Different [groups](#) of people may have different cultures. Culture is more than just material goods, or the things the culture uses and produces. Culture is also the beliefs and values of the people in that culture. It includes the way people think about and understand the world and their own lives.

They may differ, but wherever you go, you'll find cultural [values](#).

Culture can also vary within a region, society, or subgroup. A workplace may have a specific culture that sets it apart from similar workplaces. A region of a country may have a different culture than the rest of the country.

And, the term business ethics refers to the system of moral principles and rules of conduct to business. There should be ethics means that the business should be

conducted according to certain self-recognized moral standards. Peter Drucker very appropriately remarks: –There is neither a separate ethics for business, nor is one needed. For men and Women do not acquire exemption from ordinary rules of personal behavior because of their work or job. Nor, however do they cease to be human beings when appointed vice president, city manager, or college dean. And there have always been a number of people who cheat, steal, lie, bribe or take bribes. The problem is one of the moral values and moral education of the individual or of the family.

Companies or other [organizations](#) (groups of people) can have a separate culture. Japanese manufacturing companies often have a different culture than other companies; the workday starts with exercise, and the workers are very loyal to the company. Software and computer companies sometimes allow employees to play games during the workday, or take time off work to relax, because these companies believe that this will help the workers to think better.

CULTURE'S INFLUENCE ON ETHICS IN BUSINESS

Today's global companies allow people to work with others from different parts of the world, as employees, managers, and colleagues. This is only one way that the variety of cultures might be increased. Employees may bring customs and traditions from home countries and home businesses to the global office.

Cultural norms are the shared, sanctioned, and integrated systems of beliefs and practices that are passed down through generations and characterize a cultural group. Norms cultivate reliable guidelines for daily living and contribute to the health and well-being of a culture. They act as prescriptions for correct and moral behavior, lend meaning and coherence to life, and provide a means to achieve a sense of integrity, safety, and belonging. These normative beliefs, together with related cultural values and rituals, present a sense of order and control upon aspects of life that might otherwise appear chaotic or unpredictable.

This is where culture intersects ethics. When one has to make an ethical decision, they do so through the lens of their culture. What happens when one culture says a practice is ethical and another says it isn't?

Cultural Relativism

Cultural Relativism focuses on this issue.

It states there is no singular truth on which to base ethical or moral behavior, as our interpretations of truths are influenced by our own culture.

Along with moral relativism, it holds the position that there is no absolute or universal set of values or principles that can be used to judge human behavior. It differs from moral relativism in that it situates moral behavior as being relative to (conforming with) a learned set of cultural norms, rather than being relative to the actions of the individual. In this sense it considers moral behavior to be historically and contextually situated.

Cultural relativism is a normative ethical position rather than a prescriptive one. That is, rather than prescribing what ought to be done in a specific situation, it describes the way people behave in that situation.

The basis for cultural relativism is the observation that different cultures have different sets of norms and values that govern behavior in their cultural.

This is in contrast to universalism, which holds the position that moral values are the same for everyone.

Cultural relativists consider this to be an ethnocentric view as the universal set of values proposed by universalists are based on their set of values. Cultural relativism is also considered to be more tolerant than universalism because, if there is no basis for making moral judgments between cultures, then cultures have to be tolerant of each other.

Cultural relativism has been criticized for its focus on behavior. For example, universalists argue that while behavior may differ from culture to culture, these are surface differences supported by moral principles that are common across cultures. Companies that try to create a common code of conduct across all of their locations are in a sense operating under the view that a universal set of values do indeed exist.

13.10 HOW ORGANIZATIONAL CULTURES HAVE AN IMPACT ON PERFORMANCE AND SATISFACTION

Research conducted by D.R Denison and A.K Mishra, show that organizational culture is related to organizational success. Organizational culture is a framework that guides day-to-day behaviour and decision making for employees and directs their actions toward completion of organizational goals. Culture is what given birth to and defines the organizational goals. Culture must be aligned with the other parts of organizational actions, such as planning, organizing, leading, and controlling; indeed, if culture is not aligned with these tasks, then the organization is in for difficult times. See figure 7.

This shows that culture based on adaptability, involvement, a clear mission and consistency can help companies achieve higher sales growth, return on assets, profits, quality and employee satisfaction

1. **Adaptability** : is the ability to notice and respond to changes in the organization's environment.
2. **Involvement** : In cultures that promote higher levels of employment in decision-making employees feel a greater sense of ownership and responsibility.
3. **Clear Mission** : Mission is a company's purpose or reason for existing. In organizational cultures in which there is a clear organizational vision, the organization's strategic purpose and direction are apparent to everyone in the company.
4. **Consistency**: In consistent organizational cultures, the company actively defines and teaches organizational values, beliefs and attitudes. Consistent organizational cultures are also called strong cultures, because the core beliefs are widely shared and strongly held.

Organizational cultures are important to a firm's success for several reasons.

1. They give an organizational identity to employees - a defining vision of what the organization represents. When managers are uncertain about their business environments, the vision helps guide the discussions, decisions, and behavior of the people in the company.
 2. Organizational culture is an important source of stability and continuity to the organization, which provide a sense of security to its members.
 3. Knowledge of the organizational culture helps newer employees interpret what goes on inside the organization, by providing an important context for events that would otherwise seem confusing.
 4. Culture helps to stimulate employee enthusiasm for their tasks by recognizing and rewarding high-producing and creative individuals, thereby identifying them as role
5. models to emulate.



Figure 7: **How Organizational Cultures Have An Impact On Performance And Satisfaction**

13.11 CORPORATE CULTURE AND ORGANIZATIONAL SUCCESS

Artifacts, espoused values, and basic assumptions form the basics of understanding organizational culture. Organizational culture is a framework that guides day-to-day behavior of employees. Culture is what gives birth to and defines the organizational goals. John Kotter and James Heskett, researchers of Harvard Business School, tried to determine which factors make some organizational cultures more successful than others.

Kotter and Heskett identified two levels of culture.

1. **Visible Level:** are the behavior patterns and styles of the employees.
2. **Invisible Level:** are the shared values and assumptions that are held over a long period of time.

Kotter and Heskett, argue that changes in the visible level (i.e., in behavior patterns and styles) overtime can lead to change in the invisible level (i.e., more deeply held beliefs). The study had four main conclusions:

1. Corporate culture can have a significant impact on a firm's long-term economic performance.
2. Corporate culture will probably be an even more important factor In determining the success or failure of firms in the next decade.
3. Corporate cultures that inhibit strong long-term financial performance are not rare; they develop easily, even in firms that are full of reasonable and intelligent people.
4. Although tough to change, corporate cultures can be made more performance enhancing.

