LESSON NO.1 | **AUTHOR: SIMRANJEET SINGH**

ORGANIZATIONAL BEHAVIOUR

STRUCTURE

1.0 OBJECTIVES

The main objective of this chapter is to introduce the basic knowledge about the concept and the various elements related to Organizational Behaviour. As Because due to scientific advancement managing human resources has become more challenging. It has been observed that everybody wants to catch up with next higher strata of lifestyle. Social obligations have increased and so has increased the purchasing power, thanks to financial institutions who are doing a tremendous business of financing individuals. This situation has led to designing an appropriate situational model of managing human behaviour in varying conditions. Thus, the relevance of the study of Organizational Behaviour has also increased for all types of organizations.

1.1 INTRODUCTION

The study of Organizational Behaviour (OB) is very interesting and challenging too. It is related to individuals, group of people working together in teams. The study becomes more challenging when situational factors interact. The study of organizational behaviour relates to the expected behaviour of an individual in the organization. No two individuals are likely to behave in the same manner in a particular work situation. It is the predict-ability of a manager about the expected behaviour of an individual. There are no absolutes in human behaviour. It is the human factor that is contributory to the productivity hence the study of human behaviour is important. Great importance therefore must be attached to the study. Researchers, management practitioners, psychologists, and social scientists must understand the very credentials of an individual, his background, social framework, educational update, impact of social groups and other situational factors on behaviour. Managers under whom an individual is working should be able to explain, predict, evaluate, and modify human behaviour that will largely depend upon knowledge, skill, and experience of the manager in handling large group of people in diverse situations. Pre-emptive actions need to be taken for human behaviour forecasting. The value system, emotional intelligence, organizational culture, job design and the work environment are important causal agents in determining human behaviour. Cause and effect relationship plays an important role in how an individual is likely to behave in a particular situation and its impact on productivity. An appropriate organizational culture can modify individual behaviour. Recent trends exist in laying greater stress on organizational development and imbibing a favourable organizational culture in each individual. It also involves fostering a team spirit and motivation so that the organizational objectives are achieved. There is a need for commitment on the part of the management that should be continuous and incremental in nature.

1.1.1 The scope of the organizational behaviour is as under:

(a) Impact of personality on performance

(b) Employee motivation

(c) Leadership

(d) How to create effective teams and groups

(e) Study of different organizational structures

(f) Individual behaviour, attitude, and learning

(g) Perception

(h) Design and development of effective organization

(i) Job design

(j) Impact of culture on organizational behavior

(k) Management of change

(l) Management of conflict and stress

(m) Organizational development

(n) Organizational culture

(o) Transactional analysis

(p) Group behaviour, power, and politics

(q) Job design

(r) Study of emotions

1.2 HISTORY AND EVOLUTION OF ORGANIZATIONAL BEHAVIOR

Origin of Organizational Behaviour can trace its roots back to Max Weber and earlier organizational studies. The Industrial Revolution is the period from approximately 1760 when new technologies resulted in the adoption of new manufacturing techniques, including increased mechanization. The industrial revolution led to significant social and cultural change, including new forms of organization. Analysing these new organizational forms, sociologist Max Weber described bureaucracy as an ideal type of organization that rested on rational-legal principles and maximized technical efficiency.

In the 1890's; with the arrival of scientific management and Taylorism, Organizational Behaviour Studies was forming it as an academic discipline. Failure of scientific management gave birth to the human relations movement which is characterized by a heavy emphasis on employee cooperation and morale. Human Relations Movement from the 1930's to 1950's contributed to shaping the Organizational Behaviour studies. Works of scholars like Elton Mayo, Chester Barnard, Henri Fayol, Mary Parker Follett, Frederick Herzberg, Abraham Mas low, David Mc Cellan and Victor Vroom contributed to the growth of Organizational Behaviour as a discipline.

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1.3 CONCEPT OF ORGANIZATIONAL BEHAVIOUR

Organizational Behaviour is the study and application of knowledge about how people act within organisations. It is a human tool for human benefits. It applies to the behaviour of people at work in all types of organizations: public, private, cooperative sector, commercial or service organisations. Whatever organisations are, there is a need to understand organizational behaviour. Organizational Behaviour is the study of human behaviour in organisations to make more active human performance to achieve organizational objectives as well as human objectives. Organizational Behaviour aims at finding out those ways in which people will contribute in best possible manner.

The study of Organizational Behaviour involves understanding, prediction and control of human behaviour and the factors which influence the performance of people in an organisation. It is concerned with the behaviour of individuals and groups not the behaviour of all members collectively. Basically, the important point to remember is that the role and field of organisation behaviour is not only concerned with a particular organisation. The concepts and approaches of organisation behaviour are also more concerned with the society.

The most successful business leaders are ones that continuously look for ways and strategies to drive performance, not just through improving employee productivity, but also their workplace experience and job satisfaction. This can be achieved by understanding how employees interact with each other and management, as well as what motivates them. One way to do this is to study the interrelationship between individual employees, teams, and management to identify what sets the most effective workers apart.

OB involves integration of studies undertaken relating to behavioural sciences like psychology, sociology, anthropology, economics, social psychology, and political science. Therefore, organizational behaviour is a comprehensive field of study in which individual, group and organizational structure is studied in relation to organizational growth and organizational culture, in an environment where impact of modern technology is great. The aim of the study is to ensure that the human behaviour contributes towards growth of the organization and greater efficiency is achieved

Here are some important definition of Organizational Behaviour:

Fred Luthans-

"Organizational behaviour is directly concerned with the understanding, prediction, and control of human behaviour in organizations."

Stephen P. Robbins

"The Behaviour which is a field of study that investigates the impact that individuals, groups and structure have on behaviour within organisations, for the purpose of applying such knowledge toward improving an organisation's effectiveness."

Ramon J Aldag and Arthur P Brief

"Organisation behaviour is a branch of the social science that seek to build theories that ca be applied to predicting, understanding and controlling behaviour in work organisations."

Callahan, Fleenor and Kudson,

"Organizational behaviour is a subset of management activities concerned with understanding, predicting and influencing individual behaviour in organizational setting."

L. M. Prasad,

"Organizational behaviour can be defined as the study and application of knowledge about human behaviour related to other elements of an organisation such as structure, technology and social systems."

1.4 Nature and Features of Organizational Behaviour

1. **Multidisciplinary study:** Organizational behaviour is a Multidisciplinary Subject. Organizational of behaviour uses and applies principles, practices thoughts and theories of various disciplines such as: Law, History, Psychology, Political science, Economics etc. So Organizational behaviour is a Multidisciplinary Subject.
2. **Science as well as Art:** Organizational behaviour is a science because it applies principles and concepts objectively. Organizational behaviour is also an art because its application changes as and when required. Organizational behaviour searches concepts and solutions according to the situation and need.
3. **System Approach:** Organizational behaviour uses system approach. System approach provides a useful framework for understanding how the elements of any organisation react among themselves and with their external environment. Organizational behaviour uses system approach because it takes into account all the variables affecting organizational functioning.
4. **Cause and Effect Relationship:** Human behaviour is generally taken in terms of cause-and-effect relationship and not in philosophical terms. It helps in predicting the behaviour of individuals. It provides generalizations that managers can use to anticipate the effect of certain activities on human behaviour.

5. **Three Levels of Analysis**: Organizational behaviour encompasses the study of three levels of analysis namely individual behaviour, inter-individual behaviour, and the behaviour of organisations themselves. The field of organizational behaviour embraces all these levels as being complementary to each other.
6. **Rational Thinking**: Organizational behaviour provides a rational thinking about people and their behaviour. The major objective of organizational behaviour is to explain and predict human behaviour in organisations, so that result yielding situations can be created.

1.5 Elements of Organizational Behaviour

Organizational behaviour is the study of human behaviour in an organizational setting. It involves understanding, predicting, and managing human behaviour individually or in a group within an organization. Here are some elements which an organisation needs to manage.

1. **People**
People are the main component of any organization that has to be managed. Every individual has a personal goal to be achieved. Organizations must identify the need spectrum of individuals and take suitable steps for its fulfilment to enable them to perform effectively so that they complete their allotted task in time. Relationship between the workers, with subordinates and superiors should be established based on full understanding and complete faith based on mutual trust so that it is easy to communicate and understand each other's views. Apart from managing internal workforce, it is also important to manage customers who are the end persons using organization's products or services. Utmost interest of stakeholders, government, employees, social groups, and non-governmental organizations (NGOs) must be kept in mind as they play a dominant role in the society. Apart from the above, adequate consideration should also be given to competitors, regulatory agencies, labour force, suppliers, and resource persons.

2. **Structure**
There are two types of organizations, formal and informal. Informal organizations do not have a specified structure. Formal organizations are build based upon the objective set for it. Organizational structure in such organization is hierarchical in nature, with people at each level having their own objectives, which contributes towards fulfilment of overall organizational objectives. In such organization people at lower levels report to higher level managers. The tier system has the principle of unity of command inbuilt in it. The organization structure may depend upon the size, number of products/services produced, skill and experience of the employees, managerial staff, and geographical location of the organization. An organization may have several levels and pyramid like organizational structure or flat structure. The efficiency of the organization will depend upon the free flow of the information, efficient communication system prevailing in the organization, well-defined authority and responsibility supported by detailed policies, rules, and regulations. The organization must have well laid out systems, which are understood by workers, supervisors, and managers. The leader must keep open mind while dealing with subordinates and exercise full control over various systems, levels and ensure planned productivity and achieve high level of job satisfaction.

3. **Technology**
Managing technology is an important job of any management. It is an important element of any unit. Selection of technology, procurement, installation, operation, and maintenance is important and no compromise should be made in procuring latest or advanced technology various systems and sub- systems should support technology that exists in an organization. Based on the technology, an organization should

formulate job structure and resultant procurement of human resource so that they are complimentary to each other. Adequate attention is also be paid to service industry. For example, an appropriate drill, procedures are installed in hospital industry to ensure that the patients' record is maintained properly. On line operations of all systems relating to admission record, past treatment, drugs, availability of beds, schedule of operations maintained so that the level of patients satisfaction is raised. In minimum number of days, maximum numbers of patients should be treated. Various processes required to regulate these functions form the important part of service industry.

4. **Jobs**

   Job is an assignment assigned to an individual. It encompasses various tasks within it. For example, Personnel manager wants to fill up twelve vacancies in production department within three months. Job will have various tasks inbuilt in it like designing of job specification, selection of media, advertising vacancies, scheduling of selection and recruiting process. Manager, therefore have to manage various tasks to accomplish a particular job. This may form a part of managerial functions. Adequate delegation, supervision, application of various control techniques makes the job simpler for the manager. Introduction of computers have made managerial functions simpler, as required information is available for decision making.

5. **Processes**

   Management of processes and its inter-dependence is very crucial to high productivity and higher job satisfaction. What is important for a manager is to ensure high morale of the work force. To ensure this, he must identify various managerial dictums. Select appropriate subordinates to carry out a job based on aptitude, personality traits, mental build up and attitude. He should also involve himself and lead subordinates by personal example. In defence services, it is the quality of leadership that motivates troops to achieve near impossible task where everything appears to be going wrong. Various role models assist leaders in identifying as to which process, method or approach would be suitable to mould subordinates in suitable frame that may be required by any organization. Nothing motivates workers better if you give them their entitlements in full and train them to take up higher jobs. By doing so, manager must develop and build an organizational culture that will bind employees to a common cultural bond. During day-to-day functions, managers must be transparent and maintain a high degree of value system and display ethical behaviour. There are no short cuts to this and will pay rich dividends in times to come.

6. **External Environment**

   What we have so far discussed is various components of an organization that should be managed properly. External environment also plays an important role in managing the points discussed above. When we talk about managing people in the organization, what we have to study and manage is the influence of culture and its impact on the individual. A manager should examine as to how he is going to cope up with the changes. Study of external environment is very wide and encompasses economic, cultural, social, government rules and regulations, legal aspects, political climate, demographics and its impact. If one scans the external environment that is prevailing in Indian context, one will find that individuals are racing to catch up the upper class as it relates to standards of living, material possession, higher education, attempt to copy western culture, food habits, dressing pattern and the like. Beauty parlours, pubs and cyber cafes around each corner are an ample evidence of the impact of external environment. This trend has an impact on what products or services are on priority in the society and indicates the behaviour of an individual. If the above factors are evaluated appropriately, a manager will be able to examine and predict human behaviour in the organization. It is therefore important to evaluate market situation, competitors, and availability of raw material, technology, availability of skilled, semi-skilled and non-skilled personnel. In addition, evaluate prevailing culture and how individuals are likely to respond to the call of the organization. Some factors like government rules, and political stability keep changing, the organizations must cater for such contingencies. Manager must therefore keep in mind the internal and external factors and make the best amalgam and work to achieve organizational effectiveness.

Self-check questions:

A. **The field of organizational behaviour is primarily concerned with _____**

a) The behaviour of individual and groups.
b) How resources are effectively managed.
c) Control processes and interactions between organisations, external context.
d) Both a and c.

B. **Organizational Behaviour is the study of _____________ in the organisation**

a) Human
b) Employer
c) Human Behaviour
d) Employees

C. **Organizational behaviour is_______**

a) A science
b) An art
c) A science as well as an art
d) None of the above

1.6 OBJECTIVES OF ORGANIZATIONAL BEHAVIOUR:

1. **Understands Employee's Behaviour:** Organizational behaviour plays an efficient role in understanding the behaviour of people working within organization. It acquires and provides all information regarding behavioural aspects of employees to managers. Managers are able to get which employees behave in what way while performing their roles.
2. **Enhancing Organizational Efficiency**: It helps in increasing the overall efficiency of organization. Organizational behaviour aims at fuller utilization of all resources and eliminating the wastage. It enables managers in selecting the right personnel and matching them with right job by properly understanding their behaviour.
3. **Resolving Conflicts:** Organizational behaviour focuses on avoiding and resolving all conflicts arising within the organization. It helps in developing better employer-employee relations and promotes co-operation. Proper knowledge of human behaviour enables in treating them accordingly. All people are encouraged for participation in decision making which reduces any conflicts arising due to difference in opinions.
4. **Motivating Employees:** It supports managers in motivating the people working under them towards their roles. Managers with application of organizational behaviour are easily able to identify their needs and problems. They develop better understanding towards them. By focusing and fulfilling their needs efficiently, they can be motivated to work with full dedication towards achievement of desired targets.
5. **Enables Performance Appraisal:** Rewarding employees in accordance with their performance is an efficient way of improving their productivity. It motivates them to work better in view of getting more rewards. Organizational behaviour helps management in appraising the work quality of employees by providing them with all details regarding them.

6. **Optimum Utilization of Employees:** Organizational behaviour focuses on fuller utilization of all resources. It enables managers to understand the working styles of employees and their skills and weakness. Management with the help of proper understanding can impart proper training and develop employees for using them in an optimum way. It ensures that right man is placed at right job and delivers efficient output.
7. **Stimulates Innovation and Change:** Every business is required to keep itself updated in terms of technological changes to beat competition in market. Organizational behaviour studies all market changes and requirements from time to time. It provides all such information to management for implementation of required market changes within the organization. It supports business in bring innovative and differentiated products in market at minimized cost.

1.7 LEVELS OF ORGANIZATIONAL BEHAVIOUR

OB can be studied at various levels within an organization, and each level has a unique set of roles, responsibilities, and goals.

Following points discuss the three levels briefly:

1. **Individual Level** – At the individual level of analysis, organizational behaviour involves the study of learning, perception, creativity, motivation, personality, turnover, task performance, cooperative behaviour, deviant behaviour, ethics, and cognition. At this level organizational behaviour draws heavily upon psychology, engineering, and medicine.
2. **Group Level** – Deals with the concepts at the group level. Examples of group-level concepts are team, conflict, leadership, power, and politics. Group-level concepts may include how groups are formed, how to make effective teams, how individually and collectively the group activities can be improved, how to motivate employees, and which type of group would be suitable for a particular assignment.
3. **Organizational Level** – Deals with the concepts at the organizational level. Examples of organizational-level concepts are change management and organizational culture. Other topics discussed at organizational level include the concept of organization, different organizational models, and organizational change along with its impact and implementation. The working conditions and stress management are also discussed at the organizational level.

Self-checking questions

A. **Organizational behaviour focuses at 3 Levels-**
a) Individuals, Organisation, Society
b) Society, Organisation, Nation
c) Employee, Employer, Management
d) Individual, Groups, Organisation.

B. **OB Helps to understand behaviour of human in ___________.**
a) work place and Society
b) work place only
c) Society only
d) Department only

1.8 MODELS OF ORGANIZATIONAL BEHAVIOUR

It is necessary to consider the employees' feelings and wants to make them feel wanted in an organization. Only then will there be positive energy and productivity in the work environment. In addition, certain models enhance organizational behaviour.

The models of organizational behaviour are given below.

1. **AUTOCRATIC MODEL**
   In an autocratic organisation, the people (management/owners) who manage the tasks in an organisation have formal authority for controlling the employees who work under them. These lower-level employees have little control over the work function. Their ideas and innovations are not generally welcomed, as the key decisions are made at the top management level. The guiding principle behind this model is that management/owners have enormous business expertise, and the average employee has relatively low levels of skill and needs to be fully directed and guided. This type of autocratic management system was common in factories in the industrial revolution era.

2. **CUSTODIAL MODEL**
   The custodial model is based around the concept of providing economic security for employees through wages and other benefits – that will create employee loyalty and motivation. In some countries, many professional companies provide health benefits, corporate cars, financial packaging of salary, and so on – these are incentives designed to attract and retain quality staff. The underlying theory for the organisation is that they will have a greater skilled workforce, more motivated employees, and have a competitive advantage through employee knowledge and expertise. One of the downsides with the custodial model is that it also attracts and retains low performance staff as well. Or perhaps even deliver a lower level of motivation from some staff who feel that they are "trapped" in an organisation because the benefits are too good to leave.

3. **SUPPORTIVE MODEL**
   Unlike the two earlier approaches, the supportive model is focused around aspiring leadership. It is not based upon control and authority (the autocratic model) or upon incentives (the custodial model), but instead tries to motivate staff through the manager-employee relationship and how employees are treated on a day-to-day basis. Quite opposite to the autocratic model, this approach states that employees are self-motivated and have value and insight to contribute to the organisation, beyond just their day-to-day role. The intent of this model is to motivate employees through a positive workplace where their ideas are encouraged and often adapted. Therefore, the employees have some form of "buy-in" to the organisation and its direction.

4. **COLLEGIAL MODEL**
   The collegial model is based around teamwork – everybody working as colleagues (hence the name of the model). The overall environment and corporate culture need to be aligned to this model, where everybody is actively participating – is not about status and job titles – everybody is encouraged to work together to build a better organisation. The role of the manager is to foster this teamwork and create positive and energetic workplaces. In much regard, the manager can be considered to be the "coach" of the team. And as coach, the goal is to make the team perform well overall, rather than focus on their own performance, or the performance of key individuals. The collegial model is quite effective in organisations that need to find new approaches – marketing teams, research and development, technology/software – indeed anywhere the competitive landscape is constantly changing and ideas and innovation are key competitive success factors.

5. **SYSTEM MODEL**

The final organizational model is referred to as the system model. This is the most contemporary model of the five models discussed in this article. In the system model, the organisation looks at the overall structure and team environment, and considers that individuals have different goals, talents, and potential. The intent of the system model is to try and balance the goals of the individual with the goals of the organisation. Individuals obviously want good remuneration, job security, but also want to work in a positive work environment where the organisation adds value to the community and/or its customers. The system of model should be an overall partnership of managers and employees with a common goal, and where everybody feels that they have a stake in the organisation.

Self-checking questions:

A. The model(s) of Organizational Behaviour is (are):

a) Autocratic
b) Custodial
c) Supportive
d) All of the above

B. Which of the model is related to providing economic security for employees through wages and other benefits:

a) Autocratic
b) Custodial
c) Supportive
d) Collegial

C. Which of the model is related to motivate staff through the manager-employee relationship:

a) Autocratic
b) Custodial
c) Supportive
d) Collegial

1.9 FACTORS AFFECTING ORGANIZATIONAL BEHAVIOUR

There are a number of factors both internal and external which affect organizational functioning. Any change in these factors necessitates changes in an organisation. The more important factors are as follows:

1. **External Factors:** The present day environment is dynamic and will continue to be dynamic. Changes in social, political, economic, technology, and legal environment force organizations to change themselves. Such changes may result in organizational changes like major functions production process, labour-management relations, nature of competitions, economic constraints, organizational methods etc. In order to survive in the changing environment, organization must change.

1.1 Technology: When there is a change in technology in the organizational environment and other organizations adopt the new technology, the organizations under focus become less cost effective and its competitive position weakens. Therefore, it has to adopt new technology, its work structure is affected and a new equilibrium has to be established.

1.2 Marketing conditions: Since every organization exports its outputs to the environment, an organization has to face competition in the market. There may be two types of forces which may affect the competitive position of an organization -other organizations supplying the same products and, buyers who are not buying the product. Any changes in these forces may require suitable changes in the in the organization. For example, when Indian economy was liberalized, there were many foreign organizations that entered the Indian market. This forced many Indian organizations to realign themselves with the new situations. The result in that there have been many cases of divesting the business and concentrating on the core business, acquiring core business, and developing competitive competence to face competitive threats. Similarly, there may be changes in buyers in terms of their needs, liking -disliking and income disposal for a product. These changes are from the organizations to bring those products which meet buyer's requirement.

1.3 Social changes: Social changes reflect in terms of people's aspirations, the needs, and their ways of working. Social changes have taken place because of the several forces like level of education, urbanization, feeling of autonomy, and international impact due to new information sources. These social changes affect the behaviour of people in the organization. There, it is required to make adjustment in its working so that it matches with people.

1.4 Political and legal changes: Political and legal factors broadly define the activities which an organisation can undertake and the methods which will be followed by it in accomplishing those activities. Any changes in these political and legal factors may affect the organization operation.

2. **Internal Factors:** It is not only the changes in external factors, which may necessitate organizational changes; any change in organization's internal factors may also necessitate changes. Such a change is required because of two reasons: changes in managerial personnel and deficiency in existing organizational practices.

2.1 Conflict: Conflict exists in every organization and to a certain extent indicates a healthy exchange of ideas and creativity. However, counter-productive conflict can result in employee dissatisfaction, reduced productivity, poor service to clients, absenteeism, and increased employee turnover, increased work-related stress or, worse case scenario, litigation based on claims of harassment or a hostile work environment.

2.2 Demographic Factors: The demographic factors are socio-economic background, education, nationality, race, age, sex, etc. Organizations prefer persons that belong to good socio-economic background, well educated, young etc as they are believed to be performing better than the others. The young and dynamic professionals that have good academic background and effective communication skills are always in great demand.