Adaptive and Non-adaptive Culture

The Harvard Researchers, Kotter and Heskett discovered in their research that some corporate cultures are good at adapting to changes and preserving the performance of the organization, while others are not. They distinguished between "adaptive" and "un-adaptive" corporate cultures, which is summarized in the table below:

	A. ADAPTIVE CORPORATE CULTURE	B. NON-ADAPTIVE CORPORATE CULTURE
1.Core Values	Most managers care deeply about customers, stockholders, and employees. They also strongly value people and processes that can create useful change (e.g. leadership up and down the management hierarchy)	Most managers care mainly about themselves, their immediate work group or some product (or technology) associated with that work group. They value the orderly and risk-reducing management process much more highly than leadership initiatives.
1.Common behaviour	Managers pay close attention to all their constituencies, especially customers, and initiate change when needed to serve their legitimate interests, even if that entails taking some risks.	Managers tend to behave somewhat insularly, politically and bureaucratically. As a result, they do not change their strategies quickly to adjust to or take advantages of changes in their business environment.

Check your progress 3

1.If you walked into a bank and saw vibrant, modern, abstract art on the walls and big bright blue balls in the waiting area for customers to sit on (or throw!), what would you think about the culture? How would you expect your transaction with the teller to be different from other banks you've been in?

Joseph arrives for his first day of work and is told that he'll be spending two months -unlearning all he's learned so far in school. He is experiencing

Investiture

Divestiture Sequential Training On the job training

13.12 LET US SUM UP

Organizational Culture is a system of shared meanings and common beliefs held by organizational members that determines, in a large degree, how they act towards each other.-The way we do things around here.∥ Values, symbols, rituals, myths, and practices .thus Culture is a perception, Culture is shared, Culture is descriptive.

There are either Strong Cultures or weak cultures; Strong Cultures Are cultures in which key values are deeply held and widely held, Have a strong influence on organizational members. The Sources of Organizational Culture are The organization's founder; Vision and mission, Past practices of the organization; The way things have been done, The behavior of top management ,Continuation of the Organizational Culture; Recruitment of like-minded employees who -fit∥ Socialization of new employees to help them adapt to the culture.

The Employees Learn Culture of the organization through Stories which are Narratives of significant events or actions of people that convey the spirit of the organization, Rituals which are Repetitive sequences of activities that express and reinforce the values of the organization, Material Symbols which are Physical assets distinguishing the organization, Language which are Acronyms and jargon of terms, phrases, and word meanings specific to an organization

Organizational culture has distinct features like there arc observed behavioral regularities, norms, dominant values, philosophy, rules and its peculiar climate. It is nevertheless very important to create a beautiful & employees friendly culture and sustain it in all the situation and dynamic conditions.

A successful organization culture calls for adaptability, consistency involvement & a clear mission. Above all shared values & norms amongst the group members, the one's which are good at adapting are called adaptive cultures while the one's which do not initiate at adapting are called non-adaptive cultures.

Organizational cultures are very difficult to change. Consequently, there is no guarantee that behavior-substitution, behavioral addition or changing visible artifacts will change a company's organizational culture. Clearly, an open display of top management commitment and support for the new values and beliefs is critically important to enable employees to change. Some of the prominent cultural issues which are of great concern are; Creating an Ethical Culture, Creating an Innovative Culture, Creating a Customer-Responsive

Culture and Creating a Spiritual Organizational Culture. The organizations with strong cultures tend to go to great lengths to tackle these sensitive issues.

13.13 ANSWER KEY TO CHECK YOUR PROGRESS

1. Answers : 1;social glue,2; **dominant culture**, 3;**Strong Cultures**, 4;**Organizational climate**

2. Answers : 1; f, 2; f, 3; t

13.14 GLOSSARY

Organizational Culture : it is a system of shared meanings and common beliefs held by organizational members that determines, in a large degree, how they act towards each other.-The way we do things around here.||

Strong Cultures Are cultures in which key values are deeply held and widely held.

Socialization: Socialization is the process that adapts employees to the organization's culture. Organization wants to help new employees adapt to its culture. The adaptation is done through the process of "socialization".

Metamorphosis Stage: Metamorphosis stage is the stage in the socialization process in which a new employee changes and adjusts to the job, work group and organization. In this stage relatively long lasting changes take place. The employee masters the skill required for his or her job, successfully performs his or her new roles, and makes the adjustments to his or her work group's values and norms. The metamorphosis stage completes the socialization process.

Adaptive Culture : Most managers care deeply about customers, stockholders, and employees. They also strongly value people and processes that can create useful change (e.g. leadership up and down the management hierarchy).

Non-adaptive culture : Most managers care mainly about themselves, their immediate work group or some product (or technology) associated with that work group. They value the orderly and risk-reducing management process much more highly than leadership initiatives.

13.15 SELF ASSESSMENT QUESTIONS :

1. What is organizational culture? What are the major elements of organizational culture?
2. Discuss the impact of a strong culture on organizations and managers.
3. Explain the source of an organization's culture.
4. Describe how culture is transmitted to employees.

5. Describe how culture affects managers
6. Outline the major issues of concern for the organizations.
7. Creating a spiritual and an ethical organization is the need of the hour. Do you agree? Discuss.

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CHAPTER 14: ORGANIZATIONAL CHANGE & DEVELOPMENT

Structure outline

- 14.0 Learning Objectives
- 14.1 Introduction
- 14.2 Organization Change- Concept, Nature, Meaning
- 14.3 Types of Organizational Change
- 14.4 Models and Theories of planned Change and development
- 14.5 Concept of organization Development.
- 14.6 Why there is a need of OD programme
- 14.7 Characteristics of OD
- 14.8 Steps in OD
- 14.9 OD for teams and groups
- 14.10 OD for intergroup relations
- 14.11 OD for total organizations
- 14.12 OD Interventions of techniques
- 14.13 Let Us Sum Up
- 14.14 Answer key to check your progress
- 14.15 Glossary
- 14.16 Self assessment Questions
- 14.17 References
- 14.18 Suggested reading

14.0 LEARNING OBJECTIVES

After Studying this lesson, you will be able to :

- Understand the meaning, nature , concept of Organizational Change and development
- Examine the different Types of Organizational Change
- Delineate the Types of Planned Change and Theories of planned Change and development
- Appreciate the reasons behind resistance to change and what can be done to manage it.
- Understand the Concept of organization Development.
Find out the reasons as to why there is a need of OD programme
- Outline the Characteristics of OD, Steps in OD
Examine the various OD Interventions
- Evaluate the effectiveness of OD programmes

14.1 INTRODUCTION

Change is a constant, a thread woven into the fabric of our personal and professional lives. Change occurs within our world and beyond -- in national and international events, in the physical environment, in the way organizations are structured and conduct their business, in political and socioeconomic problems and solutions, and in societal norms and values. As the world becomes more complex and increasingly interrelated, changes seemingly far away affect us. Thus, change may sometimes appear to occur frequently and randomly. We are slowly becoming aware of how connected we are to one another and to our world. Organizations must also be cognizant of their holistic nature and of the ways their members affect one another. The incredible amount of change has forced individuals and organizations to see --the big picture-- and to be aware of how events affect them and vice versa.

Organizational development efforts, whether facilitated by an outside expert or institutionalized and conducted on an ongoing basis, bring about planned change within organizations and teams. However, they are but one type of change that occurs in organizations, for change can be both planned and unplanned and can occur in every dimension of the universe.