2.3 Abilities and Skills: The physical capacity of an individual to do something can be termed as ability. Skill can be defined as the ability to act in a way that allows a person to perform well. The individual behaviour and performance is highly influenced by ability and skills. A person can perform well in the organisation if his abilities and skills are matched with the job requirement.

2.4 Perception: The cognitive process meant for interpreting the environmental stimuli in a meaningful way is referred to as perception. Every individual on the basis of his/he reference can organize and interpret environmental stimuli. There are many factors that influence the perception of an individual. The study of perception plays important role for the managers.

2.5 Changes in the managerial personnel: Besides environmental changes there is a change in managerial personnel. Old managers are replaced by new mangers, which necessitated because of retirement, promotion, transfer, or dismissal. Each new manager brings his own ideas and way of working in the organization. The relationships more in the organization, the relationships more particularly informal ones, changes because of changes in managerial personnel. Moreover, attitude of the personnel changes even though there is no changes in them. The result in that an organization has to change accordingly.

2.6 Deficiency in Existing organization: Sometimes, changes are necessary because of deficiency in the present organizational arrangement ad process. These deficiencies may be in the form of unmanageable span of management, large number of managerial levels, lack in co-ordination between various departments, obstacles in communication, multiplicity of committees, lack of uniformity in policy decisions, lack of cooperation between the line and staff, and so on. Beside these internal factors, there are two more internal factors that give rise to organizational changes.

2.7 Nature of the work force: The nature of work force has changed over a passage of time. Different work values have been expressed by different generations. Workers who are in the age group of 50 plus value loyalty to their employers. Workers in their mid-thirties to forties are loyal to themselves only. The youngest generation of workers is loyal to their career. The profile of the workforce is also changing fast. The new generation of workers has better educational; they place greater emphasis on human values and questions authority of managers. Their behaviour has also become very complex and leading them towards organizational goals is a challenge for the managers. The employee turnover is also very high which again put strain on the management.

1.10 CHALLENGES AND OPPORTUNITIES OF ORGANIZATIONAL BEHAVIOUR

1. Enhancing Quality and Productivity

Maintaining the quality of its products is a challenging task for every organisation. It is the driving force through which companies are able to attract more & more customers & hold them for the long term. Quality is simply the degree to which products are able to satisfy the customer's needs & wants. It is the main factor which affects the customer satisfaction level. Better quality products more easily satisfy customer needs & wants. Every organisation should focus on quality factor to increase its customer base. The main dimensions covered under the quality factors are Features, Reliability, Durability, Performance, and Conformance with standards, Responses & Reputation. Managers are focusing more & more to meet the quality expectations of customers. In order to improve quality & productivity, they are even engaging programs like Total Quality Management (TQM) & Reengineering. These two techniques mainly focus on customer needs & continuously make efforts to increase the customer satisfaction level. These techniques too involve extensive employee involvement in order to increase productivity.

2. Working With People in Different Cultures

Every organisation has employees who differ from each other in terms of race, culture, religion, gender, and ethnicity. Employing person with distinct cultures help organisations in getting fresh & new talents and potentialities. Maintaining peace & cooperation among its different employees is a challenging task for every organisation. Every employee working in an organisation wants to retain their own values & cultures although they are working in the same company where they need to follow some rules & regulations. Same decision of organisation may be welcomed & accepted by people of one culture & opposed by people from another culture. Therefore, managers need to treat every employee differently as per their individual differences in order to ensure cooperation & increase productivity.

3. **Improving The Skills of People:**

Skills of people need to improved & upgraded as per the requirements from time to time. In the business area, there are always lots of changes which occur at a faster rate in terms of technology, environment & structure. These changes need to be addressed in order to achieve efficiency & increase productivity. Employees & other executives of the organisation should possess the required skills in order to easily adapt to these changes. Failure to adopt these changes will make it difficult to achieve targeted goals timely. There are basically 2 sets of employee skills that are technical & managerial skills. Managers should, therefore, focus on designing a proper performance appraisal program consisting of various training & development programmes for their employees. This will help them in improving their skills.

4. **Empowering People**
   Empowerment of employees is another challenging task for every organisation. Productivity of employees generally gets reduced when kept under stringent rules & regulations as compared when they are allotted some freedom. Delegating appropriate responsibility & power to employees at different level is important & challenging task for managers. Employees should be allowed & encouraged to participate in various work-related decisions. This will improve employer-employee relations in the organisation & also the commitment of employees to work.

5. **Stimulating Innovation and Change**
   Today every business needs to focus on innovative ideas in order to bring changes to beat the tough competition in the market. Business should always focus to differentiate their product from their competitor's product. It will help them in getting more & more customers. Business will fail & eventually forced to shut down if unable to keep flexibility as per market demand. It should always bring innovative products & services to market with minimum cost. For example, MI is presently beating the tough competition in the market by presenting a wide range of innovative products at a minimised cost.

6. **Dealing with Globalisation**
   Today globalisation of business is something that is increasing worldwide at a great pace. Now the operations of the business are not limited to one particular location or nation, but they are performed internationally. Business nowadays are conducted beyond the national boundary of one country & have their presence in different countries of the world. Products of companies are selling more by various online portals over the internet rather than by their physical outlets. Faster transportation & communication network have an efficient role in providing services to customers via online portals. Online presence of companies becomes the most emerging requirement of every business. For example, Amazon conducts the majority of its business operations worldwide via its internet portals rather its physical outlets.

7. **Improving Ethical Behaviour**
   Better ethical behaviour in working culture is a must for an organisation to increase its productivity. It should always be ensured that employees behave positively & abide by all rules & regulations of the organisation. Healthy working environment for employees with minimal ambiguity should be created. This will help in increasing their productivity & reducing conflicts. Clear cut instruction should be given regarding what is right behaviour & what is wrong. All unethical practices like the use of insider information for personal gains should be avoided. Managers should organise various workshops, seminars & training programmes in order to improve ethical behaviour of employees.

8. **Improving Customer Service**
   Business is unsuccessful if it fails to treat its customer well & provide them with better service. If businesses have a large number of satisfied customers, it will help it in enjoying large profits in the long run. They need to develop a better understanding with their customers to easily recognise their needs & wants. Employees should meet with customers in the friendliest manner & try to address their problem properly. It will help the management in creating the customer-responsive environment in business. Organizational behaviour has a key role in establishing a better understanding of employees & ultimately with customers.

Self-checking questions:

A. What is the full form of TQM?
B. Write any two challenges of organizational behaviour.

1.11 LIMITATIONS OF ORGANIZATIONAL BEHAVIOUR

1. **Behavioural Bias:** It is a condition that is a reflection of tunnel vision, in which people have narrow viewpoints as if they were looking through a tunnel. They see only the tiny view at the other end of the tunnel while missing the broader landscape. Following the behavioural bias, people who lack system understanding may develop a behavioural bias, which leads them to develop a narrow viewpoint that emphasizes employee satisfaction while overlooking the broader system of the organization about all its stakeholders. It should be clear that the concern for employees can be so greatly overdone that the original purpose of bringing people together, which is "productivity organizational outputs for society" could be lost. An effective organizational behaviour should help accomplish organizational purposes. It should not replace them.
2. **The Law of Diminishing Returns:** Overemphasis on organizational behaviour, the practice may produce negative results, as indicated by the law of diminishing returns. In economics, the law of diminishing return refers to a declining amount of extra outputs when more of a desirable input is added to an economic situation. After a certain point, the output from each unit of added input tends to become smaller. The added output eventually may reach zero and even continue to decline when more units of input are added. The law of diminishing returns in organizational behaviour works similarly. More of a good thing is not necessarily good. The concept means that for any situation there is an optimum level of a desirable practice, such as recognition or participation. When that point is exceeded, there is a decline in returns realized. To put it differently, the fact that a practice is desirable does not necessarily imply that more of the same practice is more desirable.
3. **Unethical Manipulation of People:** A significant concern about organizational behaviour is that its knowledge and techniques can be used to manipulate people unethically as well as to help them develop their potential. Who lack respect for the basic dignity of the human being could learn organizational behaviour ideas and use them for selfish ends. They could use what they know about motivation or communication in the manipulation of people without regard for human welfare. People who lack ethical values could use people in unethical ways.

1.12 SUMMARY

In this lesson we have learnt that Organizational Behaviour is the field of study that investigates the impact on individuals, groups and organizational structure have on individual behaviour so that the knowledge so achieved can be suitably modified and applied for organizational effectiveness. The study of organizational behaviour relates to the study of attitude, perception, learning, values at individual level. The study is undertaken pertaining to managing stress, conflicts, intergroup behaviour, decision making at group level. Management of change, development of organizational culture, designing and redesigning of jobs, and various organizational development strategies are required to be undertaken by leaders for organizational effectiveness. It is the responsibility of the managers to evolve appropriate strategies to study all the organizational components.

1.13 Keywords:

Organizational behaviour: Organizational Behaviour is the study and application of knowledge about how people act within organisations.

Autocratic model: In an autocratic organisation, the people (management/owners) who manage the tasks in an organisation have formal authority for controlling the employees who work under them.

Perception: The cognitive process meant for interpreting the environmental stimuli in a meaningful way is referred to as perception.

The Law of Diminishing Returns: A declining amount of extra outputs when more of a desirable input is added to an economic situation.

1.14 Short Question Answer

1. Define organizational behaviour, write its features.
2. What are the goals/objectives of organizational behaviour?
3. What is the importance of studying organizational behaviour?
4. Describe any three model of organizational behaviour.

1.15 Long Question Answer

1. What are various fields that have contributed to the field of organizational behaviour? Explain their contributions.
2. Explain various components that should be taken care of while studying organizational behaviour.
3. Explain the field of organizational behaviour. Why the study is challenging.
4. Explain the various model of organizational behaviour.

1.16 FURTHER READINGS

- **N.S Gupta, Organization: Theory and Behaviour, Himalaya Publishing House, New Delhi**
- **Moorhead and Griffin, Organizational Behaviour, A.I.T.B.S. Publishers and Distributors, Delhi**
- **Fred Luthans, Organizational Behaviour, McGraw Hill Company, New York.**

1.17 Self-check Questions Answer Key

1.5

A. d)
B. c)
C. c)

1.7

A. d)
B. b)

1.8

A. d)
B. b)
C. c)

1.10

A. Total quality management
B. Enhancing Quality and Productivity, improving customer service

LESSON NO.2 **AUTHOR: PROF. RAJAN GOYAL**

ORGANIZATIONAL CULTURE

STRUCTURE

2.1 OBJECTIVES

After studying this unit, you should be able to:

- explain the meaning of organizational culture;
- describe various factors influencing organizational culture;
- explain functions of organizational culture;
- identify various impact created by organizational culture;
- describe steps leading to building effective organizational culture;
- discuss the concept of organizational climate;
- describe the dimensions of organizational climate; and
- suggest the process of creating favourable organizational climate.

2.2 INTRODUCTION

The key to a successful organization is to have a culture based on a strongly held and widely shared set of beliefs that are supported by strategy and structure. When an organization has a strong culture, three things happen: Employees know how top management wants them to respond to any situation, employees believe that the expected response is the proper one, and employees know that they will be rewarded for demonstrating the organization's values.

Employers have a vital role in perpetuating a strong culture, starting with recruiting, and selecting applicants who will share the organization's beliefs and thrive in that culture, developing orientation, training and performance management programs that outline and reinforce the organization's core values and ensuring that appropriate rewards and recognition go to employees who truly embody the values.

Organizational culture refers to a system of shared meaning held by its members. It is expressed in terms of norms, values, attitudes, and beliefs shared by organizational members. The organizational culture must be created and sustained in such a way that it develops the congenial environment in the organisation. On the other hand, organizational climate consists of a set of characteristics and factors that are perceived by the employees about their organisation. Organisation must create favourable organizational climate for improving the organizational effectiveness. In this unit, you will learn the concept, basic elements, functions, factors, and impact of organizational culture. You will be acquainted with the concept of culture, person compatibility and the process of development of organizational culture. You will further learn the concept and dimensions of organizational climate and the process of creation of the favourable organizational climate.

2.3 CONCEPT OF ORGANIZATIONAL CULTURE

Culture is the pivot of any group or society. It determines the way members interact with one another and with outsiders. Stoner, Freeman and Gilbert have described culture, as the complex mixture of assumptions, behaviours, stories, myths, metaphors, and other ideas that fit together to define what it means to be a member of a particular society. However, scope of this chapter is limited to the study of culture within the organisation.

When an organisation takes on a life of its own, apart from any of its members, and acquires immortality, the organisation is said to be institutionalised. When an organisation takes on institutional permanence, acceptable modes of behaviour become largely self-evident to its members. So, an understanding of what makes up an organisation’s culture, and how is it created, sustained, and learnt will enhance our ability to explain and predict the behaviour of people at work. Organizational culture is described as the set of important understandings, such as norms, values, attitudes, and beliefs, shared by organizational members.

According to the recent understanding about organizational culture, ‘system of shared meaning among members,’ is the essential core of organizational culture.

According to Eliott Jacques, an organizational culture is the customary or traditional ways of thinking and doing things, which are shared to a greater or lesser extent by all members of the organisation, which new members must learn and at least partially accept in order to be accepted into the service of the firm.

According to various studies, following are the primary characteristics of an organisation’s culture:

Innovation and Risk Taking: The degree to which employees are encouraged to take innovative steps andto take calculated risk;

Attention to Detail: The degree to which employees are expected to pay attention to detail;

Outcome Orientation: The degree to which management focuses outcome rather than on process to achieve outcome;

People Orientation: The degree to which management gives attention to effect of decisions on people working in the organisation and on its shareholders;

Team Orientation: The degree to which works are organised around team rather than individuals;

Aggressiveness: The degree to which people are aggressive or competitive rather than easygoing;

Stability: The degree to which maintaining status quo is emphasized in contrast to growth;

Individual Autonomy: The degree of responsibility, independence, and opportunities for exercising initiative that individuals in an organisation have;

Structure: The degree of rules and regulations and the amount of direct supervision that is used to oversee and control behaviour;

Support: The degree of assistance and warmth managers provide for their subordinates;

Identity: The degree to which members identify with the organisation as a whole rather than with their particular work group or field of professional expertise;

Performance-Reward: The degree to which reward in the organisation are based on employee work performance;

Conflict Tolerance: The degree of conflict present in relationships between peers and work groups as well as the willingness to be honest and open about differences;

Attitude Towards Change: The response given to new methods, ways, and values;

Focus: the vision of the goals and objectives of an organisation’s operations as communicated by those in control;

Standard and Values: The levels of performance and behaviour considered to be acceptable by formal andinformal criteria;

Rituals: Expressive events that support and reinforce organizational standards and values;

Openness, Communication, and Supervision: The amount and type of interchange permitted; the communication flow can be downward, upward, across the organisation, and in other directions as spelled out by the culture;

Market and Customer Orientation: The extent to which the organisation is responsive to its markets andcustomers;

Excitement, Pride, and *esprit de corps*: A tangibly good feeling about the organisation and its activities;

Commitment: The willingness of the individuals to work toward goals on a continuing basis.

2.4 BASIC ELEMENTS OF CULTURE

According to Schein there are three basic elements of organizational culture:

Artifacts: It is the first level of organizational culture. It is observable symbols and signs of the organisations. It includes visible parts of organisation e.g., structures, processes etc. Artifacts are hard to decipher.

Espoused Values: These are the reasons (e.g., strategies, goals, philosophies) given by an organisation for the way things are done. It is the second level of organizational culture.

Basic Assumptions: Basic assumptions are the beliefs that are taken for granted by the members of an organisation. These are ultimate source of values and action that include: unconscious, perceptions, taken-for-granted beliefs, thoughts, feelings etc. It is the third level of organizational culture.

Organizational culture may be distinguished with respect to their core basic values. Core values are the primary or dominant values that are accepted throughout the organisation. The dominant values determine the dominant culture of an organisation. Thus, the dominant culture reflects the core values that are shared by most of the members of the organisation. According to Martin there are four such core basic values:

- Sensitivity to needs of customers and employees;
- Freedom to initiate new ideas;
- Willingness to tolerate new risks;
- Openness to communication options.

However, presence of dominant culture within the organisation does not mean that there may not be subcultures within any given culture. Particularly in large organisations there may be subcultures within the dominant culture. Subcultures are miniculture within an organisation, typically defined by department designations and geographical separation.

Some organisations may have strong culture whereas others may have weak culture. In organisations having strong cultures, core values are intensely held and widely shared. In weak cultures managerial styles may be more person-centred. Strong cultures lead to more behavioural consistency and less employee turnover.

Strong cultures may also serve as substitute of formalisation. Various studies suggest that national culture has a great impact on employees than does their organisation's culture. This factor should be taken into consideration while applying behavioural intervention in multicultural organisation.

Self-check question:

A. Organizational Culture –

a) It refers to a set of beliefs, values and attitudes shared by everyone in the organization.

b) It refers to the way in which organizations are managed.

c) Both A&B

d) None

B. What do you understand by core values?

C. Which are four core values define by Martin?

2.5 FUNCTIONS OF ORGANIZATIONAL CULTURE

Culture is the social glue that helps hold the organisation together. There are three basic functions of organizational culture:

- It provides a sense of identity for members;
- It enhances commitment to the organisation's mission;
- It clarifies and reinforces standards of behaviour.

Child has explained that culture is one of strategic tools of control in organisations. According to him cultural control helps in four areas:

- Development of strong identification with management goals;
- Development of semi-autonomous working with few formal controls;
- Having strong emphasis on selection, training, and development of personnel;
- Having reward-oriented climate towards security of tenure and career progression.

  However, there is another side of the coin. If organizational culture can be an asset, sometimes it may become liability also. There are dysfunctional effects of culture, especially a strong one, on organizational effectiveness. Some of the barriers created by especially a strong organizational culture are following:

Barrier to Change: Consistency of behaviour is an asset to an organisation when it faces a stable environment. It may, however, burden the organisation and make it difficult to respond to changes in theenvironment.

Barrier to Diversity: Especially in multicultural organisations, people from different cultural background may bring diverse strength to the work place. Yet these diverse strengths and behaviours are likely to diminish in strong organizational culture due to strong pressure for conformity. Again, organizational culture may become liability if it creates institutional bias or perpetuates insensitive approach to people from different cultural background.

Barrier to Acquisition and Merger: During acquisition and merger, high degree of cultural confluence takes place. When two or more companies having different organizational culture are merging, all need to evolve a unique culture for the newly emerged organisation. However, if one or more partners are having stubbornly strong culture, the culture may play negative role in the whole episode of acquisition and merger.

2.6 FACTORS INFLUENCING ORGANIZATIONAL CULTURE

In an organisation culture begins through various forces. Once organizational culture is created, the culture is sustained through various other forces. After this stage cultures are formed and then employees learn culture by merely existing in a particular cultural environment. Let us now learn the beginning of culture, sustaining the culture, formation of culture, and learning the culture by employees. The process of culture creation occurs in three ways:

- Employers only hire and keep employees who think and feel the way they do;
- Employers indoctrinate and socialise these employees; and
- Top management own behaviour acts as a role model that encourages employees to identify with them.Three forces play important part in sustaining a culture:
- Selection practices;
- Actions of top management; and
- Socialisation method.

An organizational culture is thus formed through interaction of various forces. Mainly these forces are: philosophy of organisation; selection criteria; top management as role model; and, socialisation process. Employees come to know about their organisation’s culture through various mechanisms. Some importantkey mechanisms involved are discussed below:

Symbols: These are material objects that connote meanings and extend beyond their intrinsic content;

Stories: Stories illustrate key aspects of an organisation's culture, and telling them can effectively introduce or reaffirm those values to employees;

Jargon: It is the special language that defines a culture;

Ceremonies: These are repetitive sequences of activities that express and reinforce the key values of the organisation, which are more important goals, which are important people, and which are expendable; such special events commemorate corporate values;

Statement of Principles: It is done to define culture in writing; some organisations have explicitly written their principles for all to see.

2.7 IMPACT OF ORGANIZATIONAL CULTURE

Various studies have suggested that there are some factors responsible for making the organizational cultures
more successful than others. One study by Kotter and Heskett indicate that culture has a strong impact on the performance of organisations. The study has four main conclusions:

- Corporate culture can have a significant impact on a firm's long-term economic performance;
- Corporate culture will probably be an even more important factor in determining the success or failure of firms in future;
- Corporate cultures that inhibit strong long-term financial performance are not rare; they develop easily, even in firms where there are full of reasonable and intelligent people;
- Although tough to change, corporate cultures can be made more performance enhancing.

In an organisation, combination of objective factors (innovation, risk taking, attention to detail, outcome orientation, people orientation, team orientation, aggressiveness, stability) are perceived as organizational culture, having either high strength or low strength or in between, which leads to performance and satisfaction.

Impact of culture on organisation's effectiveness is both functional as well as dysfunctional. On the positive side, culture has impact on control, normative order, innovation, promotion, and employee's performance and satisfaction. On the negative side culture may lead to groupthink, collective blind spots, resistance to change and innovation.

Self-checking questions:

A. Organizational with a weak culture orientation will be less adeptable to change.

a) True

b) False

B. In a strong organizational culture, there is less tendency to make improvement as

improvement require changes.

a) True

b) False

C. Culture will never be able to change.

a) True

b) False

D. Positive side culture may lead to groupthink, collective blind spots, resistance to change and innovation.

a) True

b) False

2.8 DEVELOPING ORGANIZATIONAL CULTURE

In order to develop organizational culture, a starting point, of course, is knowing what an organisation's culture is supposed to look like. If the ideas of Robbins and Kilmann are pooled with the idealistic writings of Rensis Likert, a perfected culture might develop. We could propose that an ideal culture for the accomplishment of an organisation's goals might be one in which:

- The organisation's goals are established and reviewed periodically through the participation of all individuals and groups in the organisation.
- Decisions are made at the appropriate level in the organisation by the people who must live with the decision.
- Behaviour is supportive of the organisation's goals and purposes.
- The organisation is supportive of the needs of the individual employees.
- Individuals and groups show high levels of trust and respect for other individual and groups.
- Superiors and subordinates have a high level of trust and confidence in each other.
- Cooperation and teamwork exist at all levels in the organisation.
- Methods of reinforcement used are primarily rewards and participation.
- Individuals are cost conscious.
- Messages move upward, downward, or across the organisation as needed to get information to the appropriate places.
- Subordinates accept downward communication with an open mind.
- Upward communication is accurate and is received with an open mind.

- Changes are initiated to improve performance and goal attainment.
- Changes are received and accepted openly.
- Individuals speak with pride about themselves and their employer.
- The time individuals spend performing tasks is related to the contributions of the tasks toward the achievement of the organisation's goals.
- Individuals are motivated through enjoyment from achieving the organisation's goals.
- Conflict is seen not as a destructive force but as a potentially constructive activity.

The idealistic culture may seem unrealistic, and in many situations it probably is. Management's role, however, is to achieve as much of this as is possible.

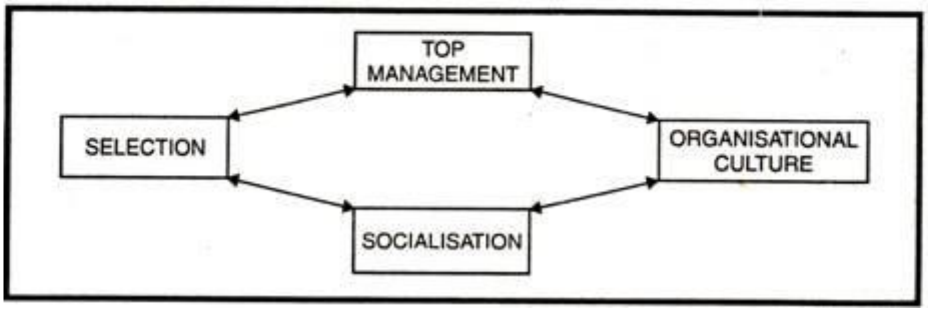
The usual starting place for the planning and designing of an organisation's culture comes after mission statements have been created. Mission statements identify the purposes and directions an organisation plans to pursue. Typically, mission statements will include the products or services to be offered, the customers who will be targeted, the stakeholders with whom the organisations will interact, the organisation's responsibilities to its stakeholders, and other goals that will give direction to an organisation's efforts. Value declarations may also be included to reveal how an organisation's commitments will be actualised.

When mission statements have been completed and accepted, management's responsibilities for providing the appropriate structure for goal achievement begin. The formal structure (as well as informal pattern of interaction) contributes to the culture of an organisation by laying the foundations, establishing planned relationships, and outlining the general boundaries in which organizational activity will take place.

Many a times only stating mission statement and providing suitable structure may not help in achieving required organizational culture. Change in organizational culture may require one or all of the following additional steps:

- Change reward systems.
- Add new members.
- Implement culture shock.
- Change the key personnel in top management.
- Involve people.

2.9 SUSTAINING ORGANIZATIONAL CULTURE



Selection:

The first such practice is the careful selection of candidates. Standardized procedures should be used to hire right people for right jobs. Trained personnel interview the candidates and attempt to screen out those whose personal styles and values do not fit with the organization's culture. By identifying the candidates who can culturally match the organizational culture, selection helps sustain culture to a large extent.

Additionally, the selection process provides to the applicants, information about the organizational culture. If the applicants perceive a conflict between their values and values of the organisation, they can themselves decide not to join the organisation.

Top Management:

The actions of top management also have a major impact on the organization's culture. Through what they say, how do they behave senior executives establish norms that filter through the organisation as to whether risk taking is desirable, how much freedom managers should give to their subordinates, what is the appropriate dress code, what actions will pay off in terms of pay raise, promotions and other rewards and the like.

Socialization:

The organisation may have done a very good job in the recruitment and selection of the employees, but sometimes the employees are still not indoctrinated in the organization's culture. Since these persons are not familiar with the organization's culture, they are most likely to disturb the existing beliefs and customs of the organisation. Therefore, it is very essential for the organisation to help the new employees adapt to its culture. This adaptation process is called 'Socialization.'

Self-check Questions:

A. Which is not an attribute of good organizational culture?

a) Retention is high, turnover is low

b) Change is generally not accepted

c) Leadership is shared

d) Work is both challenging and rewarding

B. Worker's acceptance of change is characteristic of what type of culture?

a) Team culture

b) Collaborative culture

c) Group culture

d) Collective culture

C. The factors shape the culture of a workgroup or an organization include:

a) Structure and size

b) Leadership

c) Nature of Business

d) All of the above

2.10 SUMMARY

Organizational culture determines the way members of an organisation interact with one another and with outsiders. Culture provides system of shared meaning among members. The basic elements of culture are: artifacts, espoused values, and basic assumptions. The major functions of organizational culture include: sense of identity, enhancement of commitment and reinforcement of behaviour. Moreover, strong organizational culture may also create some barriers; like barriers to change, diversity and acquisition and merger. Several factors influence organizational culture. These factors help in creation and sustaining of culture in an organisation. Employees understand organizational culture through symbols, stories, Jargon, ceremonies, and statement of principles. Culture has a strong impact on the performance of the organisation. The distinctive organizational culture may be classified into: networked culture, mercenary culture, fragmented culture, and communal culture. Organizational culture creates its impact on work place; hence, we must develop ideal organizational culture for smooth functioning of all members of the organisation.

Organizational climate is a measure of how do members perceive the organisation. It can be explained in terms of its dimensions. The process of organizational climate include: orientation, interpersonal relationship, supervision, problems, management of mistakes, conflict management, communication, decision making, trust, management of rewards and innovation and change. The favourable organizational climate leads to perceived equality and more effectiveness.

2.11 Keywords

Culture: That determines the way members interact with one another and with outsiders.

Mission Statement: Identifying the purposes and directions of an organisation and plans to pursue.

Organizational Culture: System of shared meaning among members.

Subcultures: Minicultures within an organisation.

Strong Cultures: Cultures in which core values are intensely held and widely shared.

Sociability: Measure of high people orientation, high team orientation, and focus on processes rather than outcomes.

Solidarity: Measure of task orientation, and is consistent with high attention to detail and high aggressiveness.

2.12 Short Question Answer

1. What is organizational culture? How it affects individual behavior.
2. What do you mean by Strong Culture?
3. What is sustaining organizational culture?
4. Define the factors affecting organizational culture.

2.13 Long Question Answer

1) What do you mean by Organizational Culture? Discuss the main characteristics of organizationalculture?
2) What are the functions of organizational culture? Describe the basic elements and determinants of organizational culture?
3) How does organizational culture create its impact on work place? Suggest measures for developing organizational culture.
4) Discuss in detail the steps a company should undertake in order to maintain the organizational culture.

2.14 SUGGESTED READINGS

1. Fred Luthan8, Organizational Behaviour, Mc Graw-Hm Book company, New York, 1989.

2. Blair J. Kola8a, Introduction to Behavioral Sciences, for Business Wiley Eastern Private Limited, New Delhi, 1970.

3. L, M. Prasad, Organizational Theory and Behaviour, Sultan Chand and Sons, New Delhi, 1984.

4. N.S. Gupta, Organization: Theory and Behaviour, Himalaya Publishing

2.15 Self-check Questions (Answer Key)

2.4

A. a)
B. Core values are the primary or dominant values that are accepted throughout the organisation.
C. Sensitivity to needs of customers and employees; Freedom to initiate new ideas; Willingness to tolerate new risks; Openness to communication options.

2.7

A. b)
B. a)
C. b)
D. b)

2.9

A. b)
B. b)
C. d)

MBA-DE **MBCM 1102T**
PART I SEMESTER-I **102- ORGANIZATIONAL BEHAVIOR**

LESSON NO.3 **AUTHOR: GAURAV GUPTA**

ATTITUDE

STRUCTURE

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

- Understand what are attitudes, how they are formed and changed
- Understand the nature and characteristics of the attitude
- Describe the components of attitude and how they affects individual attitude
- Differentiate between different types of attitude
- Understand the relationship between attitude and behaviour
- Measure the attitude in individual through different theories of attitude

3.1 INTRODUCTION

Attitude is a mental and neutral state of readiness organized through experience, exerting a directive or dynamic influence upon individual's response to all objects and situations with which it is related. (G.W. Allport)

Attitude as an enduring organization of motivational, emotional, perceptual, and cognitive processes with respect to some aspect of the individual's world (Krech and Crutchfield)

Attitude is a tendency or predisposition to evaluate an object or symbol of that object in a certain way (Katz and Scotland)

Attitude is defined as, "a learned pre-disposition to respond in a consistently favourable or unfavourable manner with respect to a given object". (Katz and Scotland)

In simple words, an "attitude" is an individual's point of view or an individual's way of looking at something. To be more explicit, an "attitude" may be explained as the mental state of an individual, which prepares him to react or make him behave in a particular pre-determined way. It is actually acquired feeling. Attitude is important because it is the mechanism through which most people express their feelings. In effect attitude is used in a generic sense, as to what people perceive, feel, and express their views about a situation, object, or other people. Attitude cannot be seen, but the behaviour can be seen as an expression of attitude.

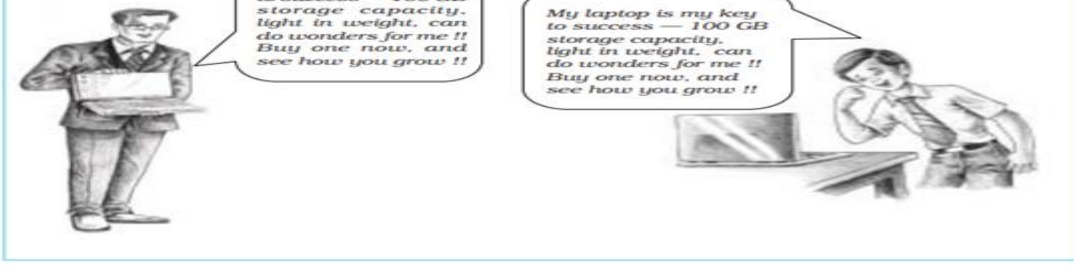
3.2 CHARACTERISTICS OF ATTITUDES

- An attitude is the predisposition of the individual to evaluate some objects in a favourable or an unfavourable manner.
- The most pervasive phenomenon is "attitude". People at work place have attitudes about lots of topics that are related to them. These attitudes are firmly embedded in a complex psychological structure of beliefs.
- Attitudes are different from values. Values are ideals, whereas attitudes are narrow, they are our feelings, thoughts and behavioural tendencies toward a specific object or situation.
- Attitude is a predisposition to respond to a certain set of facts.
- Attitudes are evaluative statements – either favourable or unfavourable concerning the objects, people, or events. An attitude is "a mental state of readiness, organized through experience, exerting a specific influence upon a person's response to people, objects and situations with which it is related". Attitudes thus state one's predispositions towards given aspects of the world.
- They also provide an emotional basis for one's interpersonal relations and identification with others. Managers in work organisations need to know and understand employees' attitudes in order to manage effectively. Attitudes do influence behaviour of people and their performance in organisations.

3.3 FEATURES OF ATTITUDE

Source credibility and **Mode of spreading the message** are the two features that affect attitude change. Attitudes are more likely to change when the message comes from a highly credible source rather than from a low-credible source. For example, adults who are planning to buy a laptop are more convinced by a computer engineer who points out the special features of a particular brand of laptop, than they would be by a schoolchild who might give the same information. But, if the buyers are themselves schoolchildren, they may be convinced more by another schoolchild advertising a laptop than they would be by a professional giving the same information (see Figure 1).

Figure: 1



Mode of spreading the message plays a significant role. Face-to-face transmission of the message is usually more effective than indirect transmission, as for instance, through letters and pamphlets, or even through mass media. For example, a positive attitude towards Oral Rehydration Salts (ORS) for young children is more effectively created if community social workers and doctors spread the message by talking to people directly, than by only describing the benefits of ORS on the radio (see Figure 2).

Figure: 2

3.4 IMPORTANCE OF ATTITUDE IN AN ORGANIZATION

A positive attitude in the workplace helps employees to accomplish tasks faster and in a better manner. The performance of employees to a great extent depends on the good relationship they share with their colleagues. A good relationship can be established only when employees demonstrate a positive attitude towards their work and colleagues. Through positive energy, work becomes a pleasure and employees find it easier to achieve their goals. A positive attitude has significant benefits for an individual in many aspects. Let 's look at some of them below

- **Career success:** Employees' success in the workplace is measured through their performance. Employees with a positive attitude will always think of ways to accomplishing their task in a well-defined manner instead of complaining or finding excuses for non-performance. This results in success either through promotion or increased compensation.
- **Productivity:** With a positive attitude, employees tend to take more interest in what they do and deliver. Consequently, they produce better quality work with minimum errors. This improves their overall output as well as productivity.
- **Leadership:** Working in an organization is all about managing a diverse workforce. Some employees earn respect easily and people often follow and listen to them. This is possible through the positive attitude demonstrated by leaders.
- **Team work:** Good relationships among employees help them to build effective teams where all the members are united and work for a common cause. A positive attitude helps employees to appreciate each other 's competencies and work as a team for achieving common objectives instead of being overly perturbed by inadequacies of team members.

- **Decision making:** Having a positive attitude helps employees to take better decisions, in an objective manner. It triggers a healthy thought process, enabling employees to choose wisely and logically.
- **Motivation:** Having a positive attitude helps in motivating employees to overcome obstacles that they may face during the course of their job. It also determines the way they see the world around them. The moment they are successful in overcoming obstacles, they are motivated to move forward.
- **Interpersonal relations:** Customers prefer to deal with someone who is positive in nature. A positive attitude enables employees to share a better rapport with customers, earning valuable customer loyalty.
- **Stress management:** Stress has a detrimental effect on the health of employees. So how can employees cope with it? Stress can be reduced through positive thinking; and with reduced stress, employees will enjoy better health and take fewer sick leaves.

In conclusion, a positive attitude at work is beneficial not only to the organization, but also to the employees on an individual basis.

Self-check Question:

A. **Define attitude.**
B. **Describe any two characteristics of attitude.**
C. **Describe the importance of attitude.**

3.5 RIGHT ATTITUDE

Have a positive attitude about it. Your personality is a big part of your happiness. If you are always looking for the negative side of everything, you will find it. A good fit with the job and company is important to your happiness. This starts with knowing yourself: What do you want from the job? What do you enjoy doing? Be honest with yourself and do a self-assessment.

Get accurate information about the job and the company. Ask detailed questions about what life is like in this company. Do your research: Read about the company, and use your social network to understand the company's culture.

***Develop good relationships at work*.** Make friends. Try to get a mentor. Approach a person you admire and attempt to build a relationship with this person. An experienced mentor can be a great help in navigating life at a company. Your social network can help you in the bad days and provide you emotional and instrumental support during your time at the company as well as afterward.

***Pay is important, but job characteristics matter more to your job satisfaction*.** Don't sacrifice the job itself for a little bit more money. When choosing a job, look at the level of challenge, and the potential of the job to make you engaged.

Be proactive in managing organizational life. If the job is stressful, cope with it by effective time management and having a good social network, as well as being proactive in getting to the source of stress. If you don 't have enough direction, ask for it!

Know when to leave. If the job makes you unhappy over an extended period of time and there is little hope of solving the problems, it may be time to look elsewhere.

3.6 COMPONENTS OF ATTITUDES

The three components of attitudes are:

- Cognitive component
- Affective component and
- Behavioural component.

Cognitive component: The cognitive component of an attitude is derived from 'knowledge' that an individual has about a situation. Affective component of attitude is related to person 's feelings about another person, which may be positive, negative, or neutral. I do not like Maya because she is not hard working, or I like Mina because she is hard working. It is an expression of feelings about a person, object, or a situation.

Affective component: The affective component of an attitude reflects 'feelings and emotions' that an individual has towards a situation. Cognitive component of attitude is related to value statement. It consists of belief, ideas, values, and other information that an individual may possess or has faith in. Quality of working hard is a value statement or faith that a manager may have.

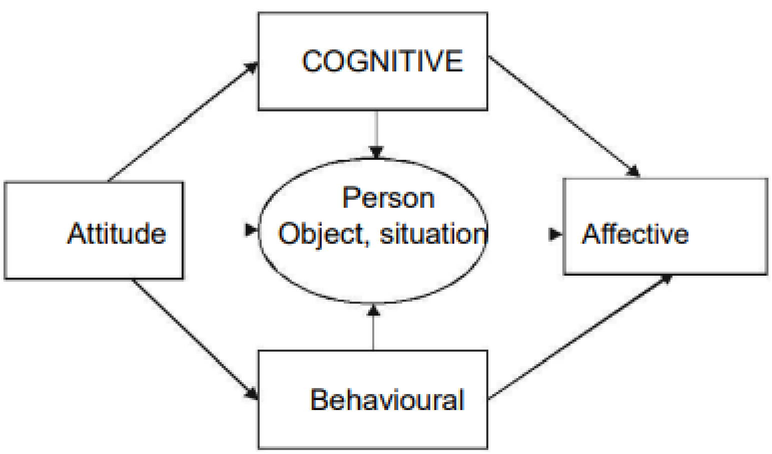
Behavioral component: The intentional component of an attitude reflects how an individual 'expects to behave' towards or in the situation. Behavioral component of attitude is related to impact of various situations or objects that lead to individual 's behaviour based on cognitive and affective components. I do not like Maya because she is not hard working is an affective component, I therefore would like to disassociate myself with her, is a behavioural component and therefore I would avoid Maya.

Development of favourable attitude and good relationship with Mina is but natural. Individual 's favourable behaviour is an outcome of the fact that Mina is hardworking. Cognitive and affective components are bases for such behaviour. Former two components cannot be seen; only the behaviour component can be seen. Former is important because it is a base for formation of attitude.

For example, the different components of an attitude held towards a firm, which supplies inferior products and that too irregularly could be described as follows:

- "I don't like that company"—Affective component.
- "They are the worst supply firm I have ever dealt with"—Cognitive component.
- "I will never do business with them again"'—Intentional component.

People try to maintain consistency among the three components of their attitudes. However, conflicting circumstances often arise. The conflict that individuals may experience among their own attitudes is called 'cognitive dissonance.



The main point about the **ABC model** is that we believe a person will be consistent with the attitudes towards things that they have. For example, a person will always be scared when they see a spider; however, this is not always true. Most people have the attitude that drinking excessively will be damaging to their health, yet despite of this, their behaviour around alcohol is to carry on drinking.

Self-check Question:

A. **Define the characteristics of right issue.**

B. **What are the three components of attitude?**

a) Affective, Cognitive, and Behavioural.

b) Emotional, Physical, and Cognitive.

c) Positive, Negative, and Neutral.

C. **Which component of attitude involves a person's thoughts and beliefs about a subject?**

a) Affective Component.

b) Cognitive Component.

c) Behavioural Component.

D. **Which component of attitude influences behaviour?**

a) Affective Component.

b) Cognitive Component.

c) Behavioural Component.

3.7 TYPES OF ATTITUDE

A person can have thousands of attitudes, but most of the research in Organizational Behaviour has been concerned with three attitudes: **Job satisfaction, Job involvement, and Organizational commitment**.

- **Job Satisfaction:** Satisfaction results when a job fulfils or facilitates the attainment of individual values and standards, and dissatisfaction occurs when the job is seen as blocking such attainment. This attitude has received extensive attention by researchers and practitioners because it was at one time believed to be the cause of improved job performance. The term "job satisfaction" refers to an individual's general attitude toward his or her job. A person with a high level of job satisfaction holds positive attitudes toward the job; a person who is dissatisfied with his or her job holds negative attitudes about the job. Now, because of managers' concern for creating a humane and high-performance workplace, researchers continue to search for definite answers about the causes and consequences of job satisfaction.
- **Job Involvement:** Job involvement is the degree, to which a person identifies with his or her job, actively participates in it and considers his or her performance important to self-worth. Employees with a high level of job involvement strongly identify with and really care about the kind of work they do. High levels of job involvement have been found to be related to fewer absences and lower resignation rates.
- **Organizational Commitment:** Organizational commitment is the degree to which an employee identifies with a particular organisation and its goals, and wishes to maintain membership in the organisation. High organizational commitment means identifying with one's employing organisation.

Self-check Question:

A. **What are the different types of attitudes.**

B. **What do you understand by organizational commitment.**

C. **Define job involvement.**

3.8 RELATIONSHIP BETWEEN BEHAVIOUR AND ATTITUDE

Why do we hold on to certain attitudes towards individuals or objects? It is because these attitudes help us respond to the individuals or objects in a meaningful way. Attitudes affect employee behaviour. However, a direct relationship between attitudes and actions is not agreeable to some, since attitude does not lead to any specific action. For example, a manager may dislike certain people in minority groups, but he may nevertheless treat them fairly and pleasantly in his office. This inconsistency occurs because the manager does not allow his attitude to interfere with his professional judgement. However, these attitudes may manifest themselves in other behaviour. For example, the manager may treat the minority workers fairly on the job but not invite them to his son’s or daughter’s marriage. Although, the influence of attitudes on behaviour is not clearly discernible.

Daniel Katz uses four attitude classifications:

- **Utilitarian**: An attitude may develop because either the attitude or the object of the attitude is instrumental in helping one to obtain rewards or avoid punishments. In some cases, the attitude is a means to an end. A worker finds that when he expresses a negative attitude towards his boss, his co-workers pay attention to and sympathies with him, but when he expresses a positive attitude, he is ignored or chastened. The negative attitude is instrumental in obtaining rewards (acceptance) and avoiding punishment (reflection). In another case, the object is a means to an end, and the attitude develops from association of the object and its outcome.

  For Example: A car salesman may develop favourable attitudes towards blue-collar workers, to whom he can easily sell, and a negative attitude towards others, who he finds always searching for a bargain and difficult to sell to. He associates success and profit with blue collar workers and failure and difficulty with others and thus he develops appropriate attitudes towards those objects through association.
- **Ego-defence:** People often form and maintain certain attitudes to protect their own self-images. For e.g., workers may feel threatened by the employment or advancement of minority or female workers in their organization. These threatened workers may develop prejudices against the new workers. They may develop an attitude that such newcomers are less qualified, and they might mistreat these workers. Such an ego defensive attitude is formed and used to cope with a feeling of guilt or threat. Unless this feeling is removed, this kind of attitude will remain unchanged.
- **Value Expressive**: Our attitude reflects our value systems. And our value expressive attitudes are closely related to our self- concept. One whose central value is freedom, the individual may express very positive attitudes towards decentralization of authority in the organization, flexible work schedules and relaxation of dress standards.
- **Knowledge:** Attitude is often substituted for knowledge. In the absence of knowledge, we use our attitude to organise and make sense out of the perceived object or person. For e.g., people who are not familiar with nuclear energy may develop an attitude that it is dangerous and should not be used as an energy source. Stereotyping is another example. In the absence of knowledge about a person, we may use a stereotyped attitude for judging the person.

  Why should managers know about these attitude functions? Such knowledge can serve two purposes. First, it helps us understand and predict how a certain person is likely to behave. For e.g., if a person is “prejudiced” against another, he is less likely to be fair in judging the other person. Moreover, this knowledge helps the manager see why the person has developed such an attitude. Second, it can help the manager change the attitude of another person. He can do this by changing the conditions that sustain the attitude. For e.g., he can change people with low self-images by helping them increase their ability to solve their problems, or by providing them with positive feedback on what they accomplish.

3.9 THEORIES OF ATTITUDE FORMATION

A great number of theories have been proposed to explain attitude formation and change. These Theories may broadly be classified into three categories: **cognitive consistency theories, functional theories, and social judgement theories.** However, there is frequent discontinuity between various groupings because related approaches have focused on different sets of phenomena. Nevertheless, such classification is valid from practical point of view.