Planned change takes conscious and diligent effort on the part of the educator or manager. **Kanter (1983)** originated the concept of the **change master**: a person or organization adept at the art of anticipating the need for and of leading productive change. As a way to reinforce the judicial educator's role in the change process, this term will be used to refer to educators and managers who are interested in effecting change in their organizations or work teams.

According to this perspective, change will not occur just because --it's a good idea. It will only occur when the pain of an individual or an organization is sufficiently high to justify the difficulties of assimilating change. Therefore, a change master must focus on the absolute need of the organization to change, rather than simply on the benefits of the anticipated change. Effective change masters understand this, and they then assist others in recognizing that the organization has no choice but to change.

14.2 ORGANIZATION CHANGE- CONCEPT, NATURE, MEANING OF ORGANIZATIONAL CHANGE

One of the goals of change management is the alignment of people and culture with strategic shifts in the organization, to overcome resistance to change in order to increase engagement and the achievement of the organization's goal for effective transformation.

Achieving sustainable change begins with a clear understanding of the current state of the organization, followed by the implementation of appropriate and targeted strategies. The focus of change management is on the outcome the change will produce – the NEW arrangements that must be understood.

Organizational change is any action or set of actions resulting in a shift in direction or process that affects the way an organization works. Change can be deliberate and planned by leaders within the organization (i.e., shift from inpatient hospital focus to outpatient primary care model), or change can originate outside the organization (i.e., budget cut by Congress) and be beyond its control. Change may affect the strategies an organization uses to carry out its mission, the processes for implementing those strategies, the tasks and functions performed by the people in the organization, and the relationships between those people. Naturally, some changes are relatively small, while others are sweeping in scope, amounting to an organizational transformation. Change is a fact of organizational life, just as it is in human life. An organization that does not change cannot survive long, much less thrive in an unpredictable world. Several factors may make organizational change necessary, including new competition in the marketplace or new demands by customers. These types of external forces may create expectations of improved efficiency, better service, or innovative products

When organizational change is well planned and implemented, it helps assure the organizations continued survival. It can produce many tangible benefits, including improved competitiveness, better financial performance, and higher levels of customer and employee satisfaction. These benefits may take some time to achieve, however, and the transition period that accompanies major organizational change usually is a time of upheaval and uncertainty. Not every individual in the organization will benefit personally from change; some will be casualties of change, especially if jobs are cut or realigned. But change should make the organization as a whole stronger and better equipped for the future.

Nature of Organizational Change

The key insights concerning the nature of organizational change:

- **The agenda for change is driven by external events.** All organizations interviewed by the researchers were reacting to shifts in their environment when introducing their change programs. Many agendas could be traced to an external event such as regulatory change or increased competition. In some cases, the organizations were being proactive, but it was more common that the organizations' actions were reactive.
- **Leaders set a clear direction and manage risks.** The research indicated that leaders identify and select priorities for change. In successful change, before making a decision, alternatives were considered. However it was the leaders

who made a definite decision to change something and stick with it. Once decisions were made, leaders set success criteria and communicated the need for the change.

- **The need for change must be aligned to the operational issues.** External events that trigger the change form part of the strategic context of the change. Needs should be translated into an operational context so people in the organization understand how they will be affected.

Meaning of Organizational Change management

Change management is an approach to transitioning individuals, teams and organizations to a desired future state. In some project management contexts, change management refers to a project management process wherein changes to a project are formally introduced and approved.

Change management is a set of processes employed to ensure that significant changes are implemented in a controlled and systematic manner.

14.3 TYPES OF ORGANIZATIONAL CHANGE

The different types of organizational change are:

1. Organization-wide Versus Subsystem Change

Examples of organization-wide change might be a major restructuring, collaboration or -rightsizing. Usually, organizations must undertake organization-wide change to evolve to a different level in their life cycle, for example, going from a highly reactive, entrepreneurial organization to one that has a more stable and planned development. Experts assert that successful organizational change requires a change in culture – cultural change is another example of organization-wide change.

Examples of a change in a subsystem might include addition or removal of a product or service, reorganization of a certain department, or implementation of a new process to deliver products or services.

2. Transformational Versus Incremental Change

An example of transformational (or radical, fundamental) change might be changing an organization's structure and culture from the traditional top-down, hierarchical structure to a large amount of self-directing teams. Another example might be Business Process Re-engineering, which tries to take apart (at least on paper, at first) the major parts and processes of the organization and then put them back together in a more optimal fashion. Transformational change is sometimes referred to as quantum change.

Examples of incremental change might include continuous improvement as a quality management process or implementation of new computer system to increase efficiencies. Many times, organizations experience incremental change and its leaders do not recognize the change as such.

3. Remedial Versus Developmental Change

Change can be intended to remedy current situations, for example, to improve the poor performance of a product or the entire organization, reduce burnout in the workplace, and help the organization to become much more proactive and less reactive, or address large budget deficits. Remedial projects often seem more focused and urgent because they are addressing a current, major problem. It is often easier to determine the success of these projects because the problem is solved or not.

Change can also be developmental – to make a successful situation even more successful, for example, expand the amount of customers served, or duplicate successful products or services. Developmental projects can seem more general and vague than remedial, depending on how specific goals are and how important it is for members of the organization to achieve those goals.

4. Unplanned Versus Planned Change

Unplanned change usually occurs because of a major, sudden surprise to the organization, which causes its members to respond in a highly reactive and disorganized fashion. Unplanned change might occur when the Chief Executive Officer suddenly leaves the organization, significant public relations problems occur, poor product performance quickly results in loss of customers, or other disruptive situations arise.

Planned change occurs when leaders in the organization recognize the need for a major change and proactively organize a plan to accomplish the change.

Planned change occurs with successful implementation of a Strategic Plan, plan for reorganization, or other implementation of a change of this magnitude. The planned change, even though based on a proactive and well-done plan, often does not occur in a highly organized fashion. Instead, planned change tends to occur in more of a chaotic and disruptive fashion than expected by participants.

Check Your Progress 1

State The Type Of Change ;

1. Major restructuring, collaboration or -rightsizing is -----
2. Changing an organization's structure and culture from the traditional top-down, hierarchical structure to a large amount of self-directing teams is-----
3. Change intended to remedy current situations, to improve the poor performance of a product or the entire organization or to reduce burnout is-----
4. A major, sudden surprise to the organization, which causes its members to respond in a highly reactive and disorganized fashion is -----

14.4 MODELS AND THEORIES OF PLANNED CHANGE

The models are presented in the chronological order in which they first appeared in the literature. The models reviewed in this section include:

1. Force Field Analysis (1951)
2. Leavitt's Model (1965)
3. McKinsey 7S Framework (1981-82)
4. High-Performance Programming (1984)
5. Diagnosing Individual and Group Behavior (1987)

1. Force Field Analysis

In 1951, Kurt Lewin developed a model for analyzing and managing organizational problems which he has termed Force Field Analysis. This model is relatively simple to understand and easy to visualize.

- A depiction of the model (see Figure) identifies both driving forces and restraining forces within an organization.
- These driving forces, such as environmental factors, push for change within the organization while the restraining forces, such as organizational factors (e.g., limited resources or poor morale), act as barriers to change .
- To understand the problem within the organization, the driving forces and restraining forces are first identified and, hence, defined. Goals and strategies for moving the equilibrium of the organization toward the desired direction can then be planned.
- The model relies upon the change process, with the social implications built into the model (e.g., disequilibrium is expected to occur until equilibrium is reestablished). The general goal of this model is to intentionally move to a desirable state of equilibrium by adding driving forces, where important, and eliminating restraining forces, where appropriate. These changes are thought to occur simultaneously within the dynamic organization. See figure 1

Force Field Analysis

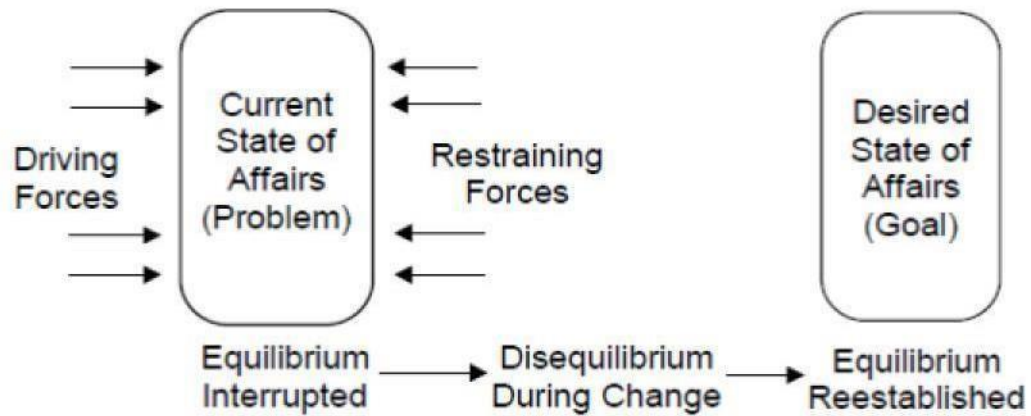


Figure 1:force field analysis

2. Leavitt's Model

Sometime after Lewin conceptualized Force Field Analysis (i.e., fourteen years later, in 1965), Leavitt designed another relatively simple model. This model does specify particular variables within organizations, rather than driving forces; these variables include: task variables, structure variables, technological variables, and human variables. See figure 2.

Leavitt's Model

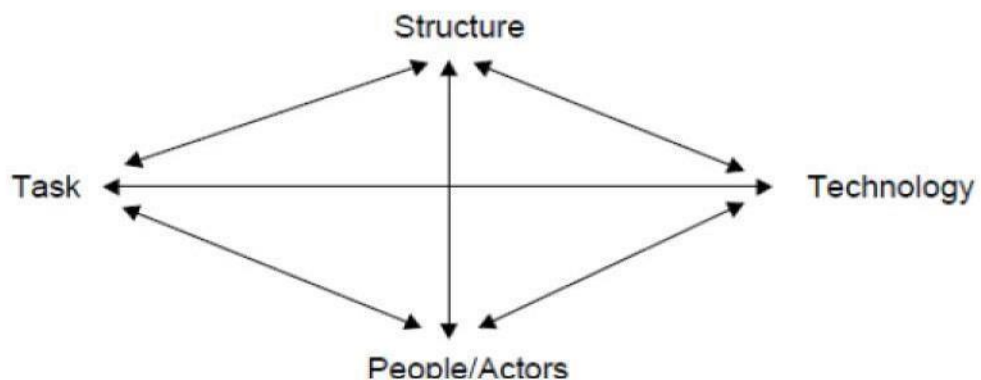


Figure 2:the variables of change

- **The structure variable** refers to the authority systems, communication systems, and work flow within the organization.
- **The technological variable** includes all the equipment and machinery required for the task variable;
- **The task variable** refers to all the tasks and subtasks involved in providing products and services.

- **The human variable** refers to those who carry out the tasks associated with organizational goals (i.e., products and services).

The diamond shaped arrows in the model emphasize the interdependence among the four variables. Leavitt has postulated that a change in one variable will affect the other variables. For example, with a planned change in one variable (e.g., the introduction of advanced technology), one or more variables will be impacted. Such interventions are typically designed to affect the task variable (e.g., to affect positive changes in products or services). In this example, the other variables would also likely change, as morale (i.e., people) might increase and communication (i.e., structure) might be improved due to the new technology.

Although Leavitt describes the variables within his model as dynamic and interdependent, the model is too simple to make any direct causal statements regarding the four variables. Similar to the Force Field Analysis model, Leavitt suggests that a change in one variable may result in compensatory or retaliatory change in the other variables; this notion is similar to the opposing forces in Lewin's model. However, unlike Force Field Analysis, Leavitt does not address the role of the external environment in bringing about change in any of the variables.

3. The McKinsey 7S Framework

The McKinsey 7S Framework was named after a consulting company, McKinsey and Company, which has conducted applied research in business and industry. The authors all worked as consultants at McKinsey and Company; in the 1980's, they used the model in over seventy large organizations. The McKinsey 7S Framework was created as a recognizable and easily remembered model in business.

Illustration of the 7S Framework

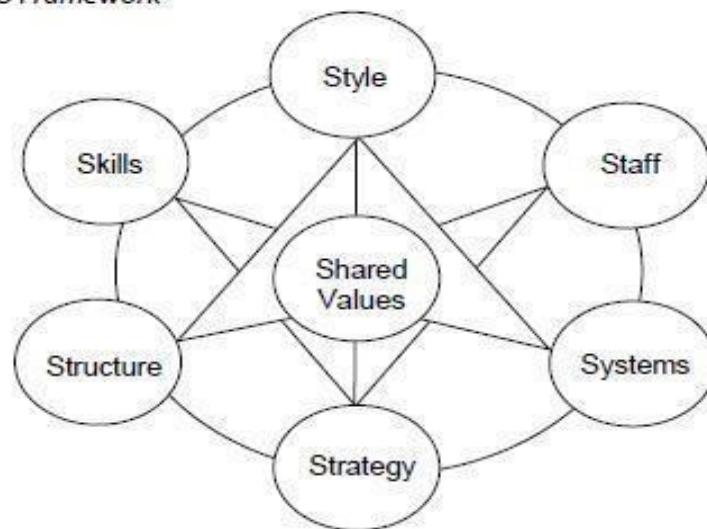


FIGURE 3 : The McKinsey 7S Framework

The shape of the model was also designed to illustrate the interdependency of the variables; the illustration of the model has been termed the –Managerial Molecule. While other variables existed within complex organizations, the variables represented in the model were considered to be of crucial importance to managers and practitioners.

The seven variables include structure, strategy, systems, skills, style, staff, and shared values.