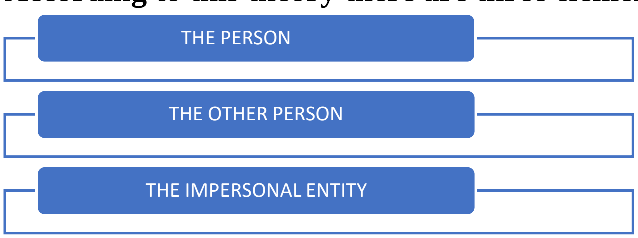
- **Cognitive Consistency Theories**

Attitudes do not exist in isolation: indeed, a complex structure results which appears to have at its heart a consistent tendency to maintain balance and resist change from influences of various types. In general, these theories are concerned with inconsistencies that arise between related beliefs, bits of knowledge, and/or evaluations about an object or an issue, though various consistency theories differ in several respects, including the form of inconsistency about which they are concerned, all of them have in common the idea that the psychological tension created by this unpleasant state leads to attempts at reducing the inconsistency. There are four important theories under this group.

There are four important theories under this grouping:

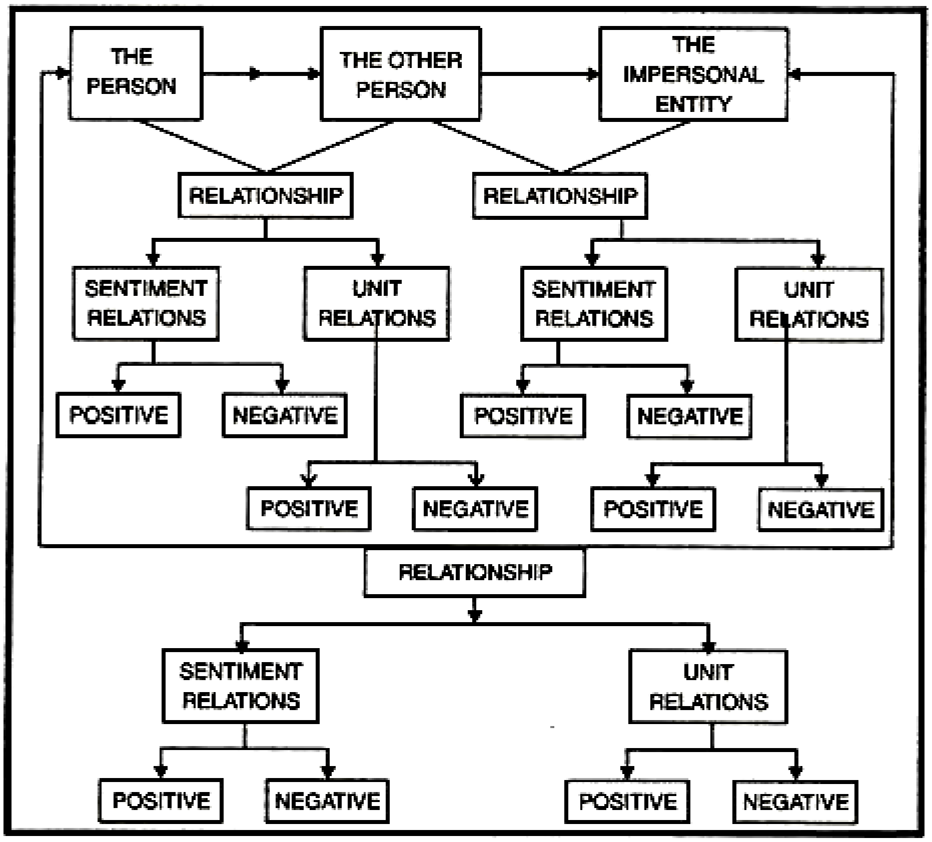
(A) Balance Theory: F. Heider provided the basic model of balance theory. The theory is basically concerned with the consistency in the judgment of people and/or issues that are linked by some form of relationship.

According to this theory there are three elements in attitude formation



Between these three elements two generic types of relationships are considered to exist: Sentiment relations and unit relations.

The sentiment or linking relations include all form of sentiments or effect and the unit relations express the fact that two elements are perceived as belonging together. Both sentiment relations and the unit relations can be positive and negative. **All these elements and relations are illustrated with the help of the following figure:**



In this three elements system balance exists if all three relations are positive or two relations are negative and one positive. There will be imbalance if all three relations are negative or if two relations are positive and one are negative. People tend to perceive others and objects linked to them so that the system is balanced. This theory assumes that balanced states are stable and imbalanced states are unstable. When imbalanced state occurs, the psychological tension which is created motivates the person to restore the balance cognitively by changing the relations. Thus, a person's attitude towards an object depends on his attitudes towards a source that is linked with the object.

Example:

A person consistently argued that the quality of Indian cars is not up to that of the imported cars and that he would never own anything other than an imported car. His father gifts give him a latest model Maruti car. In this situation there are three elements i.e., the person, his father, and the car. To bring the balance in this situation he will either change his negative relation with the Maruti car, he can ask his father to change his attitude and give him an imported car. Thus, if that person starts saying that the Maruti car is not so bad, it means he has changed his relation and brought the balance in the situation.

Criticism:

The basic model given by Heider has been criticised on the following grounds:

(I) The theory does not consider the degree of sentimental or unit relationships nor the relevance to the perceiver of the elements and relations.

(ii) As a consequence, there are no degrees of balance or imbalance and it is not possible to make quantitative predictions about the degree of attitude change.

Abelson's Extension of Balance Model:

In an extension of balance model, Abelson has suggested four methods in which a person can resolve imbalance in cognitive structures:

- Denial

- Bolstering
- Differentiation
- Transcendence

DENIAL → Denying a relationship when imbalance occurs.
BOLSTERING → Adding elements in the structure that is adding another issue in the main issue.
DIFFERENTIATION→ Splitting one of the elements into two elements that are related in opposite ways to other elements in the system and negatively related to each other.
TRANSCENDENCE→ Combining elements into larger, more super-ordinate units from a balanced structure.
These processes occur in hierarchy so that a person's attempts to resolve imbalance in the ordering are discussed. The ordering assumes that the person will attempt the least effortful resolution first. This theory helps in understanding the role of persuasive communication and interpersonal attractiveness in changing the attitudes.

(B) Congruity Theory:
C.E. Osgood and P.H. Tannenbaum have proposed the congruity theory of attitudes which is like the balance theory. This theory focuses on the changes in the evaluation of a source and a concept that are linked by an associative or dissociative assertion. Congruity exists when a source and concept that are positively associated have exactly the same evaluations and when a source and concept that are negatively associated have exactly the opposite evaluations attached to them.
Congruity is a stable state and incongruity is an unstable one. As a result, incongruity leads to a change of attitude. This theory states that how much change should be there in the attitudes towards the source and the concept so that incongruity is resolved.

(C) Affective Cognitive Consistency Theory:
M.I. Rosenberg has suggested the affective-cognitive consistency theory which is concerned with the consistency between a person's overall attitude or effect towards an object or issue and his beliefs about its relationship to his more general values. This theory is concerned mainly with what happens within the individual when an attitude changes. It assumes that the relationship between the affective and cognitive components of the attitude change when an attitude is altered.
The theory postulates the following points:

- A person's effect towards or evaluation of the attitude object tends to be consistent- with this cognitive structural component.
- When there is inconsistency beyond a certain level of tolerance, the individual is motivated to reduce the inconsistency and thereby to change one or both components to make them more consistent.
- The theory, thus, suggests that changes in the affective component produce changes in the cognitive component in order to bring about consistency between the two.
- The theory also suggests that persuasive communication can also be used to change the attitudes, by revaluating the goals themselves.

(D) Cognitive Dissonance Theory:

The cognitive dissonance theory, proposed by Festinger, has had by far the greatest impact on the study of attitudes. At first sight, this theory may appear similar to the affective-cognitive theory. The difference between the two is that this theory (dissonance) tends to tie in the third component of the attitudes (behavioural tendency) with cognitions about the attitude object. Rather than dealing with only one belief, this theory deals with relationship a person's ideas have with one other. It states that there are three types of relationships between all cognitions:

a) Consonance
b) Dissonance
c) Irrelevance

- Cognitions are consonant when one follows from the other either on the basis of logic or experience.
- Dissonance arises when cognitions have conflicting relations with one another, i.e., one cognition is the opposite of another.
- Cognitions are irrelevant when events resulting from them have no relations among one another

The Cognitive Dissonance Theory is based on the assumption that any kind of dissonance or inconsistency is uncomfortable. So, dissonance acts like a drive or force which gives rise to pressures that reduce or eliminate the dissonance. Thus, when a person has to choose among two alternatives (e.g., offer of two jobs at the same time}, he has to accept one and reject the other. After he takes the decision and proceeds to work accordingly, he feels the dissonance because just then the positive features of the rejected alternative haunt his mind. As he proceeds further with working on the chosen alternative, the feeling of dissonance leads him to lay stress on the negative features of the rejected alternative and the positive features of the selected alternative. The justification process is the result of dissonance. After all, each person is eager to establish his rationality. For instance, it is common knowledge that most chain-smokers invent arguments against the proposition 'cigarette smoking is injurious to health.'

- *Functional Theory:*

The functional theory considers how attitudes and efforts are related to the motivational structure of the individual.

This theory focuses on two things:

(i) The meaning of the influence situation in terms of both the kinds of motives that is aroused and
(ii) The individual's method of coping and achieving his goals.

An understanding of the functions served by attitudes is important for attitude change procedures since a particular method may produce change in individuals whose attitudes serve one particular function, but may produce no change in an opposite direction in individuals for whom the attitudes serve a different function.

The most prominent person who visualized functional theory is Katz and he suggested four functions of attitudes: utilitarian or instrumental function, ego defensive, value orientation, and knowledge, as discussed earlier. It can be seen that there is some similarity in parts of this theory to cognitive dissonance theory. When an attitude serves an adjustive function, one of the two conditions must prevail before it can be changed:

- the attitude and the activities related to it no longer provide the satisfactory they once did
- the individual's level of aspiration has been raised

Shifts in the satisfaction which comes from behaviours bring with them chnages in the attitude. When new behaviours inconsistent with attitudes bring satisfaction, these attitudes then must be adjusted. However, Katz functional theory has not stimulated much research except for the work on changing ego defensive attitudes.

Kelman has given another approach about the functional approach of attitudes.

He has distinguished three processes of attitude formation and change:

- Compliance
- Identification and
- Internalisation.

This theory is directed towards the types of social relationships that occur in social influence situations.

Compliance occurs when an attitude is formed or changed in order to gain a favourable impression from other person or group.

Identification occurs when a person forms or changes his attitude because this adoption helps him establish or maintain a positive self-defining relationship with the influencing agent.

Internalization involves adopting an attitude because it is congruent with one's overall value systems.

This approach makes an important contribution towards an understanding of the conditions that influence the maintenance and stability of attitude change.

- *Social Judgment Theory:*

The social judgment theory was originally formulated by Sherif and Hoveland. This theory attempts to explain how existing attitudes produce distortions of attitude related objects and how these judgments mediate attitude change. Thus, a person's initial attitude towards an issue, serves as an anchor for the judgment of attitude related stimuli. The person's initial attitude on an issue provides a point of reference against which he evaluates other opinions.

These views can be considered in terms of attitudinal continuum and can be considered as comprised of latitudes. The latitude of acceptance, which is the range of opinions the individual finds acceptable, encompasses the opinion that best characterises his own stand. The attitude of rejection, which is the range of opinions the individual finds objectionable, encompasses the opinion he finds most objectionable. The attitude of non-commitment is the range of opinions that the person finds neither acceptable nor unacceptable.

Self-Check question:

A. Who formulated the social judgment theory?
B. Founder of the congruity theory?
C. Who gave the affective cognitive consistency theory?
D. Who proposed cognitive dissonance theory?

3.10 MEASURING THE ATTITUDE OF AN INDIVIDUAL

The following points highlight the top four techniques used to measure the attitude of an individual. The techniques are:

1. Method of Equal Appearing Interval
2. Method of Summated Rating
3. Social Distance Scale
4. Cumulative Scaling Method

- Method of Equal Appearing Interval:

  Thurstone scale is defined as a uni-dimensional scale that is used to track respondent's behaviour, attitude or feeling towards a subject. This scale consists of statements about a particular issue or topic where each statement has a numerical value that indicates the respondent's attitude towards the topic as favourable or unfavourable. Respondents indicate the statements that they agree with, and an average is computed. A mean score of the agreements or disagreements is calculated as the attitude of the respondent towards the topic.

  This scale was developed by Robert Thurstone to approximate measurement in equal-appearing interval levels. The most commonly used method is the equal appearing intervals and hence the scale is also called the **equal-appearing interval scale**.

How to conduct a Thurstone Scale Survey with an Example

An example of a Thurstone scale survey is to understand the attitude of employees in an organization towards diversity hiring in that organization.

Step 1 – Develop statements: Develop a large number of agree/disagree statements on a certain topic. For example, if you wanted to find out people's attitudes towards the policy of diversity hiring in an organization, your statements may include:

- Policy on diversity hiring is wrong.
- Diversity hiring takes away jobs from deserving candidates.
- Diversity hiring brings different viewpoints to the team.
- Diversity hiring brings out the best in the local community.
- Diversity hiring aids in increasing the reputation of the brand.

Step 2 – Rank each statement with a panel of judges: The next step would be to have a panel of judges' rate each item on a scale of 1 to 11 where 1 is the least favourable attitude towards the common vector – diversity hiring and 11 is an extremely favourable attitude. It is important to note that the judges are required to rate each option and not agree or disagree with them.

Step 3 – Calculate median and/or mean and Inter-quartile range (IQR): The data collected from all judges is to then be analysed to draw up a table with the mean or median values in the ascending order. Using median or mean is a personal choice and the options throw up accurate results in the use of either. If you have 50 statements, you need to have 50 means/medians and 50 IQR's.

Step 4 – Sorting the table: The data has to be sorted on the basis of smallest to largest median/mean and the IQR's for each median/mean have to be in a descending order. This can be represented as:

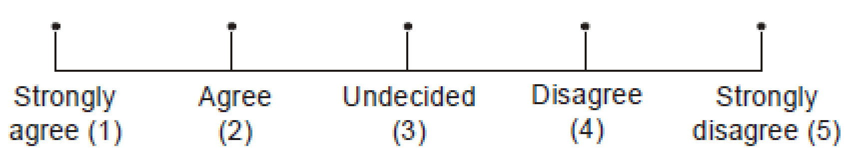
Statement	**Median or Mean**	**IQR**
43	1	1.25
21	1	1
16	1.5	1
3	3	2

6	5	2
28	6	1
37	7	3
9	7.5	1.5
18	9	2
26	11	2

Step 5 – Selecting final variables or options: Select options on the basis of the above table. For example, you could select one item from each mean/median value. You want the statements with the most agreement between judges. For each median value, this is the item with the lowest inter-quartile range. This is a "Rule of Thumb": you don't have to choose this item. If you decide it's poorly worded or ambiguous, choose the item above it (with the next lowest IQR).

- **Method of Summated Rating**:

Summated scales (or Likert-type scales) are developed by utilizing the item analysis approach wherein a particular item is evaluated on the basis of how well it discriminates between those persons whose total score is high and those whose score is low. Those items or statements that best meet this sort of discrimination test are included in the final instrument. Thus, summated scales consist of a number of statements which express either a favourable or unfavourable attitude towards the given object to which the respondent is asked to react. The respondent indicates his agreement or disagreement with each statement in the instrument. Each response is given a numerical score, indicating its favourableness or unfavourableness, and the scores are totalled to measure the respondent's attitude. In other words, the overall score represents the respondent's position on the continuum of favourable-unfavourableness towards an issue. Most frequently used summated scales in the study of social attitudes follow the pattern devised by Likert. For this reason, they are often referred to as Likert-type scales. In a Likert scale, the respondent is asked to respond to each of the statements in terms of several degrees, usually five degrees (but at times 3 or 7 may also be used) of agreement or disagreement. For example, when asked to express opinion whether one considers his job quite pleasant, the respondent may respond in any one of the following ways: (i) strongly agree, (ii) agree, (iii) undecided, (iv) disagree, (v) strongly disagree. We find that these five points constitute the scale. At one extreme of the scale there is strong agreement with the given statement and at the other, strong disagreement, and between them lie intermediate points. We may illustrate this as under:



Each point on the scale carries a score. Response indicating the least favourable degree of job satisfaction is given the least score (say 1) and the most favourable is given the highest score (say 5). These score—values are normally not printed on the instrument but are shown here just to indicate the scoring pattern. The Likert scaling technique, thus, assigns a scale value to each of the five responses. The same thing is done in respect of each and every statement in the instrument. This way the instrument yields a total score for each respondent, which would then measure the respondent's favourableness toward the given point of view. If the instrument consists of, say 30 statements, the following score values would be revealing.

$30 \times 5 = 150$ most favourable response possible

$30 \times 3 = 90$ A neutral attitude

$30 \times 1 = 30$ most unfavourable attitude.

The scores for any individual would fall between 30 and 150. If the score happens to be above 90, it shows favourable opinion to the given point of view, a score of below 90 would mean unfavourable opinion and a score of exactly 90 would be suggestive of a neutral attitude.

- Social Distance Scale:

Bogardus social distance scale is defined as a scale that measures varying degrees of closeness in people towards other members of diverse social, ethnic, or racial groups. It measures the degrees of warmth, hostility, indifference, or intimacy between these groups.

This scale was developed by Emory Bogardus in 1924 and named after him. It is one of the oldest and still in use, psychological attitude scales. Due to its uni-dimensional nature, prejudice, or the lack of it towards only one community or group can be measured at one point in time. The Bogardus social distance scale is also known as a **cumulative scale** because an agreement with one item shows agreement with any number of preceding items; which makes it a subset of the Guttman scale. The other major types of uni-dimensional scales are the Likert scale and the Thurstone scale. The three major types of uni-dimensional scales are the Thurstone Scale, Likert Scale, and the Guttman scale. The Bogardus social distance scale is also known as a cumulative scale because an agreement with one item shows agreement with any number of preceding items; which makes it a variation of the Guttman scale.

For example, the Bogardus social distance scale is set up as a series of questions that ask an individual or a respondent, their feelings, or the closest degree of intimacy towards a member of a group in question. A score of 1 is assigned to each option, asking the individual what the closest degree of intimacy is that he or she would be willing to admit a member of the group in question. The following is asked:

Select the option that best describes your feeling towards a group of magicians on the basis of the following statements:

- ○ Would you be willing to marry a member of this group? (1.0)
- ○ Would you be willing to have a member of this group as your close personal friend? (2.0)
- ○ Would you be willing to have a member of this group as your neighbour? (3.0)
- ○ Would you be willing to have a member of this group as your colleague at work? (4.0)
- ○ Would you be willing to have a member of this group as a citizen of your country? (5.0)
- ○ Would you be willing to have a member of this group visit your country as a non-citizen? (6.0)
- ○ Would you be willing to have a member of this group be excluded from associating with your country in any way? (7.0)

The ratings of multiple people from one community are collected as a cumulative and the average of this number represents the value of the social distance scale.

- Cumulative Scaling Method:

Guttman scale is one of the three uni-dimensional scales, the other two being – Likert Scale and Thurstone Scale. Guttman scale also called cumulative scaling or scalogram analysis is created with elements that can possibly be ordered in a hierarchical manner. It is representative of the extreme "attitude" of respondents, i.e., extremely positive, or negative, about the subject in-hand.

This scale is used by researchers in situations where a uni-dimensional scale for a continuum of opinions is required. "Uni"-dimensional scale indicates that the answer options have only one measurement parameter, i.e., a range of numbers can be associated with the scale. For instance, "On a scale of 0-10, how satisfied are you with the service of this airline?" – can be indicated with uni-dimensional answer options.

Guttman scale has a list of statements. It can be inferred that respondents who agree to the statement placed at the end of this list, would have agreed to all the other statements above the last one. Each statement will have a corresponding weight associated with it. The cumulation of the weight according to respondent feedback will help researchers in predicting the number of statements agreeable to the respondents. For example, on a 5 scale Guttman scale, if a respondent scores 3 – it indicates that he/she has agreed to the first 3 statements of the scale if a different respondent scores 5 – it indicates that he/she has agreed to all the statements on this cumulative scale.

The main goal of this scale is to filter those respondents who comply with 100% of the statements mentioned in the scale. But practically it is highly improbable that respondents totally comply with a series of statements and thus, scalogram analysis is conducted to evaluate the closest set of statements that the target audience agrees with. Bogardus scale is a popular example of the Guttman scale.

Examples

The scale is designed to measure one factor or subject. For example, the following shows a questionnaire for a person's attitudes towards depression:

Please answer YES or NO to the following questions	YES	NO
Depression affects many people.	[ ]	[ ]
Depressed people should seek medical help.	[ ]	[ ]
Medication can help with depression.	[ ]	[ ]
All depressed people can be helped with the right medication.	[ ]	[ ]

Sometimes, sensitive topics are concealed within other questions to disguise the intent of the questionnaire. For example, this one quizzes for possible gaming addiction:

Please answer YES or NO to the following questions	YES	NO
I like playing video games.	[ ]	[ ]
I like pizza.	[ ]	[ ]
I spend a lot of time gaming.	[ ]	[ ]
I eat out frequently.	[ ]	[ ]
I sometimes go without eating or sleep so I can finish a video game.	[ ]	[ ]

One disadvantage of the Guttman scale is that respondents may feel overly committed to questions; They may continue to answer YES beyond the point where they should have stopped. Using the concealed questionnaire helps to avoid this issue.

Self-checking Question:

A. **Who proposed the Thurstone scale?**
B. **Who formulated social distance scale?**
C. **Which are the three uni-dimensional scales to measure attitude of an individual?**

3.11 Keywords

Attitude: A learned predisposition to respond in a consistently favourable or unfavourable manner to a given object, person, idea, or event. Attitudes consist of three components:

- Cognitive: Beliefs and thoughts about the object or issue.
- Affective: Emotions and feelings associated with the object or issue.
- Behavioural: Intentions and actions directed towards the object or issue.

Job Satisfaction: An employee's positive or negative feelings about their job. High job satisfaction is associated with increased productivity, lower turnover, and reduced absenteeism.

Job Involvement: The degree to which an employee is interested in and engaged in their work. High job involvement is linked to increased motivation, performance, and organizational commitment.

Organizational Commitment: An employee's identification with and loyalty to their organization. Strong organizational commitment leads to greater effort, cooperation, and willingness to stay with the organization.

Employee Engagement: A state of active involvement, enthusiasm, and commitment to one's work and organization. Engaged employees are more productive, creative, and resilient in the face of challenges.

Attitudinal Change: The modification of existing attitudes or the formation of new ones. Attitudinal change can occur through various factors, including persuasion, exposure to new information, and personal experiences.

Cognitive Dissonance: The discomfort experienced when holding conflicting beliefs or attitudes. Individuals may reduce cognitive dissonance by changing their attitudes, behaviours, or beliefs.

Attribution Theory: A framework for understanding how people explain the causes of their own and others' behaviours. Attribution theory suggests that people tend to make internal attributions (e.g., personality traits) for their own successes and external attributions (e.g., situational factors) for their failures.

3.12 Short Question Answer

1) Define attitude. Explain the various ways of changing attitude.
2) What are the different theories of attitude?
3) Explain the measurement of attitude in detail.
4) Are attitudes learnt? Explain how?

3.13 Long Question Answer

1) What are the factors that influence the formation of an attitude?
2) Is behaviour always a reflection of one’s attitude? Explain with a relevant example.
3) Define attitude. Why it is important to study the attitude of an individual.
4) Explain the three uni-dimensional scales to measure attitude of an individual with an example.

3.14 References

Organizational Behaviour – by Stephen Robins – Prentice Hall Publications
Organizational Behaviour – by K. Ashwathappa – Himalaya Publishing
Organizational Behaviour – by L. M. Prasad – Sultan Chand Publications
Organizational Behaviour – by Suja Nair – Sultan Chand Publications

3.15 Self-check Questions Answer Key

3.4

A. It is the mental state of an individual, which prepares him to react or make him behave in a particular pre-determined way.
B. An attitude is the predisposition of the individual to evaluate some objects in a favourable or an unfavourable manner.
   The most pervasive phenomenon is "attitude". People at work place have attitudes about lots of topics that are related to them. These attitudes are firmly embedded in a complex psychological structure of beliefs.
C. **Career success:** Employees' success in the workplace is measured through their performance. Employees with a positive attitude will always think of ways to accomplishing their task in a well-defined manner instead of complaining or finding excuses for non-performance. This results in success either through promotion or increased compensation.
   Productivity: With a positive attitude, employees tend to take more interest in what they do and deliver. Consequently, they produce better quality work with minimum errors. This improves their overall output as well as productivity.

3.6

A. **Have a positive attitude about it.** Your personality is a big part of your happiness. If you are always looking for the negative side of everything, you will find it. A good fit with the job and company is important to your happiness. This starts with knowing yourself: What do you want from the job? What do you enjoy doing? Be honest with yourself and do a self-assessment.
   Get accurate information about the job and the company. Ask detailed questions about what life is like in this company. Do your research: Read about the company, and use your social network to understand the company‘s culture.
B. b)
C. a)
D. c)

3.7

A. Job satisfaction, Job involvement, and Organizational commitment
B. Organizational commitment is the degree to which an employee identifies with a particular organisation and its goals, and wishes to maintain membership in the organisation.
C. Job involvement is the degree, to which a person identifies with his or her job, actively participates in it and considers his or her performance important to self-worth.

3.9

A. Sherif and Hoveland
B. C.E. Osgood and P.H. Tannenbaum

- **C.** M.I. Rosenberg
- **D.** Festinger

3.10

- **A.** Robert Thurstone
- **B.** Emory Bogardus
- **C.** Likert Scale, Thurstone Scale, cumulative scaling or scalogram analysis.

LESSON NO.4 **AUTHOR: GAURAV GUPTA**

PERCEPTION

STRUCTURE

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

- Understand the influence of self in the process of perception
- Describe how we perceive visual objects and how these tendencies may affect our behaviour
- Describe the biases of self-perception
- Process of perception
- the link between perception and individual decision making

4.1 INTRODUCTION

Our behaviour is not only a function of our personality, values, and preferences, but also of the situations. We interpret our environment, formulate responses, and act accordingly. Perception may be defined as the process with which individuals detect and interpret environmental stimuli. What makes human perception so interesting is that we do not solely respond to the stimuli in our environment. We go beyond the information that is present in our environment, pay selective attention to some aspects of the environment, and ignore other elements that may be immediately apparent to other people. Our perception of the environment is not entirely rational. For example, have you ever noticed that while glancing at a newspaper or a news web site, information that is interesting or important to you jumps out of the page and catches your eye? If you are a sports fan, while scrolling down the pages you may immediately see a news item describing the latest success of your team. If you are the parent of a picky eater, an advice column on toddler feeding may be the first thing you see when looking at the page. So, what we see in the environment is a function of what we value, our needs, our fears, and our emotions.

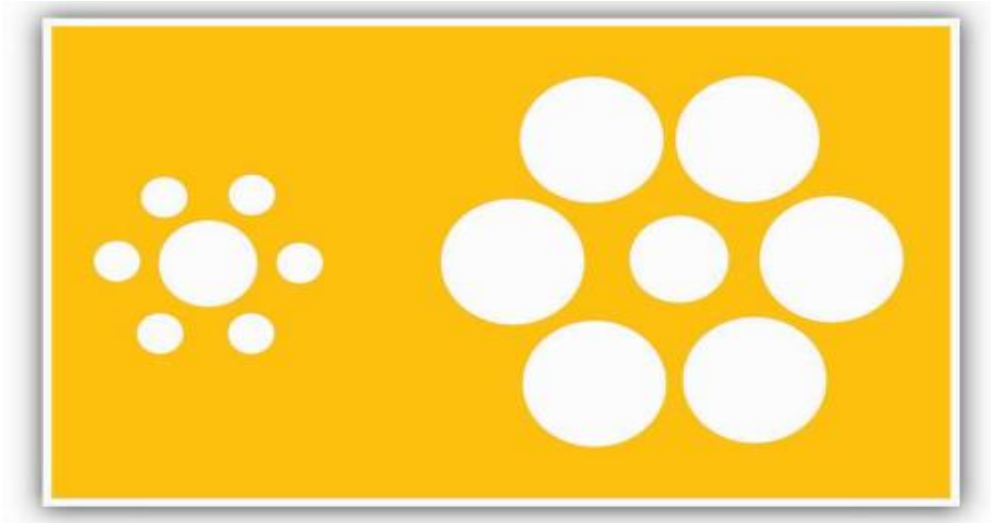
4.2 NATURE AND IMPORTANCE

Perception is a process by which individuals organize and interpret as per their sensory immersions in order to give meaning to their environment. It is important to study perceptions in the study of Organization Behaviour, because people's behaviour is based on their perception of' what reality is and is not on reality itself. Perception is influenced by many factors. These factors may be in the perceiver, or the object being perceived or the situations in the context of which perception is made. Personal characters that affect perception are attitude, personality, motives, interest, past experience and expectations. Our perception of people differs from our perception of inanimate objects such as desks, machines, etc. because our inferences are due to actions of people because people have beliefs, motives or intentions, our perceptions and judgment significantly is influenced by assumptions we make about that a person's internal state.

4.3 VISUAL PERCEPTION

Our visual perception definitely goes beyond the physical information available to us. First of all, we extrapolate from the information available to us. Take a look at the following figure. The white triangle you see in the middle is not really there, but we extrapolate from the information available to us and see it there. Kellman, P. J., & Shipley, T. F. (1991), A theory of visual interpolation in object perception. Cognitive Psychology, 23, 141–221

Our visual perception goes beyond the information physically available. In this figure, we see the white triangle in the middle even though it is not really there.



Which of the circles in the middle is bigger? At first glance, the one on the left may appear bigger, but they are in fact the same size. We compare the middle circle on the left to its surrounding circles, whereas the middle circle on the right is compared to the bigger circles surrounding it.

Our visual perception is often biased because we do not perceive objects in isolation. The contrast between our focus of attention and the remainder of the environment may make an object appear bigger or smaller. This principle is illustrated in the above figure with circles. Which of the middle circles is bigger? To most people, the one on the left appears bigger, but this is because it is surrounded by smaller circles. The contrast between the focal object and the objects surrounding it may make an object bigger or smaller to our eye. How do these tendencies influence behaviour in organizations? You may have realized that the fact that our visual perception is faulty may make witness testimony faulty and biased. How do we know whether the employee you judge to be hardworking, fast and neat are really like that? Is it really true, or are we comparing this person to other people in the immediate environment? Or let’s say that you do not like one of your peers and you think that this person is constantly surfing the Web during work hours. Are you sure? Have you really seen this person surf unrelated Web sites, or is it possible that the person was surfing the Web for work-related purposes? Our biased visual perception may lead to the wrong inferences about the people around us.

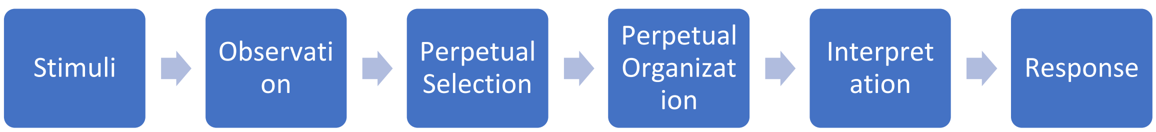
4.4 SELF-PERCEPTION

Human beings are prone to errors and biases when perceiving themselves. Moreover, the type of bias people have depends on their personality. Many people suffer from **self-enhancement bias**. This is the tendency to overestimate our performance and capabilities and see ourselves in a more positive light than others see us. People who have a narcissistic personality are particularly subject to this bias, but many others are still prone to overestimating their abilities. At the same time, other people have the opposing extreme, which may be labeled as **self-effacement bias**. This is the tendency for people to underestimate their performance, undervalue capabilities, and see events in a way that puts them in a more negative light. We may expect that people with low self-esteem may be particularly prone to making this error. These tendencies have real consequences for behaviour in organizations. For example, people who suffer from extreme levels of self-enhancement tendencies may not understand why they are not getting promoted or rewarded, while those who have a tendency to self-efface may project low confidence and take more blame for their failures than necessary.

When perceiving themselves, human beings are also subject to the **false consensus error**. Simply put, we overestimate how similar we are to other people. We assume that whatever quirks we have are shared by a larger number of people than in reality. People, who take office supplies home, tell white lies to their boss or colleagues, or take credit for other people's work to get ahead may genuinely feel that these behaviours are more common than they really are. The problem for behaviour in organizations is that, when people believe that a behaviour is common and normal, they may repeat the behaviour more freely. Under some circumstances this may lead to a high level of unethical or even illegal behaviours.

4.5 PERCEPTUAL PROCESS

Perception is the process by which people select, organize, interpret and respond to information from the world around them. This information is obtained through the senses namely, seeing, hearing, touch, taste and smell. Perception may be defined as the process of receiving, selecting, organizing, interpreting, checking, and reacting to sensations. It is also defined as 'a process by which individuals organize and interpret their sensory impressions in order to give meaning to their environments.' The perceptional processes show that their functioning is affected by three variables – the objects perceived, the environment in which perception occurs, and the individual perceiving the objects.



In the above diagram, you may find that the important aspects of perception are selection and organization. Different people perceive an object differently both in terms of what they selectively perceive and how they organize and interpret the things perceived. A person's selection process involves factors internal to the person as well as external to him. It is, in fact, a complex set of factors that determine the perception of an individual. Similarly, an individual organizes the selected stimuli into meaningful patterns. The interpretation of what is perceived may vary widely. For example, a wave of hand may be interpreted as a friendly gesture or it may be interpreted as a sign of threatening depending on the circumstances and the state of mind of the two people. Therefore, quite often the people perceive things differently and behave on the basis of those perceptions. Managers in organizations should understand that people's perceptions differ and at times they also go wrong.

Self-checking Question:

A. **Define perception.**
B. **Describe self-enhancement bias.**
C. **Elaborate false consensus error.**

4.6 FACTORS INFLUENCING PERCEPTION

A number of factors operate to shape and sometimes distort perception. These factors can reside in the perceiver, in the object or target being perceived, situation in the context of which the perception is made.

- **The Perceiver**

When an individual looks at a target and attempts to interpret what he or she sees, that interpretation is heavily influenced by personal characteristics of the individual perceiver. Among the more relevant personal characteristic affecting perception are attitudes, motives, interests, expectations, and past experiences. Unsatisfied needs or motives stimulate individuals and may exert a strong influence on their perceptions. For Example: The supervisor who has just been reprimanded by her boss for the high level of workers coming late among her staff is more likely to notice such behaviour by an employee tomorrow than she was last week. If you are preoccupied with a personal problem, you may find it hard to be attentive in the class. These examples illustrate that, the focus of our attention appears to be influenced by our interest and it differs considerably. What one-person notices in a situation can differ from what others perceive? Just as interests narrow one's focus, so do one's past experiences. You perceive those things to which you can relate. However, in many incidences, your past experience will act to nullify objects interest. Objects or events that have never been experienced before are more noticeable than those that have been experienced in the past. In late 1960s early l970s, women and minorities in managerial positions were highly visible because historically, those positions were the provinces of white males. Today women and minorities are more widely represented in the managerial ranks, so we are less likely to take notice that a manager is female. Finally, expectations can destroy your perceptions so you will see that you expect to see. You expect a police officer to be authoritative, young people to be un-ambitious, Personnel directors to "like" people or individual holding public office to be unscrupulous, you may perceive them as such, regardless of their actual traits.

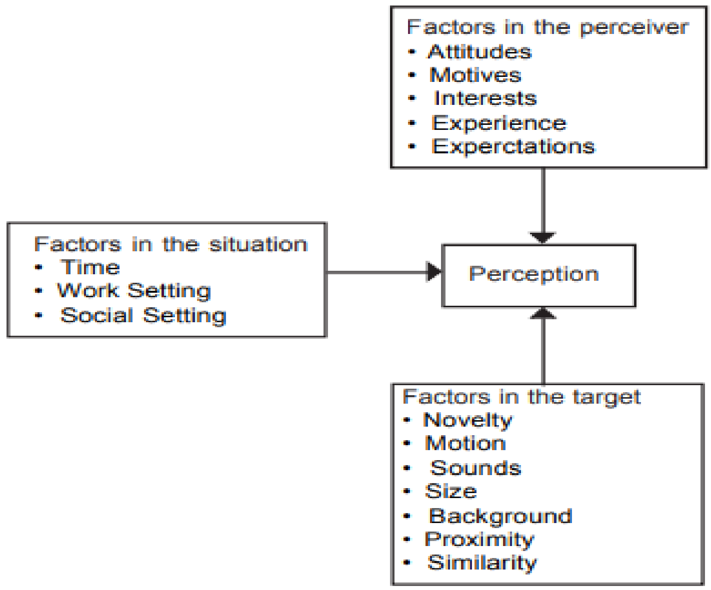
- **The Target**

Characteristics of the target that is being observed can affect what is perceived. Loud people are more likely to be noticed in a group than quiet ones. Motions, sounds, size, and other attributes of a target shape the way we see it. Because targets are not looked at in isolation from its background, the relationship of a target to its background influences perception, as does our tendency to group close things and similar things together. What we see depends on how we separate a figure from its general background. 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. Persons, objects, or events that are similar to each other also tend to be grouped together. Greater the similarity, greater the probability will tend to perceive them as a common group. Women, Blacks or Members of any other group who have clearly distinguishable characteristics in terms of features or colors will tend to be perceived alike in other unrelated characteristics as well.

- **The Situation**

The context in which we see objects or events is important. Elements in the surrounding environment influence our perception.

For Example, you are more likely to notice our employees grouping off, if your boss from the head office happens to be in the town. Again, the situation affects our perception. The time at which an object or event is seen, can influence attention such as location, light, heat, or any number of situational factors. Following figures summarize the factors influencing perception.



4.7 ATTRIBUTION THEORY

Our perception of people differs from our perception of inanimate objects such as desk, machine, or building, because we can make inferences about the actions of people that we do not make about in animate objects. Non-living objects are subjects to the law of nature, but they have no beliefs, motives, intentions. But people do. The result is that, when we observe people, we attempt to develop explanations of why they behave in certain ways. Our perception and judgment of a person's action therefore will be significantly influenced by the assumption we make about that person's internal state. Attribution theory has been proposed to develop an explanation of the Law in which we judge people differently depending on the meaning attributed to a given behaviour. This determination depends on three factors:

- Distinctiveness
- Consensus
- Consistency

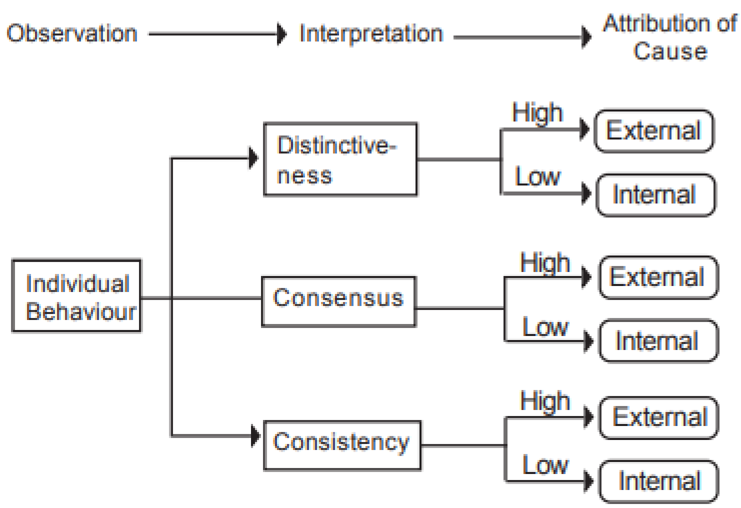
Basically, the theory suggests that, when we observe an individual's behaviour, we attempt to determine whether it was internally and externally caused. Externally caused behaviours are seen as resulting from outside causes. That is the person is seen as having been forced into the behaviour by the situation.

- **Distinctiveness** refers to whether an individual displays different behaviour in different situations. Is the employee who arrives late today is also the source of complaints by co-workers for being a "goof off"? What we want to know is whether this behaviour is unusual, if it is, the observer is likely to give the behaviour an external attribution. If this action is not usual, it is probably be judged as internal.

- If everyone who is faced with similar situations responds in the same way, we can say the behaviour shows **consensus.** From the attribution percept i.e., if consensus is high, would we be expected to give an external attribution to the employee's tardiness. Here as the other employees who took the same route, made it to work on time, your conclusion as to causation would be internal.

- Finally, an observer looks for **consistency** in a person's action: Does the person respond the same way over time? Coming in 10 minutes late for work is not perceived in the same way for the employee for whom it is a usual case (she has not been late for several months) as if it is for the employee for whom it is part of a routine pattern (she is regularly late 2 or 3 times a week). The more consistent the behaviour, the more the observer is inclined to attribute it to internal causes.

The key elements in the attribution theory can he illustrated with the help of following diagram.



One of the interesting finding of the attribution theory is that, there are biases that distort attributions. For Example

There is substantial evidence that when we make judgments about the behaviour of other people, we have a tendency to underestimate the influence of external factors and overestimated the influence of internal or personal factors. This is called the **fundamental attribution error.** There is also a tendency for individuals to attribute their own successes to internal factors such as ability or effort while putting the blame for failure on external factors such as luck. This is called the **self-serving bias** and suggests that feedback provided to employee in performance reviews will be predictably distorted by recipients depending on whether it is positive or negative. Are these errors or biases that distort attributions universally across different cultures? We can't answer that question definitely, but there is preliminary evidence that indicates cultural differences. Attribution theory was developed largely based on experiments with Americans and Western Europeans. The attribution theory says that the individuals, on observing the behaviour attempt to determine if it is internally or externally caused.

Internally caused behaviours are those that are under the personal control of the individual. Externally caused behaviour is seen as resulting from outside causes that is the situations. **Distinctiveness** refers to whether our individual displays different behaviours in different situations. If everyone who faces a similar situation responds in the same way, we can say the behaviour shows **consensus.** While responding in the same way a number of times, it shows **consistency.** The more consistency in the behaviour, the more the observer is inclined to attribute it to internal cause. These are errors or biases that distort attribution theory.

Self-checking Questions:

A. **What do you understand by fundamental attribution error?**
B. **Define self-serving bias.**
C. **Define distinctiveness.**
D. **Briefly describe the internally and externally caused behaviour?**

4.8 FREQUENTLY USED SHORTCUTS IN JUDGING OTHERS

We use a number of shortcuts when we judge others. Perceiving/interpreting what others do is burdensome. As a result, individuals develop technique for making the task more manageable. These techniques are frequently valuable — they allow us to make accurate perceptions rapidly and provide valid data for making predictions. However, they are not foolproof. They can and do get us into trouble. Some of these shortcuts are

- **Selective perception**

Any characteristic that makes a person, object or event stand out will increase the probability that it will be perceived. Why? Because it is impossible for us to assimilate everything we see. Only certain stimuli can be taken in. Since we can't observe everything going- on about us, we engage in selective perception. A group's perception of organizational activities is selectively altered to align with the vested interests they represent. But how does selectivity work as a shortcut in judging other people? Since we cannot assimilate all that, we observe, we take in bits and pieces. But those bits and pieces are not chosen randomly rather, they are selectively chosen according to our interests, background experience and attitudes. Selective perception allows us to "speed-read" others, but not without the risk of drawing an inaccurate picture. Because we see what we want to see, we can draw unwarranted conclusions from an ambiguous situation. If there is a rumour going around the office that your company's sales are down and that large layoffs may be coming, a routine visit by a Senior Executive from Headquarters might be interpreted as the first step in managements' identification of people to be fired, when in reality such an action may be the farthest thing from the mind of the Senior Executive.

- **Halo effect**

When we draw a general impression about an individual on the basis of a single characteristic, such an intelligence, sociability or appearance, a halo effect is operating. Example: students appraise their classroom instructor by giving prominence to a single trait such as enthusiasm and allow their entire evaluation to be tainted by how they judge the instructor on that one trait. Thus, an instructor may be quiet, assured, knowledgeable and highly qualified, but if his style lacks zeal, those students would probably give him a low rating.

The reality of halo effect was confirmed in a classic study in which subjects were given a list of traits such as intelligent, skillful, practical, industrious, determined, and warm and were asked to evaluate the person to whom those traits apply. When these traits were used, the person was judged to be wise, humorous, popular, and imaginative. When the same list was modified to cold as substituted for warm — a complete different set of perceptions was obtained. Clearly the subjects were allowing a single trait to influence their overall impression of the person being judged. The propensity for the halo cited to operate is not random. Research suggests that it is likely to be most extreme when the traits to be perceived are ambiguous in behavioural terms. When the trails have moral overtones, then the perceiver is judging traits with which he or she has had limited experience.

- **Contrast effects**

The *contrast effect* is a cognitive bias that distorts our perception of something when we compare it to something else, by enhancing the differences between them. This comparison can be either explicit or implicit, simultaneous or at separate points in time, and can apply to various traits, ranging from physical qualities, such as color and taste, to more abstract qualities, such as price and attractiveness.

For example, the contrast effect can make an item appear lighter than it actually is when it's placed against a dark background, or it can make an expensive product appear cheaper when it's presented next to a more expensive product.