- **Structure** is defined as the skeleton of the organization or the organizational chart.
- **The strategy** is described as the plan or course of action in allocating resources to achieve identified goals over time.
- **The systems** are the reutilized processes and procedures followed within the organization.
- **Staff** are described in terms of personnel categories within the organization (e.g., engineers), whereas the
- **skills** variable refers to the capabilities of the staff within the organization as a whole.
- The way in which key managers behave in achieving organizational goals is considered to be the **style variable**; this variable is thought to encompass the cultural style of the organization.
- **The shared values** variable, originally termed super ordinate goals, refers to the significant meanings or guiding concepts that organizational members share.

It is further concluded that the companies tend to focus on those variables which they feel they can change (e.g., structure, strategy, and systems) while neglecting the other variables. These other variables (e.g., skills, style, staff, and

shared values) are considered to be –softll variables. Japanese and a few excellent American companies are reportedly successful at linking their structure, strategy, and systems with the soft variables. It is concluded that a company can not merely change one or two variables to change the whole organization. For long-term benefit, they feel that the variables should be changed to become more congruent as a system. See figure 3 above.

4. Nelson and Burns High-Performance Programming

Nelson and Burns high-performance programming framework assesses the current level of performance of an organization in order to plan interventions to transform the organization into a high performing system.

- Similar to Likert System Analysis, Nelson and Burns describe four organizational systems which are more or less effective.
- These systems, or frames, as Nelson and Burns call them, include the high-performing organization (level 4), the proactive organization (level 3), the responsive organization (level 2), and the reactive organization (level 1). Each of these levels is conceptualized in the Table below.
- To diagnose an organization, a survey instrument is used with questions related to Nelson and Burns' eleven dimensions or variables. These eleven variables are time frame, focus, planning, change mode, management, structure, perspective, motivation, development, communication, and leadership.
- The following Likert-type scale is an example of a standardized scale which can be used with each item stem on a survey .

Nelson and Burns' High-Performance Programming

<p><i>The High-Performing Organization</i></p> <p><i>Level 4</i></p>	<p>Leaders in the high-performing organization are fully invested in empowering organizational members. There is a common focus on organizational excellence. Communication throughout the organization is relatively unrestrictive. The organization is in a constant state of evolution guided by a common vision. Organizational members prize highly their identity with the organization, and opportunities for self actualization are substantial.</p>
<p><i>The Proactive Organization</i></p> <p><i>Level 3</i></p>	<p>The proactive organization focuses on the future. Leadership has become focused on developing purpose for the organization. Members focus on the quality of their contribution to organizational successes. The organization is actively involved in planning and development strategies.</p>
<p><i>The Responsive Organization</i></p> <p><i>Level 2</i></p>	<p>The responsive organization is more functional, having achieved some clarity of purpose and goals. The organization has some capability to adapt to changing environmental circumstances. Leaders actively coach members in the direction of organizational goals, and some cohesion has developed among work teams.</p>
<p><i>The Reactive Organization</i></p> <p><i>Level 1</i></p>	<p>The reactive organization is one badly in need of renewal. The organization lacks shared focus, and management is preoccupied with assigning blame for poor outcomes. Members spend a disproportionate amount of time avoiding aversive consequences, and leaders spend much of their time enforcing policies that often lack relevance to any common purpose.</p>

Note. Nelson & Burns, 1984

The leadership activities associated with the four levels of performance in the high-performance programming framework are as follows:

- **the high-performing organization** is associated with –empowering|| leadership,
- **the proactive organization** is associated with –purposing|| leadership,
- **the responsive organization** is associated with –coaching|| leadership,
- **the reactive organization** is associated with –enforcing|| leadership.

To clarify, –purposing|| leadership activity refers to leadership behavior which maintains an integrated, focused purpose for the organization. The authors describe these leadership behaviors to emphasize the importance of empowerment and support for individuals' growth and development within the organization.

5. Harrison Diagnosing Individual and Group Behavior

Harrison has devised a model for diagnosing individual and group behavior within organizations.

- This model is somewhat unique in that it focuses on outputs such as organizational performance and quality of work life.
- The model represents an open systems perspective with minimal boundaries between the organization and external environment.
- However, the external environment is not represented by anything other than resources and feedback loops, however (see Figure 4 below).

Harrison's Model for Diagnosing Individual and Group Behavior

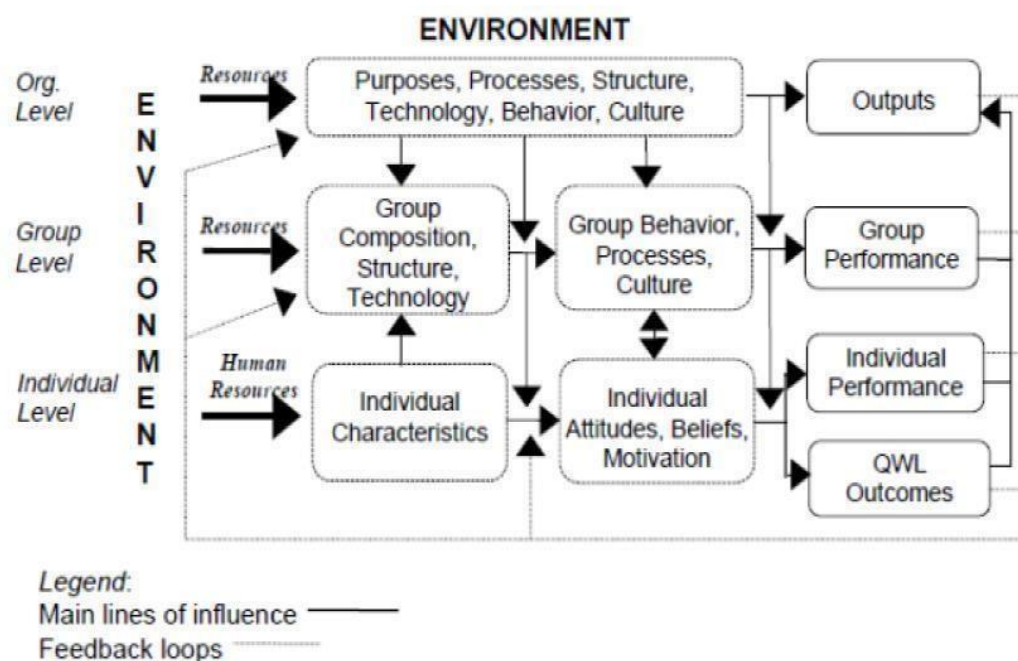


Figure 4: **Harrison model for Diagnosing Individual and Group Behavior**

The variables accounted for in the model are conceptualized at the organizational, group, and individual levels.

- **The organizational level of performance** appears to represent a more abstract level of performance, which is a function of the outputs associated with individual performance, group performance, and quality of work life (QWL) outcomes. Harrison further stated that a divisional level of performance also exists in reality, although he did not include it in the model for the sake of simplicity.
- The variables represented in Harrison's model are those he feels are most important to performance and QWL. The variables which affect individual performance and QWL outcomes are individual characteristics

and individual attitudes, beliefs, and motivation (see Table below for descriptions of these variables).

Table D

Individual and Group Levels in Harrison's Model

Key Factors Affecting Performance and Quality of Work Life (QWL)	
<i>Individual Level</i>	
<i>Individual Characteristics</i>	Physical and mental state, social background and traits, training and education, individual needs
<i>Individual Attitudes, Beliefs, Motivation</i>	Motivation, rewards experienced, job felt to be intrinsically rewarding, expectations, equity, trust, specific attitudes (e.g., satisfaction with current procedures, attitudes toward proposed changes)
<i>Group Level</i>	
<i>Group Composition, Structure, and Technology</i>	Social and occupational composition, structure (e.g., nature and extent of rules and work procedures, flexibility, clarity of task assignments, responsibilities), technology (e.g., impact of work procedures and physical arrangements, types of workflow interdependencies)
<i>Group Behavior, Processes, and Culture</i>	Relationships among group members (e.g., cohesiveness, feelings of attachment to group, similarity of views), processes (e.g., communication, cooperation and conflict, decision making, problem solving), supervisory behavior, culture

Note. Harrison, 1987

In contrast, the variables which influence group performance are the group composition, structure, and technology of the organization, and the group behavior, processes, and culture. Notice that these variables are very broad. The inputs to the model are the resources, including human resources, which are available to the organization and feedback loops from prior organizational outcomes. Since there is no definitive boundary around the organization, it is not clear whether all the resources are derived from the external environment, the organization itself, or a combination of the two. The outputs at the organizational level are the products and services the organization produces. The outcomes associated with group performance within the organization are the solutions, plans, and tactics devised during operations.

At the individual level, outcomes include the quality of individual members' work efforts, their initiative, cooperation with others, and commitment to their work; negative outcomes are related to absenteeism and tardiness at the individual level. Lastly, perceptions of job security, working conditions, the meaningfulness and challenge of work, and the degree to which work contributes to the psychological well-being of members are all related to QWL Outcomes.

Harrison denotes the lines of influence in the model as either main line of influence or feedback loops. However, not all of these relationships are reciprocal, as some of the other models have suggested. The extensive number

of lines of influence and feedback loops in the model makes it difficult to determine the relationships among variables (i.e., most lines of influence are directional, and only one is bi-directional or reciprocal).

Activity A

[illegible]

14.5 CONCEPT OF ORGANISATION DEVELOPMENT

-If you do what you've always done, you'll get what you've always gotten||

--- By Tonny Robbins

As the above quote says that as we keep on doing the same type of work, out of which we get the same output. And to achieve bigger spheres we need to change what we have always been doing. We shall modify and develop ourselves as per the need of an hour. As said Change is Must.

Concept of Organisational Development (OD)

OD is a deliberately planned effort to increase an organisation's relevance and viability, responding to the environment, benchmarking and

action research.

According to Benwis, OD is a response to changes the basics of beliefs, attitudes and relevance of values, and structure of the current organization to better absorb disruptive technologies, shrinking an exploding market opportunities and ensuing challenges and chaos. It covers the whole organizational process. It focuses on work team and intends to change towards effective behavior.

OD is a life long, built in mechanism to improve immunity of organisation's health to renew itself inclusive principles.

According to French and Bell, -Organisational development is a long range effort to improve an organisation's problem-solving and renewal processes, particularly, through a more effective and collaborative management of organization culture with special emphasis on the culture of formal work teams with the assistance of a change agent or catalyst and the use of the theory and technology of applied behavioural science, including action approach.||

One of the definition of OD given by American Society for Training and Development (ASTD), based on Bechhard (1969) could provide us the most widely accepted definition as under : -

-An effort (a) planned, (b) Organization wide (c) managed from the top, (d) increase organization effectiveness and health through (e) planned intervention in the organisation's processes, using behavioural science knowledge||.

The success of OD depends on the degree of commitment from the top management and intensely of their support and effort. This definition of OD is broad enough to encompass any technique, policy or managerial practice, which may be adopted by an organisation to bring deliberate change in the employees and in the organization. It is different from management development and T &D programmes of the organization, as these focus on individual development not the holistic development of the organization.

14.6 WHY THERE IS A NEED OF OD PROGRAMME

The need of OD comes in when the work in the organization is being monotonous and there comes an urge to increase the openness of communication to bring about new ideas, talent and feeling of belongingness in the employees.

- The need arises to increase employee's level of satisfaction and commitment.
 - To increase the level of interpersonal trust among employees.
 - To confront the problems in the organization.
 - To improve the organisation's problems solving and self renewal capabilities.
 - To increase cooperation and collaboration among employees.
- OD values human and organizational growth, collaborative and participative

processes and a spirit of inquiry. It considers the following values :

- Respect for people
- Trust and support
- Power Equalization
- Confrontation
- Participation

14.7 CHARACTERISTICS OF OD

Planned Organisation Change : It involves identification of the problem, diagnoses of the organization and develops strategies for improvement. The variables considered by organization development programmes are values, attitudes, organization culture and team development.

Planned Intervention : It is a planned intervention in the existing organization that helps it to become more viable. It examines present working norms, and possible areas of conflict of the organization and develops alternatives for better health. Interventionist diagnose different subsystem of the organization and develop alternatives for its better health.

Main Areas : Planning and decision making processes i.e. goal setting, team development, organization structure, values and culture and upgrading of employees skills and abilities.

Top Management Commitment to OD : All the interventions could be successful or effective only when the top management feels interested in the programmes and its outcomes and supports efforts in this direction.

Social Philosophy as a Norms of Change : As we are aware that organization work on bureaucratic model which ignores the basic human factors and thereby reduces organization effectiveness. OD talks about behavioural science knowledge and developing a system which is more humane and democratic.

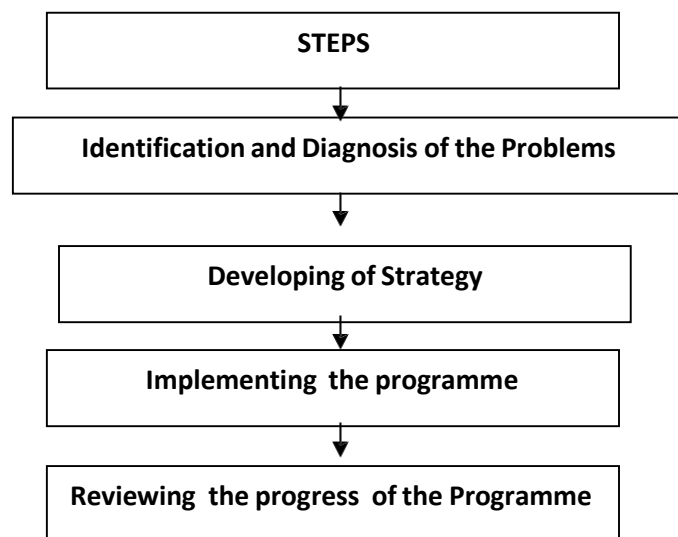
Activity B

How change and development is related?