The contrast effect plays a role in a wide variety of situations, so it can be highly beneficial to understand it. As such, in the following article you will learn more about the contrast effect, understand why people experience it, and see what you can do in order to account for its influence. Furthermore, the contrast effect can influence people's thinking in a variety of other ways. Examples of the influence of the contrast effect include the following:

- Sweet drinks generally taste sweeter if you drink them right after drinking something that is less sweet, compared to when you drink them right after drinking something sweeter.
- People sometimes feel that they're more physically attractive after they look at pictures of people who are relatively unattractive.

- **Projection**

It's easy to judge others if we assume that they're similar to us. Example: if you want challenge/responsibility in your job, you assume that others want the same or, you're honest and trustworthy, so you take it for granted that other people are equally honest and trustworthy. This tendency to attribute one's own characteristics to other people — which are called projection — can distort perceptions made about others.

People who engage in projection tend to perceive others according to what they themselves are like, rather than according to what the person being observed is really like. When observing others who actually are like them, these observers are quite accurate — not because they are perceptive but because they always judge people as being similar to themselves. So when they finally do find someone who is like them, they are naturally correct. When managers engage in projection, they compromise their ability to respond to individual differences. They tend to see people as more homogeneous than they really are.

- **Stereotyping**

When we judge someone on the basis of our perception of the group to which he or she belongs, we are using the shortcut called stereotyping. Generalization, of course, is not without advantages. It's a means of simplifying a complex world, and it permits us to maintain consistency. It's less difficult to deal with an unmanageable number of stimuli if we use stereotypes. In organizations, we frequently hear comments that represent stereotypes based on gender, age, race, ethnicity and even weight. From a perceptual standpoint, if people expect to see these stereotypes, that are what they will perceive, whether they are accurate or not. One of the problems of stereo types is that they are widespread, despite the fact that they may not contain a shred of truth or that they may be irrelevant. They being widespread may mean only that many people are making the same inaccurate perception on the basis of a false premise about a group.

Self-checking Question:

A. **What do you understand by HALO effect?**
B. **Define stereotyping.**
C. **Describe contrast effects.**

4.9 THE LINK BETWEEN PERCEPTION AND INDIVIDUAL DECISION MAKING

Individuals in organizations make decisions and hence they make choices among two or more alternatives. Making decisions is not the safe province of managers. Non-managerial employees also make decisions that affect their jobs/the organizations for which they work. An increasing number of organizations in recent years have been empowering their non-managerial employees with job-related decision-making authority that historically was received for managers alone. Individual decision making therefore, is an important part of OB. But how individuals in organizations make decisions and the quality of their final choices are largely influenced by their perceptions?

Decision making occurs as a reaction to a problem i.e., there a discrepancy between some current states of affairs? Some desired state, requiring consideration of alternative courses of action? One person's problem is another person's satisfactory state of affairs.

For Example: One manager may view his division's 2% decline in quarterly sales to be a serious problem requiring immediate action on his part. On the other hand, her counterpart in another division of the same company, who also had a 2% sales decrease, may consider that percentage quite acceptable. So, the awareness that a problem exists and that a decision needs to be made is a perceptual issue.

Moreover, every decision requires interpretation and evaluation of information. Data are typically received from multiple sources and they need to be screened, processed, and interpreted. Which data, for instance, are relevant to the decision and which are not? The perceptions of the decision- maker will answer that question. Alternatives will be developed, and the strengths and weaknesses of each will need to be evaluated. As alternatives cannot be identified accurately with their strengths and weaknesses clearly marked, the individual decision maker's perceptual process will have a large bearing on the final outcome.

How should decisions be made?

How should individuals behave in order to maximize or optimize a certain outcome? We call this the rational decision-making process.

The rational decision-making process

The optimizing decision-making is rational i.e., he/she makes consistent, value maximizing choices within specified constraints. These choices are made following a six-step rational decision-making model. Specific assumptions underlie this model:

The rational model involves following six steps

- **Define the problem:** The model begins by defining the problem. A problem exists when there is a discrepancy between an existing and a desired state of affairs. Many poor decisions can be traced to the decision maker overlooking a problem or defining the wrong problem.
- **Identify the decision criteria:** He or she needs to identify the decision criteria that will be important in solving the problem. The decision-maker determines what is relevant in making the decision. This step brings the decision-makers interests, values and similar personal

preferences into the process. Identifying criteria is important because what one person thinks relevant, another person may not.

- **Allocate weights to the criteria:** The criteria identified are rarely all equal in importance. So, the third step requires the decision-maker to weigh the previously identified criteria in order to give them the correct priority in the decision.
- **Develop the alternatives:** The fourth step requires the decision maker to generate possible alternatives that could succeed in resolving the problem. No attempt is made in this step to appraise these alternatives, only to list them.
- **Evaluate the alternatives:** Once the alternatives have been generated, the decision maker must critically analyse and evaluate each one. This is done by rating each alternative on each criterion. The strengths and weaknesses of each alternative become evident as they are compared with the criteria and weights established in the second and third steps.
- **Select the best alternative:** The final step in this model requires putting the optimal decision. This is done by evaluating each alternative against the weighted criteria and selecting the alternative with the highest total score.

Assumptions of the model

The rational decision — making model contains a number of assumptions:

- **Problem clarity:** The problem is clear and unambiguous. The decision maker is assumed to have complete information regarding the decision situation.
- **Known options:** It is assumed that the vision maker can identify all the relevant criteria and can list all the viable alternatives. Furthermore, the decision maker is aware of all the possible consequences of each alternative.
- **Clear preferences:** Rationality assumes that the criteria and alternatives can be ranked and weighted to reflect their importance.
- **Constant preferences:** It's assumed that, the specific decision criteria are constant and that the weights assigned to them are stable over time.

4.10 IMPROVING CREATIVITY IN DECISION MAKING

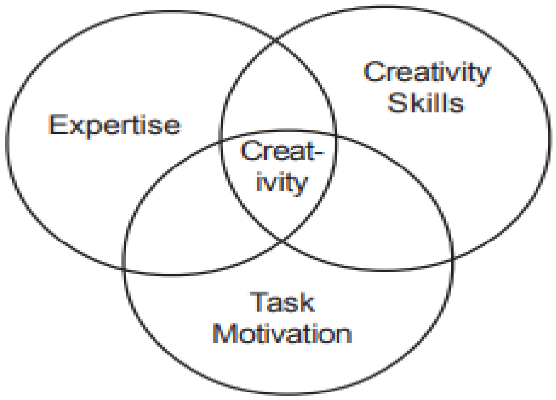
The rational decision maker needs creativity, that is, the ability to produce novel and useful ideas. These are ideas that are different from what's been done before, but that are also appropriate to the problems or opportunity presented. Why is creativity important to decision making? It allows the decision maker to fully appraise and understand the problem, including seeing problems others can't see. However, creativity's most obvious value is in helping the decision maker identify all viable alternatives.

- **Creative Potential**

Most people have creative potential that they can use when confronted with a decision-making problem. But to unleash that potential, they have to get out of the psychological nuts. Most of us get into and learn how to think about a problem in divergent ways. Most of us have creative potential, if we can learn to unleash it.

- **Three-Component Model of Creativity**

Given that most people have the capacity to be at least moderately creative, what can individuals and organizations do to stimulate employee creativity? The best answer to this question lies in three—component model of creativity.



Based on an extensive body of research, this model proposes that, individual creativity essentially requires expertise, creativity — thinking skills and intrinsic task motivation. Studies confirm that the higher the level is of each of these 3 components, the higher the creativity is.

- **Expertise** is the foundation for all creative work. The potential for creativity is enhanced when individuals have abilities, knowledge, proficiency, and similar expertise in their field of endeavor.
- The second component is **creative — thinking skills**. This encompasses personality characteristics associated with creativity, the ability to use analogies, as well as the talent to see the familiar in a different light. For E.g.: The following individual traits have been found to be associated with the development of creativity- risk taking, an internal locus of control, tolerance for ambiguity and perseverance in the face of frustration. The effective use of analogies allows decision makers to apply an idea from one context to another.
- The final component is our model’s intrinsic **task motivation**. This is the desire to work on something because it's interesting, involving, exciting, satisfying or personally challenging. This motivational component is what turns creativity potential into actual creativity ideas. It determines the extent to which individuals fully engage their expertise and creative skills. So, creative people often love their work, to the point of seeming obsessed. Importantly, an individual’s work environment can have a significant effect on filtrations motivation. Specifically, five organizational factors have been found that can impede your creativity.

i. Expected evaluation: Focusing on how your work is going to be evaluated.
ii. Surveillance: Being watched while you’re working.
iii. External motivators: Emphasizing external, tangible rewards.
iv. Competition: Facing win — lose situations with peers.
v. Constrained choice: Being given limits of how you can do your work.

4.11 KEY TAKEAWAY

Perception is how we make sense of our environment in response to environmental stimuli. While perceiving our surroundings, we go beyond the objective information available to us, and our perception is affected by our values, needs, and emotions. There are many biases that affect human perception of objects, self, and others. When perceiving the physical environment, we fill in gaps and extrapolate from the available information. We also contrast physical objects to their surroundings and may perceive something as bigger, smaller, slower, or faster than it really is. In self-perception, we may commit the self-enhancement or self-effacement bias, depending on our personality. We also overestimate how much we are like other people. When perceiving others, stereotypes infect our behaviour. Stereotypes may lead to self-fulfilling prophecies. Stereotypes are perpetuated because of our tendency to pay selective attention to aspects of the environment and ignore information inconsistent with our beliefs. When perceiving others, the attributions we make will determine how we respond to the situation. Understanding the perception process gives us clues to understand human behaviour.

4.12 Short Question Answer

1. Define perception.
2. Elucidate the frequently used shortcuts in judging others.
3. Ethics in decision making
4. Explain perceptual process.

4.13 Long Question Answer

1. Is there such a thing as a "good" stereotype? Is a "good" stereotype useful or still problematic?
2. How do we manage the fact that human beings develop stereotypes? How would you prevent stereotypes from creating unfairness in decision making?
3. What is perception and what are the factors influencing perception?
4. Describe the link between perception and individual decision making.
5. Explain the actual decision-making process of an organization.
6. Elucidate the frequently used shortcuts in judging others.
7. Write short notes on:

a) Halo effect.

b) Organizational constraints

4.14 References

Organizational Behaviour – by Stephen Robins – Prentice Hall Publications
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Organizational Behaviour – by L. M. Prasad – Sultan Chand Publications
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4.15 Self-check Questions (Answer Key)

4.5

A. Perception is the process by which people select, organize, interpret, and respond to information from the world around them.

B. This is the tendency to overestimate our performance and capabilities and see ourselves in a more positive light than others see us.

C. When we overestimate how similar we are to other people. We assume that whatever quirks we have are shared by a larger number of people than in reality.

4.7

A. When we have a tendency to underestimate the influence of external factors and overestimated the influence of internal or personal factors.

B. There is a tendency for individuals to attribute their own successes to internal factors such as ability or effort while putting the blame for failure on external factors such as luck.

C. It refers to whether our individual displays different behaviours in different situations.

D. Internally caused behaviours are those that are under the personal control of the individual. Externally caused behaviour is seen as resulting from outside causes that is the situations.

4.8

A. When we draw a general impression about an individual on the basis of a single characteristic, such an intelligence, sociability or appearance, a halo effect is operating.

B. When we judge someone on the basis of our perception of the group to which he or she belongs, we are using the shortcut called stereotyping.

C. The *contrast effect* is a cognitive bias that distorts our perception of something when we compare it to something else, by enhancing the differences between them.

LESSON NO.5 **AUTHOR: MANKAJ MEHTA**

LEARNING

STRUCTURE

5.1 OBJECTIVES

After studying this lesson, you should be able to:

- understand the nature of learning process
- explain various theories on learning
- Principles of Learning

5.2 INTRODUCTION

The process of learning has great value for enriching human life in all spheres of life. All activities and behaviours that make personal, social, and economic life peaceful and pleasurable are learned. Learning definitely affects human behaviour in organisations. There is little organizational behaviour that is not either directly or indirectly affected by learning. For example, a worker's skill, a manager's attitude, a supervisor's motivation, and a secretary's mode of dress are all learned. Our ability to learn is also important to organisations preoccupied with controlled performance. Employees have to know what they are to do, how they are to do it, how well they are expected to do it, and the consequences of achieving good or poor levels of performance. Thus, learning theories have influenced a range of organizational practices concerning:

The induction of new recruits

The design and delivery of job training

The design of payment systems

How supervisors evaluate and provide feedback on employee performance

The design of forms of learning organization

It is clear that theories of learning have significant practical implications. However, this is one of the most fundamental and controversial topics in psychology. The extremes of this controversy will be explained later, in the form of behaviorist and cognitive theories of learning. The concept of the learning organisation became popular during the 1990s. The learning organisation is a configuration of structures and policies which encourage individual learning, with individual and organizational benefits. The organisation itself can also be regarded as an entity which is capable of learning independently of its members. Knowledge has thus become a more important asset for many organisations than materials and products.

5.3 WHAT IS LEARNING?

Learning covers virtually all behaviours and is concerned with the acquisition of knowledge, attitudes and values, emotional responses (such as happiness and fear), and motor skills (such as operating a computer keyboard or riding a bicycle). We can learn incorrect facts or pick up bad habits in the same way that we learn correct facts and acquire good habits. It refers to a spectrum of changes that occur as a result of one's experience. Learning may be defined as "any relatively permanent change in behaviour or behavioural potential produced by experience". It may be noted here that some behavioural changes take place due to the use of drugs, alcohol, or fatigue. Such changes are temporary. They are not considered learning. Therefore, changes are due to practice and experience, and relatively permanent, alone are illustrative of learning.

In the definition given above, it is clear that the process of learning has certain distinctive characteristics. These are:

First, learning always involves some kind of experience. These experiences may be derived from inside the body or they may be sensory, arising outside. The task of inferring whether or not learning has taken place may be an obvious one, but observable behaviour may not always reveal learning.

It is important to distinguish between two types of learning. Procedural learning or 'knowing how', concerns your ability to carry out particular skilled actions such as riding a horse. Declarative learning or `knowing that', concerns your store of factual knowledge such as an understanding of the history of our use of the horse.

Second, the behavioural changes that take place due to learning are relatively permanent. Behaviour can be changed temporarily by many other factors and in ways which we would not like to call learning. These other factors include growing up or maturation (in children), aging (in adults), drugs, alcohol and fatigue. For example, you must have noticed that whenever one takes a sedative or drug or alcohol, one's behaviour changes. Each one of these drugs affects physiological functions leading to certain changes in behaviour. Such changes are temporary in nature and disappear as the effect of drugs wears out.

Third, learning cannot be observed directly. We can only observe a person's behaviour and draw the inference from it that learning has taken place.

A distinction has to be made between learning and performance. Performance is evaluated by some quantitative and some qualitative measures of output. For example, the number of calls a sales representative makes to customers or the quality of a manager's chairing of a committee meeting. But, learning acts as a constraint on the outcome. Normally, we cannot perform any better than we have learned, though there are occasions when the right motivational disposition and a supportive environment help to raise the level of performance. Researchers have found that increased motivation may improve our performance up to a point but, beyond this, increased motivation may cause a lowering of the level of performance.

Self-checking Question:

A. **Define learning.**
B. **Describe any two characteristics of learning.**

5.4 THEORIES OF LEARNING

Theories of learning have been developed as models of learning which explain the learning process by which employees acquire a pattern of behaviour. Several experts are skeptical about how a new behaviour is acquired and this has resulted into the development of several theories of learning. There are four theories of learning discussed below

Classical Conditioning Theory

Operant Conditioning Theory

Cognitive Learning Theory

Social Learning Theory

Classical Conditioning Theory

Classical conditioning can be defined as a process in which a formerly neutral stimulus when paired with an unconditional stimulus becomes a conditioned stimulus that elicits a conditioned response. (Luthans 1995). Ivan Pavlov, a Russian psychologist (Nobel Peace Prize) developed classical conditioning theory of learning based on his experiments to teach a dog to salivate in response to the ringing of a bell.

When Pavlov presented meat (unconditioned stimulus) to the dog, he noticed a great deal of salivation (conditioned response). But, when merely bell was rung, no salivation was noticed in the dog

Then, when next Pavlov did was to accompany the offering of meat to the dog along with ringing up of bell.

He did this several times. Afterwards, he merely rang the bell without presenting the meat. Now, the dog began to salivate as soon as the bell rang.

After a while, the dog would salivate merely at the sound of the bell, even if no meat were presented. In effect, the dog had learned to respond i.e., to salivate to the bell.

Pavlov concluded that the dog has become classically conditioned to salivate (response) to the sound of the bell (stimulus). It will be seen that Classical Conditioning learning can take place amongst animals based on **stimulus-response** (SR) connections.

Classical Conditioning Examples

This stimulus-response connection (S-R) can be applied in management to assess organizational behaviour. Historically when a CEO visits an organization, production charts are updated, individuals put on a good dress, window panes are cleaned and floors are washed. What all one has to do is to just say that the Top Boss is visiting.

You will find that all the above work is undertaken (response) without any instructions. Because the people in the organization have learned the behaviour (conditioned). It has caused a permanent change in the organization (S-R connections).

Factors Influencing Classical Conditioning

There are four major factors that affect the strength of a classically conditioned response and the length of time required for classical conditioning. The number of pairings of the conditioned stimulus and the unconditional stimulus. In general, the greater the number of pairings, the stronger the conditioned response.

The intensity of the unconditioned stimulus. If a conditioned stimulus is paired with a very strong unconditioned stimulus, the conditioned response will be stronger. The most important factor is how reliably the conditioned stimulus predicts the unconditioned stimulus**.** For example, a tone that is always followed by food will elicit more salivation than one that is followed by food only some of the time. The temporal relationship between the conditioned stimulus and the unconditioned stimulus**.** Conditioning takes place faster if the conditioned stimulus occurs shortly before the unconditioned stimulus.

Limitations of Classical Conditioning

Classical conditioning has real limitation in its acceptability to human behaviour in organisations for at least three reasons:

Human beings are more complex than dogs but less amenable to simple cause-and-effect conditioning.

The behavioural environment in organisations is also complex.

The human decision-making process being complex in nature makes it possible to override simple conditioning.

An alternate approach to **classical conditioning** was proposed by B.F. Skinner, known as Operant Conditioning, in order to explain the more complex behaviour of human, especially in an organizational setting.

5.4.2 Operant Conditioning

Operant Conditioning is concerned primarily with learning as a consequence of behaviour **Response-Stimulus (R-S).** In Operant Conditioning particular response occurs as a consequence of many stimulus situations.

Operant Conditioning argues that behaviour is a function of its consequences.

People learn to behave to get something they want or avoid something they don’t want.

Operant behaviour means voluntary or learned behaviour.

The tendency to repeat such behaviour is influenced by the reinforcement or lack of reinforcement brought about by the consequences of the behaviour.

Operant Conditioning Examples

This Response-Stimulus (R-S) can be applied in management to assess organizational behaviour. From an organizational point of view, any stimulus from the work environment will elicit a response. The consequence of such a response will determine the nature of the future response.

For example, working hard and getting the promotion will probably cause the person to keep working hard in the future.

Factors Influencing Operant Conditioning

In operant conditioning, several factors affect response rate, resistance to extinction and how quickly a response is acquired.

Magnitude of reinforcement In general, as magnitude of reinforcement increases, acquisition of a response is greater. For example, workers would be motivated to work harder and faster, if they were paid a higher salary.

Immediacy of reinforcement Responses are conditioned more effectively when reinforcement is immediate. As a rule, the longer the delay in reinforcement, the more slowly a response is acquired.

Level of motivation of the learner If you are highly motivated to learn to play football you will learn faster and practice more than if you have no interest in the game.

Cognitive Learning Theory

Behaviourists such as **Skinner and Watson** believed that learning through operant and classical conditioning would be explained without reference to internal mental processes.

Today, however, a growing number of psychologists stress the **role of mental processes**. They choose to broaden the study of learning theories to include such cognitive processes as thinking, knowing, problem-solving, remembering and forming mental representations.

According to cognitive theorists, these processes are critically important in a more complete, more comprehensive view of learning.

Learning by Insight

Wolfang Kohler (1887 – 1967): A German Psychologist studied anthropoid apes and become convinced that they behave intelligently and were capable of problem solving.

In one experiment Kohler hung a bunch of bananas inside the caged area but overhead, out of reach of the apes; boxes and sticks were left around the cage.

Kohler observed the chimp's unsuccessful attempts to reach the bananas by jumping or swinging sticks at them.

Eventually the chimps solved the problem by piling the boxes one on top of the other until they could reach the bananas.

Kohler's major contribution is his notion of learning by insight. In human terms, a solution gained through insight is more easily learned, less likely to be forgotten, and more readily transferred to new problems than solution learned through rote memorization.

Latent Learning and Cognitive Maps

Edward Tolman (1886 – 1959) differed with the prevailing ideas on learning

He believed that learning could take place without reinforcing.

(b) He differentiated between learning and performance. He maintained that latent learning could occur. That is learning could occur without apparent reinforcement but not be demonstrated until the organism was motivated to do so.

Social Learning Theory

Albert Bandura contends that many behaviours or responses are acquired through observational learning. Observational learning, sometimes called **modelling**, results when we observe the behaviours of others and note the consequences of that behaviour.

Social learning theory is a behavioural approach. The approach basically deals with **learning process** based on direct observation and the experience.

Social learning theory integrates the cognitive and operant approaches to learning. It recognises that learning does not take place only because of environmental stimuli (classical and operant conditioning) or of individual determinism (cognitive approach) but is a blend of both views.

Usually, the following four processes determine the influence that a model will have on an individual:

Attention Process

Retention Process

Motor Reproduction Process

Reinforcement Process

Attention Process: People can learn from their models provided they recognise and pay attention to the critical features. In practice, the models that are attractive, repeatedly available, or important to us tend to influence us the most.

Retention Process: A model's influence depends on how well the individual can remember or retain in memory the behaviour/action displayed by him when the model is no longer readily available.

Motor Reproduction Process: Now, the individual needs to convert the model's action into his action. This process evinces how well an individual can perform the modelled action.

Reinforcement Process: Individuals become motivated to display the modelled action if incentive and rewards are provided to them.

Self-check Question:

A. **Name any two theories of learning.**
B. **Who proposed social learning theory? Albert Bandura**
C. **Who developed cognitive learning theory? Jean Piaget**
D. **Who gave the classical conditioning theory? Ivan Pavloc**

Self-Efficacy

Central to Bandura's social learning theory is the notion of self-efficacy. Self-efficacy is an individual's belief and expectancies about his or her ability to accomplish a specific task effectively.

According to Bandura, self-efficacy expectations may be enhanced through four means as follows:

Performance accomplishments **(just do it)**

Vicarious experiences (**watch someone else do it**)

Verbal persuasion (**be convinced by someone else to do it**)

Emotional arousal (**get excited about doing it**)

5.5 REINFORCEMENT AND LEARNING

Reinforcement as a term refers to the psychological process of motivating a person. Though used synonymously, there is a slight difference between motivation and reinforcement. Motivation is a fundamental psychological process and a broader connotation than reinforcement. Motivation can be referred to as an intrinsic process, whereas reinforcement is related to the environment. Simply put, reinforcement will be any action that a person finds rewarding. Few common reinforcement gestures could be a pat on the back, an increase in pay, and a day off or a citation.

Reinforcement is something which enhances the strength of the response and prompts repetitions of the behaviour that preceded reinforcement. From the above perspective it may be noted that reinforcement is not merely a reward. This means that the reward aspect is something which is presumed to be desirable from the perspective of the presenter (or manager). Although, if the employee being rewarded does not find it sufficiently rewarding, then no reinforcement will take place.

Contingency of Reinforcement

Contingency of reinforcement refers to the relationship between a person's behaviour and the preceding and following environmental events which will influence that behaviour. A contingency of reinforcement comprises of an antecedent, a behaviour, and a consequence.

It should be noted that the presenting or withdrawal of a particular antecedent increases the probability of a particular behaviour likely to occur. For instance, managers should ideally prepare 'a list of to do' items every day. This list as an antecedent helps to organise their jobs/tasks for the day and also calls for their attention on specific behaviours required. A consequence will be the outcome or result of a behaviour, which can be either positive or negative in terms of accomplishment of the goal. The manager's response to an employee's behaviour is contingent on the consequences of the behaviour.

Reinforcement, punishment, and extinction play a key role in learning process. Reinforcement is used to enhance desirable behaviour while punishment and extinction are employed to minimise undesirable behaviour.

Reinforcement is always knowledge of feedback about the success of past behaviour. Feedback is information that can be used to modify or maintain previous behaviours. However, this information has to be perceived, interpreted, given meaning and used in decisions about future behaviours. The feedback has to be processed.

Reinforcement is the attempt to develop or strengthen desirable behaviour. There are two types of reinforcement – positive and negative reinforcement.

Positive reinforcement: Positive reinforcement strengthens and enhances behaviour by the presentation of positive reinforcers. There are primary reinforcers and secondary reinforcers. Primary reinforcers satisfy basic biological needs and include food, water, and sexual pleasure. However, primary reinforcers do not always reinforce. For instance, food may not be a reinforcer to someone who has just completed a five-course meal. Most behaviours in organisations are influenced by secondary reinforcers. These include such benefits as money, status, grades, trophies, and praise from others. These become positive reinforcers because of their association with the primary reinforcers and hence often called conditional reinforcers.

Positive reinforcement is based on certain principles:

• The principle of contingent reinforcement states that the reinforcer must be admitted only if the desired behaviour has occurred.

• The principle of immediate reinforcement states that the reinforcer will be most effective if administered immediately after the desired behaviour has occurred.

• The principle of reinforcement size states that the larger the amount of reinforcement delivered after the desired behaviour, the more effect the reinforcer will have on the frequency of the desired behaviour.

• The principle of reinforcement deprivation states that the more a person is deprived of the reinforcer, the greater it will have on the future occurrence of the desired behaviour.

Negative reinforcement: An unpleasant event that precedes a behaviour is removed when the desired behaviour occurs.

Just as there are positive reinforcers, there are negative reinforcers as well. Negative reinforcers are the stimuli that strengthen responses that permit an organism to avoid or escape from their presence.

We see negative reinforcement in organisations and in personal life. Supervisors apply negative reinforcement when they stop criticising employees whose poor performance has improved. Also, negative reinforcement occurs when parents Learning give in to their childrens' tantrums – especially in public places, such as restaurants and shopping malls.

Thus, both positive and negative reinforcement are procedures that strengthen or increase behaviour. Positive reinforcement strengthens or increases behaviour by the presentation of desirable consequences. On the other hand, negative reinforcement strengthens and increases behaviour by the threat of and use of undesirable consequences. Negative reinforcement is sometimes confused with punishment, because both use unpleasant stimuli to influence behaviour.

Self-checking Questions:

- **A. Define self-efficacy.**
- **B. What do you understand by reinforcement?**
- **C. What is positive reinforcement?**
- **D. Define negative reinforcement?**

5.6 PRINCIPLES OF LEARNING

Over the years, educational psychologists have identities several principles which seem generally applicable to the learning process. They provide additional insight into what makes people learn most effectively.

Principle of Discrimination – According to this principle, by discriminating between two situations a person learns to respond positively or negatively. For example, a manager has four subordinates. All are having equal ability and work in a similar environment. Two out of them work magnificently while the other two are poor workers. The manager will have a positive response towards the former and negative response towards the latter. This behaviour of the manager will encourage the workers doing inferior work to improve the quality of their work. If the manager does not learn anything from the present situation, he will behave in a similar fashion with all. As a result of this, workers doing inferior work will not improve.

Principle of Generalisation – This principle is absolutely different from the principle of discrimination. In case of the principle of discrimination the difference between the two situations is observed while in case of the principle of generalisation, the two situations are seen as the same According to the principle of generalisation, if some earlier situation takes place in future, the response of the person happens to be the same as was the case in the earlier situation. He looks at both the situations as being similar. In other words, he generalises the situations. Because of generalisation the person does not have to learn anew in order to face the situation. Instead, his old experience serves him well.

Principle of Extinction – According to this principle, if the response is not connected with the result, the response becomes extinct. For example, if a manager appreciates the work done by his subordinates (meaning response), gives them bonus (means results) to motivate them, the desire to lean will be sharpened in them. They will learn more and more and work better. On the contrary, if the work done by the subordinates is not related to the results, their willingness to learn will gradually disappear or become extinct. As a result of it efficiency will suffer.

Pavlov pointed out in his experiment that when the dog was shown a piece of meat along with sounding the bell, saliva dropped from its mouth. After this saliva dropped from its mouth at the sounding of only the bell. When this activity is repeatedly shown, the saliva stops dropping. In other words, in the absence of result (food), response does not appear. This absence of response is called extinction.

Principle of Spontaneous Recovery – This principle is linked with the principle of extinction. According to this principle, in the position of extinction the learned response is not completely extinct but instead is suppressed. This principle shows that when after some interval when the response is associated with results, its affect starts becoming apparent. It means that the work starts getting completed quickly and efficiently. On the basis of the experience of Pavlov when the sounding of bell is not accompanied by the show of the piece of meat and this activity is repeated time and again, the response gets stopped (dropping of saliva). But after some days when only the bell is sounded in front of the dog, his learned activity gets refreshed and it starts dropping saliva only on the sounding of the bell. The principle of spontaneous Recovery is based on the same fact.

Principle of Effect – According to this principle of learning, a person learns something on the basis of the effect of the activity. The effect of the activity is either satisfying or not satisfying. If the effect happens to be satisfying the person learns that activity and repeats it. On the contrary, if the effect is not satisfying the person does not learn it and neither does he repeat it. Therefore, a person learns some activity because it gives him satisfaction.

Principle of Readiness – According to this principle, a person can learn when he is physically and mentally ready to learn. When he is ready to learn without any pressure from outside, only then learning becomes possible. Readiness strengthens his resolve to learn.

Principle of Exercise – According to this principle, if an activity learnt by an individual is repeated, it gets strengthened. This principle is based on the fact that if the learnt activity is repeated time and again, it gets strengthened and it gets fixed in the mind of the learner. This principle is based on the fact that 'practice makes a man perfect.'

Self-check Question:

A. **Explain principle of readiness in context to learning.**
B. **Describe principle of Exercise.**
C. **Define the principle of Effect.**

5.7 SUMMARY

Learning is understood as the modification of behaviour through practice, training, or experience.

There are four approaches to learning known as classical conditioning; operant conditioning; cognitive learning; and social learning.

Classical conditioning is based on the premise that a physical object which initially does not elicit a particular response, gradually acquires the capacity to elicit that response as a result of repeated pairing with a stimulus that can elicit a reaction.

Operant conditioning proposed by B.F. Skinner refers to the process that our behaviour produces certain consequences and how we behave in the future will depend on what those consequences are.

Cognitive learning deviates from the other two in that learning is considered as the outcome of deliberate thinking about the situation and responding in an objective manner.

Social learning also known as observational learning occurs by observing others – parents, teachers, peers, film stars and other popular figures in public life – due to social interaction, or by observing the behaviour of role models in a social setting.

Learning becomes effective when it is based on certain principles such as motivation, reinforcement, whole versus part learning, learning curves, and meaningfulness of material.

Reinforcement refers to the consequences of a behaviour.

Reinforcement is the attempt to develop or strengthen desirable behaviour; a sort of feedback about the success of past behaviour.

5.8 Keywords

Learning- Learning is understood as the modification of behaviour through practice, training, or experience.

Social learning- Social learning also known as observational learning occurs by observing others – parents, teachers, peers, film stars and other popular figures in public life – due to social interaction, or by observing the behaviour of role models in a social setting.

Reinforcement- Reinforcement refers to the consequences of a behaviour. Reinforcement is the attempt to develop or strengthen desirable behaviour; a sort of feedback about the success of past behaviour.

Self-Efficacy- Self-efficacy is an individual's belief and expectancies about his or her ability to accomplish a specific task effectively.

5.9 Short Question Answer

1. How does learning contribute to individual and organizational effectiveness?
2. Explain any four principles of learning.
3. Define classical conditioning theory.
4. Define four characteristics of learning.

5.10 Long Question Answer

1. What is learning? What are its distinguishing features?
2. How do you distinguish between classical and operant conditioning? What relevance these concepts have in an organizational setting?
3. Explain the various approaches to learning. How does each approach differ from the other?
4. Define learning curves. Differentiate between positive and negative reinforcement.

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5.12 Self-check Questions (Answer Key)

5.3

A. Learning covers virtually all behaviours and is concerned with the acquisition of knowledge, attitudes and values, emotional responses (such as happiness and fear), and motor skills (such as operating a computer keyboard or riding a bicycle).
B. First, learning always involves some kind of experience. These experiences may be derived from inside the body or they may be sensory, arising outside. The task of inferring whether or not learning has taken place may be an obvious one, but observable behaviour may not always reveal learning.
learning cannot be observed directly. We can only observe a person's behaviour and draw the inference from it that learning has taken place.

5.4

A. Classical conditioning theory, Social learning theory
B. Albert Bandura
C. Jean Piaget
D. Ivan Pavloc

5.5

A. Self-efficacy is an individual's belief and expectancies about his or her ability to accomplish a specific task effectively.
B. Reinforcement as a term refers to the psychological process of motivating a person. Reinforcement is something which enhances the strength of the response and prompts repetitions of the behaviour that preceded reinforcement. From the above perspective it may be noted that reinforcement is not merely a reward. This means that the reward aspect is something which is presumed to be desirable from the perspective of the presenter (or manager).
C. Positive reinforcement strengthens and enhances behaviour by the presentation of positive reinforcers.
D. An unpleasant event that precedes a behaviour is removed when the desired behaviour occurs.

5.6

A. According to this principle, a person can learn when he is physically and mentally ready to learn.
B. According to this principle, if an activity learnt by an individual is repeated, it gets strengthened. This principle is based on the fact that if the learnt activity is repeated time and again, it gets strengthened and it gets fixed in the mind of the learner.
C. According to this principle of learning, a person learns something on the basis of the effect of the activity.

LESSON NO.6 **AUTHOR: MANKAJ MEHTA**

PERSONALITY AND VALUES

STRUCTURE

6.1 OBJECTIVES

After studying this lesson, you should be able to:

Explain the theories of personality in organizational behaviour.

Differentiate emotions from moods.

Identify the sources of emotions and moods.

6.2 PERSONALITY: AN INTRODUCTION

Personality encompasses a person's relatively stable feelings, thoughts, and behavioural patterns. Each of us has a unique personality that differentiates us from other people, and understanding someone's personality gives us clues about how that person is likely to act and feel in a variety of situations. To manage effectively, it is helpful to understand the personalities of different employees. Having this knowledge is also useful for placing people into jobs and organizations.

If personality is stable, does this mean that it does not change? You probably remember how you have changed and evolved as a result of your own life experiences, parenting style and attention you have received in early childhood, successes and failures you experienced over the course of your life, and other life events. In fact, personality does change over long periods of time. For example, we tend to become more socially dominant, more conscientious (organized and dependable), and more emotionally stable between the ages of 20 and 40, whereas openness to new experiences tends to decline as we age. In other words, even though we treat personality as relatively stable, change occurs. Moreover, even in childhood, our personality matters, and it has lasting consequences for us. For example, studies show that part of our career success and job satisfaction later in life can be explained by our childhood personality.

Is our behaviour in organizations dependent on our personality? To some extent, yes, and to some extent, no. While we will discuss the effects of personality for employee behaviour, you must remember that the relationships we describe are modest correlations. For example, having a sociable and outgoing personality may encourage people to seek friends and prefer social situations. This does not mean that their personality will immediately affect their work behaviour. At work, we have a job to do and a role to perform. Therefore, our behaviour may be more strongly affected by what is expected of us, as opposed to how we want to behave. Especially in jobs that involve a lot of autonomy, or freedom, personality tends to exert a strong influence on work behaviour, something to consider when engaging in organizing activities such as job design or enrichment.

6.3 DEFINITION OF PERSONALITY

Personality can be defined in many ways. Perhaps one of the more useful definitions for purposes of organizational analysis is offered by Salvatore Maddi, who defines personality as follows:

". . . a stable set of characteristics and tendencies that determine those communalities and differences in the psychological behaviour (thoughts, feelings, and actions) of people that have continuity in time and that may not be easily understood as the sole result of the social and biological pressures of the moment."

Several aspects of this definition should be noted. First, personality is best understood as a constellation of interacting characteristics; it is necessary to look at the whole person when attempting to understand the phenomenon and its effects on subsequent behaviour. Second, various dimensions of personality are relatively stable across time. Although changes—especially evolutionary ones—can occur, seldom do we see major changes in the personality of a normal individual. And third, the study of personality emphasizes both similarities and differences across people. This is important for managers to recognize as they attempt to formulate actions designed to enhance performance and employee well-being.

6.4 FACTORS OF PERSONALITY

Early research on personality development focused on the issue of whether heredity or environment determined an individual's personality. Although a few researchers are still concerned with this issue, most contemporary psychologists now feel this debate is fruitless. As noted long ago by Kluckhohn and Murray: "The two sets of determinants can rarely be completely disentangled once the environment has begun to operate. The pertinent questions are: (1) which of the various genetic potentialities will be actualized as a consequence of a particular series of life-events in a given physical, social, and cultural environment? And (2) what limits to the development of this personality are set by genetic constitution?" In other words, if the individual is viewed from the whole-person perspective, the search for the determinants of personal traits focuses on heredity and environment as well as the interaction between the two over time. In this regard, five major categories of factors of personal traits may be identified: physiological, cultural, family, and social group, role, and situational factors.

Physiological Factor: Physiological determinants include factors such as stature and health that often act as constraints on personal growth and development. For instance, tall people often tend to become more domineering and self-confident than shorter people.

Cultural Factor: Because of the central role of culture in the survival of a society, there is great emphasis on instilling cultural norms and values in children growing up. For instance, in capitalist societies, where individual responsibility is highly prized, emphasis is placed on developing achievement-oriented, independent, self-reliant people, whereas in socialistic societies, emphasis is placed on developing cooperative, group-oriented individuals who place the welfare of the whole society ahead of individual needs. Cultural determinants affect personal traits. As Mussen notes, "The child's cultural group defines the range of experiments and situations he is likely to encounter and the values and personality characteristics that will be reinforced and hence learned." Consider, for example, how Japanese society develops its world-renowned work ethic.

Family and Social Group Factors: Perhaps the most important influences on personal development are family and social group determinants. For instance, it has been found that children who grow up in democratic homes tend to be more stable, less argumentative, more socially successful, and more sensitive to praise or blame than those who grow up in authoritarian homes.11 One's immediate family and peers contribute significantly to the socialization process, influencing how individuals think and behave through an intricate system of rewards and penalties.

Situational Determinants: Finally, personal development can be influenced by situational determinants. These are factors that are often unpredictable, such as a divorce or death in the family. For instance, James Abegglen studied 20 successful male executives who had risen from lower-class childhoods and discovered that in three-fourths of the cases these executives had experienced some form of severe separation trauma from their fathers. Their fathers (and role models) had died, been seriously ill, or had serious financial setbacks. Abegglen hypothesized that the sons' negative identification with their fathers' plights represented a major motivational force for achievement and success.

Role Determinants: People are assigned various roles very early in life because of factors such as socioeconomic background and race. As one grows older, other factors, such as age and occupation, influence the roles we are expected to play. Such role determinants often limit our personal growth and development as individuals and significantly control acceptable behaviour patterns.

Self-check Question:

- **A. Define personality.**
- **B. What do you understand by psychological factor of personality?**
- **C. How role determinants plays role in formation of an individual's personality?**

6.5 THEORIES OF PERSONALITIES

6.5.1 Type Theory

This is the oldest theory. According to this theory, individuals can be placed in different categories on the basis of their special traits. All the people belonging to a particular category have similar traits. It means that all have a similar personality. Therefore, it can be said that there can be various types of personality.

For example, being introvert is a personality. People belonging to such a category possess similar traits. They include some common traits like disinterestedness in social work, hesitancy, avoiding meeting people and speaking very little, etc. **Type Theory Of Personality** have been presented by **Sheldon and Karljung**. They are the following;

Sheldon's Personality Theory

In the year 1940, Sheldon presented his Personality Type Theory on the basis of physical formation. He studied 4,000 students in order to determine the type of personality based on the basis of physical formation. He divided personality into the following three parts:

(i) Endomorph: In this category of personality, the people are short statured and fat. Their body is of round shape. According to Sheldon, these people are jovial, social, enjoy taking rest and show great interest in eatables. These people are popular with others.

(ii) Mesomorph: People belonging to this type of personality, are attractively built. Their main traits happen to be assertion and aggressiveness. These people enjoy giving commands to others.

(iii) Ectomorph: People belonging to this type of personality are lean and thin and have a good height. Physically they are not fully developed. These people like loneliness and do not want to meet people freely. They are shy by nature and they suffer from some problems with their sleep.

Karljung's Personality Theory

Extrovert: These people have the following traits:

Interest in social activities.

Like meeting people.

Be always happy or cheerful.

They are of optimistic nature.

They believe in realism.

They are useful for society.

They are interested in eating and drinking.

Introvert: These people possess the traits which happen to be opposite of the traits of people who are extrovert. Their chief traits are the following:

Not interested in social activities

Like living alone.

Be always uneasy.

Conservative by nature.

They are self-centered.

They do not like consulting other people.

Ungenial behaviour.

6.5.2 Psycho Analytical Theory

The **Psychoanalytic Theory** is the personality theory, which is based on the notion that an individual gets motivated more by unseen forces that are controlled by the conscious and the rational thought. Sigmund Freud is closely related to the psychoanalytic theory. According to him, the human behaviour is formed through an interaction between three components of the mind, i.e., Id, Ego, and Super Ego.

Id: Id is the primitive part of the mind that seeks immediate gratification of biological or instinctual needs. The biological needs are the basic physical needs and while the instinctual needs are the natural or unlearned needs, such as hunger, thirst, sex, etc. Id is the unconscious part of the mind; that act instantaneously without giving much thought to what is right and what is wrong.

Example: If your Id passed through a boy playing with a ball, the immediate urge to get that ball will drive you to snatch it by any means, this is irrational and may lead to the conflict between the boys. Thus, Id is the source of psychic energy, a force that is behind all the mental forces.

Super-Ego: The Super-Ego is related to the social or the moral values that an individual inculcates as he matures. It acts as an ethical constraint on behaviour and helps an individual to develop his conscience. As the individual grows in the society, he learns the cultural values and the norms of the society which help him to differentiate between right and wrong.

Example: If the super-ego passed that boy playing with a ball, it would not snatch it, as it would know that snatching is bad and may lead to a quarrel. Thus, super ego act as a constraint on your behaviour and guides you to follow the right path. But if the Id is stronger than super-ego, you will definitely snatch the ball by any means.

Ego: Ego is the logical and the conscious part of the mind which is associated with the reality principle. This means it balances the demands of Id and super-ego in the context of real life situations. Ego is conscious and hence keeps a check on Id through a proper reasoning of an external environment.

Example: If you pass through the same boy playing with the ball, your ego will mediate the conflict between the Id and super-ego and will decide to buy a new ball for yourself. This may hurt you Id, but the ego would take this decision to reach to a compromise situation between the Id and super-ego by satisfying the desire of getting a ball without committing any unpleasant social behaviour.

Hence, these are the fundamental structures of the mind, and there is always a conflict between these three. The efforts to attain the balance between these define the way we behave in the external environment.

6.5.3 Socio-Psychological Theory

The **Socio-Psychological Theory** asserts that individual and society are interlinked. This means, an individual strives to meet the needs of the society and the society helps him to attain his goals. Through this interaction, the personality of an individual is determined.

The Socio-Psychological theory is the contribution of Adler, Horney, Forman, and Sullivan. This theory is also called as Neo-Freudian Theory because it differs from the Freud's psychoanalytic theory in the following respects:

According to this theory, the social variables and not the biological instincts, are the important determinants in shaping the individual's personality.

Here, the motivation is conscious, i.e., an individual knows what are his needs and wants and what kind of behaviour is required to meet these needs.

Thus, the theorists believe that socio-psychological factors, i.e., the combination of both the social (family, society, wealth, religion) and the psychological factors (feelings, thoughts, beliefs) play an important role in shaping the personality of an individual. It is the society from where the individual inculcates the cultural values and the social norms, which helps him in shaping his personality and influences his behaviour according to the external situations.

6.5.4 Erikson's Theory

This theory states that personality is groomed throughout lifetime. He presents eight distinct stages each with two possible outcomes. Successful completion of each stage leads to a healthy personality. These stages are –

Infancy − It is the period between 0-1 years of age. In this stage, children learn the ability to trust others depending on their caregivers. Unsuccessful completion in this stage results in anxiety and insecurity. **Example** − Children of this age are more comfortable with those faces they see more often and not with strangers.

Early Childhood − It is the period between 1-3 years of age. In this stage, children learn to be independent. If given support, they become more confident else they become dependent over others. **Example** − Children in this age are taught how to walk, how to talk etc.

Play Age − It is the period between 3-6 years of age. In this stage, children assert themselves frequently. The failure leads to development of a sense of guilt among them. **Example** − Children in this age group, need to be taught how to behave and should be taught to be focused.

School Age − It is the period between 6 years of age till puberty. In this stage, children become more innovative. They feel confident and want to achieve their goals. If not encouraged they may feel inferior. **Example** − Teenagers should be protected and parents need to understand them and should handle them patiently.