14.8 STEPS IN ORGANISATION DEVELOPMENT

Robert Black and Jane S. Mouton (1963) suggested six phase approach to organizational development as under :

- Investigating by each member of the organization of his/her own managerial styles.
- Examination of boss-subordinate relationship
- Analysis of work team action
- Exploration of coordination issues of inter related terms
- Identifying and defining major organizational problems area
- Planning for executing agreed upon solutions that result changes in the organization.



14.9 OD FOR TEAM AND GROUPS

In process consultation, a consultant works with organisation's members to help them understand the dynamics of their working relationships in group or team situations.

The consultant helps the group members to change the ways they work together and to develop the diagnostic and problem-solving skills they need for more effective problems solving.

Teams: Teams are also known by other terms such as empowered teams, self directed teams and self management teams. Katzenbach and Smith have defined a team as "a small number of people with complimentary skills who are committed to a common purpose, common performance goals, and an approach for which they held themselves mutually accountable". The most common types of teams are work teams, problem-solving teams, management teams and virtual teams.

Work Teams: Work teams are primarily concerned with the work done by the organization. Their principal focus is on using the organization's resources effectively.

Problem-solving Teams: Problem-solving teams are temporary teams established to attack specific problems in the work place. These teams generally offer recommendations for others to implement. In problem solving teams, members share ideas or offer suggestions on how work processes and methods can be improved.

Management Teams: The primary job of management teams is to coach and counsel other teams to be self managing by making decisions within the teams. These teams consist of managers from various areas and coordinate work teams.

Virtual Teams: Virtual teams are the teams that may never actually meet together in the same room - their activities take place on the computer via teleconferencing and other electronic information systems. Virtual teams use computer technology to tie together physically dispersed members in order to achieve a common goal.

Groups: A work group is a group that interacts primarily to share information and to make decisions to help each member perform within his or her area of responsibility. The work group is an even stronger source of satisfaction when members have similar attitudes and values. The work group provides group members with opportunities for interaction with each other.

14.10 OD FOR INTER-GROUP RELATIONS

Inter-group development seeks to change the attitudes, stereotypes and perceptions that groups have of each other. Such stereotypes can have an obviously negative impact on the coordinative efforts between the departments. To permit an organization's managers to assess the health of the organization and set up plans of action for improving it, the confrontation meeting may be used. This is a one-day meeting of all of an organization's managers in which they discuss problems, analyze the underlying causes, and plan remedial actions. The confrontation meeting is typically used after a major organizational change, such as a merger or the introduction of a new technology.

Although there are several approaches for improving inter-group relations, the most sought after method is problem solving. In this method, each group meets independently to develop lists of its perception of itself, the other group and how it believes the other group perceives it. Differences are clearly articulated, and the groups look for the causes of disparities. Subgroups, with members from the conflicting groups, can now be created for further diagnosis and to begin to formulate possible alternative actions that will improve relations.

14.11 OD FOR THE TOTAL ORGANIZATION

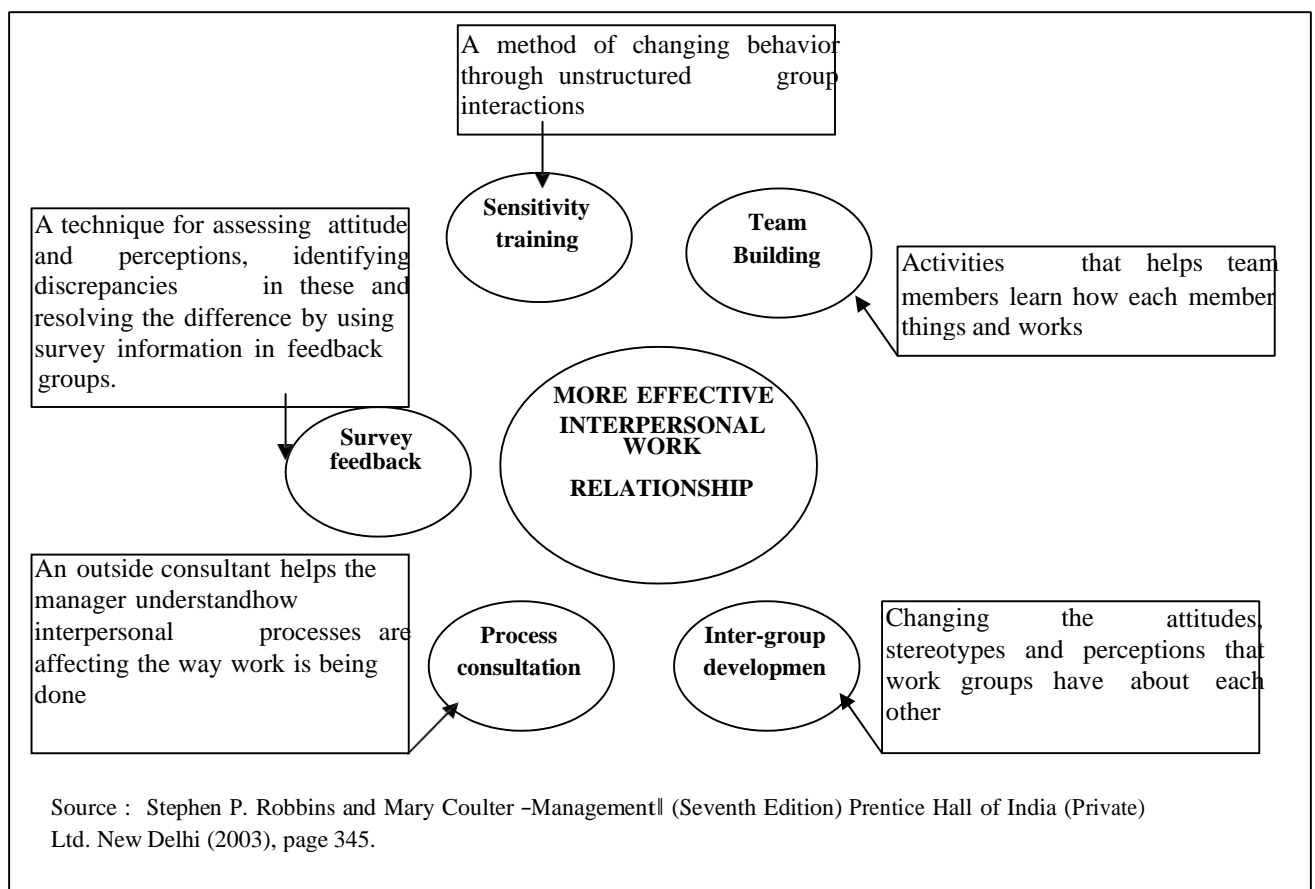
OD attempts develop the whole organization so that it can respond to change effectively. Change is so abundant in modern society that organizations need all their parts working together in order to solve problems. This is a

comprehensive programme that is intended to assure that all parts of the organization are well coordinated.

The survey feedback technique can be used to improve the operations of the total organization. It involves conducting attitude and other surveys and systematically reporting the results to organization members. Members then determine what actions need to be taken to solve the problems and exploit the opportunities uncovered in the surveys. Everyone in an organization can participate in survey feedback. The data from the survey feedback is collected through a questionnaire and tabulated. The data so collected then become the springboard for identifying problems and clarifying issues that may be creating difficulties for people.

14.12 OD INTERVENTIONS OR TECHNIQUES

OD interventions are sets of structured activities in which selected organizational units (target groups or individuals) engage in a task or a sequence of tasks with the goals of organizational improvement and individual development. The term organizational development (OD) essentially focuses on techniques or programmes to change people and the nature and quality of interpersonal work relationships. The most popular OD techniques are described in the figure 5 here under:



The common thread in these techniques is that each seeks to bring about changes in or among organizations people's. Some of the O.D interventions are explained below:

Management by Objectives

MBO is a techniques designed to emphasis on how to increase the precision of the planning process at the organizational level, and reduce the gap between employee and organizational goals.

It is a rational approach to management and helps prevent management by crisis, fire fight methods

Elements of MBO :

1. Effective Planning and goal setting by top management.
2. Setting of individual goals related to the organizations goals by manages and subordinates.
3. Considerable autonomy in developing and selecting means for achieving objectives.
4. Regular review of performance in relation to objectives.

Team Development

Team development is a process of diagnosing and improving the effectiveness of a work group. It deals with new problems on an ongoing basis. In this the attention is given on work procedures and interpersonal relationships in a group, especially a role of a leader in relation to other group members. The group members diagnoses how they work together and plan changes that will improve their effectiveness.

Work group problems can be of two types :

Task Related Conflicts : The task related conflicts can be streamlined by changing the ways things are done, by redirecting the resources to be utilized and by re-examining the work processes.

Personality Conflicts : The team relationships could be improved by wasting an environment which is open and trustworthy. In this members can be freely communicate their feelings and thoughts. Leadership evolves on the basis of respect and functional excellence and where conflicts are resolved on the basis of mutual understanding.

The team building requires the help of a skilled consultant to increase the effectiveness of the group's tasks and maintenance roles. Feedback is also important for team building which is provided by the consultant during and after the meeting to increase the effectiveness of group and its members. Various approaches of team building could be :

1. **Approach 1** – Under this the consultant interviews each and every members of the team to know their feelings, attitude and perceptions of team effectiveness. Then the consultant arranges a meeting of group away from the organization and provide the feedback data, that is discussed in detail which may help in setting up priorities.

2. **Approach 2** – IN this each member discuss with each other about their perceived roles and team feelings so that more effective and productive contribution can be made. This helps in remaining misunderstanding in the team and each member may accept his as well as their fellow members roles.
3. **Approach 3** – In this consultant attends the regular team meetings. Under which he observes that teams are accomplishing the group task and as well as maintaining roles.

Team building is a useful technique but may turn out to be time consuming if not managed skillfully.

Sensitivity Training: Sensitivity training is also known as laboratory training, encounter groups, and T-groups. It is a method of changing behaviour through unstructured group interaction. If individuals lack awareness of how others perceive them, then the successful T-group can affect more realistic self-perceptions, greater group cohesiveness, and a reduction in dysfunctional interpersonal conflicts.

Survey Feedback: Survey feedback makes use of questionnaires to identify discrepancies among member perceptions and attempts to solve these differences

Process Consultation: The purpose of process consultation is for an outside consultant to assist a client (usually a manager) to perceive, understand and act upon process events. The consultant gives a client insight into what is going on around him (the client), within him, and between him and other people. The consultant then goes to identify the processes that need improvement.

Inter-Group Development : Inter-group development seeks to change the attitudes, stereotypes and perceptions that groups have to each other.

14.13 Let Us Sum Up

Companies can no longer afford the choice of whether or not to change. They must change in order to survive. Organizations encounter forces, from outside and inside the organization, which create a need for change. Forces outside the organization include demographic characteristics, technological advancements, market changes, and social/political pressures. Internal forces for change may be low morale, low productivity, or conflict.

Change management is the application of knowledge, tools, and resources to leverage the benefits of change.

There are four types of change in an organization: operational, strategic, cultural, and political. Key insights into the nature of organizational change show that the agenda for change is driven by external events, leaders set direction and manage risks, and the need for change must be aligned to

operational issues. Change initiatives include strategic, leadership, cultural, cost cutting, and process change.

Stages in the change process include shock/denial, defensive retreat/resistance, acknowledgement/ exploration, and acceptance and adaptation. Organizations must understand why individuals resist change and what can be done to reduce the resistance to change. The top two obstacles encountered during major organizational change are communication breakdown and employee resistance.

Resistance may come from long-standing habits, past resentments, fear of the lack of job security, lack of adequate rewards, poor communications, negative impact on individuals or groups, present social interactions, and/or a poor fit with the company culture.

Organisation development values human and organizational growth, collaboration and participation processes, and a spirit of inquiry.

Organisation Development : It is a process of organizational change in a planned and systematic way. It is based on behavioural science research.

14.14 ANSWER KEY TO CHECK YOUR PROGRESS

Answers ; 1; organization-wide change ,2; transformational (or radical, fundamental) change ,3; remedial change , 4; Unplanned change.

14.15 GLOSSARY

Change management is an approach to transitioning individuals, teams and organizations to a desired future state. In some project management contexts, change management refers to a project management process wherein changes to a project are formally introduced and approved.

Change management is a set of processes employed to ensure that significant changes are implemented in a controlled and systematic manner.

Sensitivity Training: Sensitivity training is also known as laboratory training, encounter groups, and T-groups. It is a method of changing behaviour through unstructured group interaction. If individuals lack awareness of how others perceive them, then the successful T-group can affect more realistic self-perceptions, greater group cohesiveness, and a reduction in dysfunctional interpersonal conflicts.

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Unplanned change usually occurs because of a major, sudden surprise to the organization, which causes its members to respond in a highly reactive and disorganized fashion.

Unplanned change might occur when the Chief Executive Officer suddenly leaves the organization, significant public relations problems occur, poor product performance quickly results in loss of customers, or other disruptive situations arise.

Organisation Development : It is a process of organizational change in a planned and systematic way.

14.16 SELF ASSESSMENT QUESTIONS

1. How do you define Organization Change? Why is organization change important?
2. Discuss the nature and concept of organizational change?
3. What the different kinds of organizational change? Differentiate between them in detail?
4. What do you understand by ‘Resistance to Change’? What are the main reasons for resistance to change? How can organizations handle it?
5. Discuss characteristics and functions of Organizational development.
6. How can managers evaluate effectiveness of organizational development?
7. How do you think planned change is different from unplanned change?
8. Which of the above models of change discussed so far are more practicable? Give your reasons thereof.
9. Change is absolutely necessary and inevitable. Do you agree, give your viewpoint.
10. What different types of change can take place in an organization. Discuss.

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14.18 SUGGESTED READING

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