Adolescence − This stage is a transformation from childhood to adulthood. Here children find their own identity and should be guided and supported in order to help them choose the right direction. **Example** − Decision such as which stream to choose science or commerce etc. happens during this stage.

Young Childhood − This stage is also known as young adulthood. Here, they begin to open up and become more intimate with others. **Example** − Making close friends.

Adulthood − In this stage, they focus on establishing career and settling down with relationships that are important. **Example** − Applying for jobs.

Mature Adulthood − In this stage, a person is old and thus in this stage the productivity slows down. **Example** − Taking care of the family.

6.5.5 Big Five Personality Traits

Many contemporary personality psychologists believe that there are five basic dimensions of personality, often referred to as the "Big 5" personality traits. The five broad personality traits described by the theory are extraversion (also often spelled extroversion), agreeableness, openness, conscientiousness, and neuroticism.

Trait theories of personality have long attempted to pin down exactly how many personality traits exist. Earlier theories have suggested a various number of possible traits, including Gordon Allport's list of 4,000 personality traits, Raymond Cattell's 16 personality factors, and Hans Eysenck's three-factor theory.

However, many researchers felt that Cattell's theory was too complicated and Eysenck's was too limited in scope. As a result, the five-factor theory emerged to describe the essential traits that serve as the building blocks of personality.

6.5.5.1 Big Five Dimensions of Personality

Today, many researchers believe that there are five core personality traits. Evidence of this theory has been growing for many years, beginning with the research of D. W. Fiske (1949), and later expanded upon by other researchers including Norman (1967), Smith (1967), Goldberg (1981), and McCrae & Costa (1987).

The "big five" are broad categories of personality traits. While there is a significant body of literature supporting this five-factor model of personality, researchers don't always agree on the exact labels for each dimension.

You might find it helpful to use the acronym OCEAN (openness, conscientiousness, extraversion, agreeableness, and neuroticism) when trying to remember the big five traits. CANOE (for conscientiousness, agreeableness, neuroticism, openness, and extraversion) is another commonly used acronym.

It is important to note that each of the five personality factors represents a range between two extremes. For example, extraversion represents a continuum between extreme extraversion and extreme introversion. In the real world, most people lie somewhere in between the two polar ends of each dimension.

These five categories are usually described as follows.

Openness to Experience

Openness to experience has been described as the depth and complexity of an individual's mental life and experiences (John & Srivastava, 1999). It is also sometimes called intellect or imagination. Openness to experience concerns people's willingness to try to new things, their ability to be vulnerable, and their capability to think outside the box.

Common traits related to openness to experience include:

Imagination

Insightfulness

Varied interests

Originality

Daringness

Preference for variety

An individual who is high in openness to experience is likely someone who has a love of learning, enjoys the arts, engages in a creative career or hobby, and likes meeting new people (Lebowitz, 2016a). An individual who is low in openness to experience probably prefers routine over variety, sticks to what he or she knows, and prefers less abstract arts and entertainment.

Conscientiousness

Conscientiousness is a trait that can be described as the tendency to control impulses and act in socially acceptable ways, behaviours that facilitate goal-directed behaviour (John & Srivastava, 1999). Conscientious people excel in their ability to delay gratification, work within the rules, and plan and organize effectively.

Traits within the conscientiousness factor include:

Persistence

Ambition

Thoroughness

Consistency

Predictability

Control

Reliability

People high in conscientiousness are likely to be successful in school and in their careers, to excel in leadership positions, and to doggedly pursue their goals with determination and forethought (Lebowitz, 2016a). People low in conscientiousness is much more likely to procrastinate and to be flighty, impetuous, and impulsive.

Extraversion

This factor has two familiar ends of its spectrum: extroversion and introversion. It concerns where an individual draws their energy from and how they interact with others. In general, extroverts draw energy from or recharge by interacting with others, while introverts get tired from interacting with others and replenish their energy with solitude.

Sociableness

Merriness

Outgoing nature

Energy

Talkativeness

Ability to be articulate

The traits associated with extroversion are:

People high in extroversion tend to seek out opportunities for social interaction, where they are often the "life of the party." They are comfortable with others, are gregarious, and are prone to action rather than contemplation (Lebowitz, 2016a).

People low in extroversion is more likely to be people "of few words who are quiet, introspective, reserved, and thoughtful.

Agreeableness

This factor concerns how well people get along with others. While extroversion concerns sources of energy and the pursuit of interactions with others, agreeableness concerns one's orientation to others. It is a construct that rests on how an individual generally interacts with others.

The following traits fall under the umbrella of agreeableness:

Altruism;

Trust;

Modesty;

Humbleness;

Patience;

Politeness;

Loyalty

People high in agreeableness tend to be well-liked, respected, and sensitive to the needs of others. They likely have few enemies and are affectionate to their friends and loved ones, as well as sympathetic to the plights of strangers (Lebowitz, 2016a).

People on the low end of the agreeableness spectrum are less likely to be trusted and liked by others. They tend to be callous, blunt, rude, ill-tempered, antagonistic, and sarcastic. Although not all people who are low in agreeableness are cruel or abrasive, they are not likely to leave others with a warm fuzzy feeling.

Neuroticism

Neuroticism is not a factor of meanness or incompetence, but one of confidence and being comfortable in one's own skin. It encompasses one's emotional stability and general temper.

These traits are commonly associated with neuroticism:

Awkwardness

Moodiness

Jealousy

Testiness

Fear

Those high in neuroticism are generally prone to anxiety, sadness, worry, and low self-esteem. They may be temperamental or easily angered, and they tend to be self-conscious and unsure of themselves (Lebowitz, 2016a). Individuals who score on the low end of neuroticism are more likely to feel confident, sure of themselves, and adventurous. They may also be brave and unencumbered by worry or self-doubt.

Self-check Question:

A. Who discover the psycho analytical theory of personality?
B. What do you understand by super ego?
C. What do you understand by Openness to experience?
D. Who discovered the Socio-Psychological Theory of personality?

6.6 VALUES

Values are important to the study of organizational behaviour because they lay the foundation for the understanding of attitudes and motivation and because they influence our perceptions. Individuals enter an organization with preconceived notions of what "ought" and what "ought not" be. Of course, these notions are not value-free. On the contrary, they contain interpretations of right and wrong. Values generally influence attitudes and behaviour. When we were children, why did many mothers tell us "You should always clean your dinner plate"? The answer is that in our culture, certain values have developed over time and are continuously reinforced. Achievement, peace, cooperation, equity, and democracy are societal values that are considered desirable. The values we hold are essentially established in our early years from parents, teachers, friends, and others. Your early ideas of what is right and wrong were probably formulated from the views expressed by our parents. As one grows up, one is exposed to other value systems, and one alters number of values.

6.6.1 Types of Values

1. Allport and associates described six types of values. These are discussed briefly as follows:

(a) **Theoretical value:** Theoretical value is related to importance and discovery of truth through rational approach. If all the employees practice truth in true sense, the organization would operate itself and there won't be any need for supervision. Truth is such a powerful value that the British Empire had to leave Indian soil.

(b) **Economic value:** It emphasises usefulness and practicability of resources, efforts put in by individuals and the consequent value derived there from. If the project is economically viable (in a very large sense) then it can be undertaken. Economic value is appreciated from a very broad sense and it spells apart from economics of the issue. It also adds human value to it when it is considered. It is the human aspect, which makes economic value enlarged.

(c) **Aesthetic value:** It is form of Harmony. We believe that all work must be done in a smooth manner and that there is mutual understanding and sense of participation among all human elements. Aesthetic value is displayed by cordial relations between various levels of organization, effective communication, conflict free atmosphere and very congenial work environment. The work in organizations, which has aesthetic value system among workers, is done in harmony, peace, and participation of one and all.

(d) **Social value**: Is related to love of people, sense of belonging and an attitude of 'we' feeling. Such value is very important in the organization that brings together the employees which are bound by a sense of participation that leads to high level of motivation and high productivity.

(e) **Political value:** It refers to power and influence in the organization. Right people must be placed at the right positions so that they are able to influence the people

(f) **Religious value:** As name suggest it is related to display of value which would bring unity and understanding amongst the people in the organization based on common religious platform. This value is no more is being preached in organization as cross section of people is now working in organization world over. However, the positive impact on work environment in the organizations cannot be underestimated based on religious value.

6.6.2 Importance of Values

Values are the enduring beliefs that a specific mode of conduct or end-state of existence is personally or socially preferable.

These are more difficult to change or alter.

As ethical conduct receives more visibility in the workplace, the importance of values is increased as a topic of discussion in management.

Values are general principles to regulate our day-to-day behaviour. They not only give direction to our behaviour but are also ideals and objectives in themselves.

They are the expression of the ultimate ends, goals, or purposes of social action.

Our values are the basis of our judgments about what is desirable, beautiful, proper, correct, important, worthwhile, and good as well as what is undesirable, ugly, incorrect, improper, and bad.

Pioneer sociologist Durkheim emphasized the importance of values (though he used the term 'morals') in controlling disruptive individual passions. He also stressed that values enable individuals to feel that they are part of something bigger than themselves.

E. Shils also makes the same point and calls 'the central value system,' (the main values of society) are seen as essential in creating conformity and order.

Self-check Question:

A. **What do you understand by social value?**
B. **What do you understand by aesthetic value?**
C. **Define value.**

6.7 EMOTIONS AND MOOD

Affect is a general term that includes both moods and emotions. While emotions can be defined as intense feelings that are directed at someone or something, moods are less intense and often lack a contextual stimulus. Emotions are more likely to be caused while a specific event, while moods may be more cognitive, causing individuals to think or brood for longer periods of time. In addition, emotions and moods mutually influence each other.

There have been many attempts to classify or categorize emotions. Researchers have agreed on six essentially universal emotions: anger, fear, sadness, happiness, disgust, and surprise. Emotions may also be understood in terms of their biology, intensity, frequency and duration, irrationality, and functions.

While many consider emotions to be a limit on rationality, other studies show that emotions are critical to rational thinking. Finally, there is disagreement about the extent to which emotions serve a function or purpose. The field of evolutionary psychology hypothesizes that emotions are useful. For example, researchers have attempted to demonstrate that jealousy is a positive emotion, increasing the chances that one's' genes will be passed onto a successive generation.

One way to classify emotions is by whether they are positive or negative. Positive affect is a mood dimension consisting of positive emotions such as excitement, self-assurance, and cheerfulness at the high end, and boredom, sluggishness, and tiredness at the low end. Negative affect is a mood dimension consisting of nervousness, stress, and anxiety at the high end, and relaxation, tranquillity, and poise at the low end.

Moods and emotions may emanate from personality, from contextual factors such as the day of the week, time of the day, or weather, from stress, from social activities, from sleep, from exercise, from age, and from gender.

6.7.1 Emotional labour refers to an employee's expression of organizationally desired emotions during interpersonal transactions at work. While the study of emotional labour was initially associated with service jobs, it is relevant to all types of work settings. When an employee is asked to express one set of feelings, for example, friendliness and courtesy, while experiencing other feelings, such as anger, emotional dissonance results. Left unresolved, emotional dissonance can result in emotional exhaustion and burnout. At the heart of emotional labour is the distinction between felt emotions and expressed emotions. While felt emotions are an individual's action emotions, displayed emotions are those that the organization requires workers to show and considers appropriate in a given job. Individuals may modify their expressed emotions through surface or deep acting. Through surface acting, an individual hides inner feelings by modifying facial expressions. In contrast, deep acting involves actually modifying inner feelings through a conscious and deliberate effort. When examining the relationship between the emotional demands of a job a pay, there is not a direct positive link. In jobs that are cognitively demanding, emotional demands tend to lead to better pay. However, for jobs that are cognitively demanding, research shows that emotional demands actually are associated with worse pay.

6.7.2 Affective events theory attempts to explain the relationship between emotions and moods and job performance and satisfaction. The theory begins by recognizing that emotions are a response to an event in the work environment. These work events trigger positive or negative emotional reactions. The personality and mood predisposes individuals to respond with greater or lesser intensity to the event and will affect a number of performance and satisfaction variables.

The concept of multiple intelligences includes an understanding of emotional intelligence. **Emotional intelligence** is one's ability to detect and manage emotional cues and information. People who know their own emotions and are good at reading others' emotions may be more effective in their jobs. EI is composed of three dimensions:

Self-awareness – being aware of what you are feeling

Detecting emotions in others

Managing emotional cues and information

Several studies suggest that emotional intelligence plays and important role in job performance, although this belief is not universally shared among organizational behaviour researchers.

An understanding of emotions and moods can improve the ability of managers to explain and predict the **selection** process, decision making, creativity, motivation, leadership, interpersonal conflict, negotiation, customer service, job attitudes, and deviant workplace behaviours. Evidence suggests that emotional intelligence should be a factor in hiring decisions, particularly in jobs that demand a high degree of social interaction. The Air Force found that turnover was reduced by ninety percent when recruiters were selected on the basis of emotional intelligence scores.

When attempting to understand **decision making,** it is important to incorporate emotions and moods in the process. People in good moods or those experiencing positive emotions are more likely to use **heuristics,** or rules of thumb, to help them make good decisions quickly. However, these shortcuts can result in incorrect stereotypes and decisions.

The effect of mood on **creativity** is unclear. While some studies have shown that people in good moods produce more ideas and develop more creative solutions to problems, other studies have shown that negative moods tend to produce more critical thinking and result in more creativity.

In studying the effects of mood on **motivation,** several relationships are apparent. First, individuals in a good mood tend to have higher expectations about their ability to meet a challenge or solve a difficult problem, when compared to those with more negative moods. Second, positive feedback about performance tends to positively influence mood and positive mood may be associated with creativity and performance.

Effective leaders have discovered that emotions are critical to **leadership**. Particularly when attempting to implement significant change, evoking, and mobilizing emotions is critical. By arousing emotions and linking them to an appealing vision, leaders increase the likelihood that managers and employees will accept the change.

Emotion and mood also plays a significant role in the **negotiation** process. Negative emotions may limit the ability of the manager to be an effective negotiator. However, creating the appearance of negative mood, while maintaining a positive affect, may actually create an advantage in negotiations.

Moods and emotions are particularly significant for those in **customer service** jobs. While quality customer service is associated with positive moods and emotional states, the actual demands of dealing with the public can create emotional dissonance. In addition, negative emotions tend to have negative effects on customers.

In terms of **job attitudes,** research has shown that negative moods from a person's experience at work tend to persist when the employee arrives home after work. However, it is unusual for a negative mood resulting from a bad day at work to carry over to the next day.

Negative emotions can lead to a number of **deviant workplace behaviours**. Because of these and other negative consequences of negative emotions, managers should endeavour to improve the mood of employees. Managers can use humour and give their employees small tokens of appreciation for work well done. Research indicates that when leaders are in good moods, group members are more positive, and, as a result, the members cooperate more. Finally, selecting positive team members can have a contagion effect as positive moods transmit from team member to team member.

Self-check Question:

A. **What do you understand by emotional labour?**
B. **Define emotional intelligence.**
C. **Explain emotion.**

6.8 Keywords

Personality: An individual's unique pattern of traits, thoughts, feelings, and behaviours that influence their interactions with the world around them.

Trait: A relatively stable and enduring characteristic of an individual that influences their behaviour across different situations.

Trait Theory: A personality theory that focuses on identifying and measuring distinct traits that form the basis of individual differences.

Five-Factor Model (FFM): A widely accepted trait theory that identifies five broad personality dimensions:

- **Openness to Experience:** The degree to which an individual is open to new ideas, experiences, and values.
- **Conscientiousness:** The degree to which an individual is organized, dependable, and planful.
- **Extraversion:** The degree to which an individual is sociable, outgoing, and assertive.
- **Agreeableness:** The degree to which an individual is cooperative, trusting, and helpful.
- **Neuroticism:** The degree to which an individual experiences negative emotions, such as anxiety, worry, and+ sadness.

6.9 Short Question Answer

1. Explain the significance of learning in organizational behaviour.
2. Discuss the different types of learning that occur within organizations.
3. Identify the factors that influence the effectiveness of learning and training programs.
4. Define trait theory.

6.10 Long Question Answer

1. Define personality? Write a short note on psycho- analytic theory of personality?
2. What are the factors influencing personality?
3. How to measure personality?
4. What are the differences and similarities between emotions and moods?

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6.12 Self-check Question (Answer Key)

6.4

A. It is a stable set of characteristics and tendencies that determine those communalities and differences in the psychological behaviour (thoughts, feelings, and actions) of people that have continuity in time and that may not be easily understood as the sole result of the social and biological pressures of the moment.
B. Physiological determinants include factors such as stature and health that often act as constraints on personal growth and development.
C. People are assigned various roles very early in life because of factors such as socioeconomic background and race. As one grows older, other factors, such as age and occupation, influence the roles we are expected to play. Such role determinants often limit our personal growth and development as individuals and significantly control acceptable behaviour patterns.

6.5

A. Sigmund Freud.
B. The Super-Ego is related to the social or the moral values that an individual inculcates as he matures. It acts as an ethical constraint on behaviour and helps an individual to develop his conscience.
C. Openness to experience has been described as the depth and complexity of an individual's mental life and experiences. It is also sometimes called intellect or imagination.
D. Alfred Adler, Eric Fromm, Karen Horney and Harry Stack Sullivan.

6.6

A. It is related to love of people, sense of belonging and an attitude of 'we' feeling. Such value is very important in the organization that brings together the employees which are bound by a sense of participation that leads to high level of motivation and high productivity.
B. It is form of Harmony. We believe that all work must be done in a smooth manner and that there is mutual understanding and sense of participation among all human elements.
C. Values are the enduring beliefs that a specific mode of conduct or end-state of existence is personally or socially preferable. Values are general principles to regulate our day-to-day behaviour. They not only give direction to our behaviour but are also ideals and objectives in themselves.

6.7

A. Emotional labour refers to an employee's expression of organizationally desired emotions during interpersonal transactions at work.
B. Emotional intelligence is one's ability to detect and manage emotional cues and information. People who know their own emotions and are good at reading others' emotions may be more effective in their jobs.
C. Emotions can be defined as intense feelings that are directed at someone or something, moods are less intense and often lack a contextual stimulus.

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MOTIVATION: THEORY AND APPLICATIONS

STRUCTURE

7.1.1 The concept

Motivation is an important factor which encourages persons to give their best performance and help in reaching enterprise goals. A strong positive motivation will enable the increased output of employees but a negative motivation will reduce their performance. A key element in personnel management is motivation.

Motivation results from the interaction of both conscious and unconscious factors such as the (1) intensity of desire or need, (2) incentive or reward value of the goal, and (3) expectations of the individual and of his or her peers. These factors are the reasons one has for behaving a certain way. An example is a student that spends extra time in studying for a test because he or she wants a better grade in the class.

Every human action is the result of a need or desire. One experiences a sort of mental discomfort as long as that need remains unsatisfied in him. The moment the action is initiated he tries to get over the discomfort. What causes an action is it the need or desire? What causes a need is called the stimulus. Therefore, the manager's duty is to create the stimulus that causes a need which initiates action that leads to satisfaction. This should be a repetitive process for the action to continue. All this is call 'Motivation' in management.

According to **Likert**, "It is the core of management which shows that every human being gives him a sense of worth in face-to face groups which are most important to him. A supervisor should strive to treat individuals with dignity and a recognition of their personal worth."

7.1.2 Definitions

Scholars have variously defined motivation as follows:

Berelson and Steiner defined: "A motive is an inner state that energizes, activates, or moves and directs or channels behaviour goals."

Lillis defined as: "It is the stimulation of any emotion or desire operating upon one's will and promoting or driving it to action."

Dubin defined as: "Motivation is the complex of forces starting and keeping a person at work in an organization."

Vance defined as: "Motivation implies any emotion or desire which so conditions one's will that the individual is properly led into action."

7.2 Characteristics of Motivation

1. Incentive: Motivation is the incentive of employees. It is a personal and natural feeling of the mind of the employees. This feeling arises in the mind of an individual. In fact, an individual is inspired to make his efforts to satisfy the needs of his life.

2. Unending Process: Motivation is an unending process. Human needs are unlimited and a person always feel a need. To satisfy these needs, the person must always be inspired with the incentives for work. Satisfaction of one need leads to the feeling of another one and this process never ends.

3. Psychological Concept: Motivation is a psychological concept. It develops the mental and motivation power of an individual and motivates him to do more and better.

4. Power to Act: Motivation is a power to act. It inspires an individual to work. Feeling of a need creates tension and a person wants to work to satisfy his need. When the need is satisfied, the persons feel motivated to work for the achievement of common goals.

5. Increase in Efficiency: Motivation increase the efficiency of an individual. He uses his ability and efficiency to the best possible extent which increase his efficiency. Motivation increases the quantity and quality of production.

6. Increase in Morale: Morale is a group felling. Motivation motivates the employees to work with the co-operation of others. Thus, motivation is helpful in increasing the morale of the employees.

7.3 Importance of Motivation

1. **High level of performance:** It is the duty of every manager to ensure that the employees have a high degree of motivation. He should offer monetary and non-monetary incentives. Highly motivated workers would be regular for work, and have a sense of belonging for the organization. Quality of product will be improved, wastage will be minimum and there will be increase in productivity, and performance level will be high.

2. **Low employee turnover and absenteeism**: Employee turnover and absenteeism is caused due to low level of motivation on the part of managers. When dissatisfaction is increased employees do not enjoy the work assigned to them. Therefore, there is a tendency of absenteeism. The workers hunt for an alternative job and leave the organization whenever they get an opportunity. High level of absenteeism causes low level of production, wastages, poor quality and disruption in production schedules. Increased turnover is disastrous for any organization as it puts strain on financial position of the organization due to additional recruitment, selection, training and development.

3. **Acceptance of organization change**: Management must continuously scan the external and the internal environment. There has been a great impact of. Social change and technology evolution on the motivation level of employees. Social change increases aspirations of workers and put an additional demand on the organization, which must be considered positively so that conducing working environment is created. Technical innovation, better working conditions, better R & D facilities, encouragement to employees and existence of better personal policies should be part of any organization. This will facilitate retention of employees. Management must ensure that the changes are introduced in the organization and its benefits explained to the employees so that there is no resistance to change and organizational growth is achieved. Re-engineering, empowerment, job enrichment, job rotation, introduction of new technology and processes will go a long way to boost employee morale and achieve high degree of motivation.

4. **Organizational image:** Employees are the mirrors of any organization. Managers must lay down high performance standards coupled with high monetary and nonmonetary rewards. Training & development programmes should be regularly organized and employee skill improved. It will have a positive impact on the employees and the image of the organization will be improved. It will also reduce employee turnover and better employee will look forward to join the organization. High organizational image will contribute towards brand image of the product and services the organization is marketing.

Self-check Question:

A. **Define motivation.**
B. **Write down any two characteristics of motivation.**
C. **Why motivation is important explain in two points?**

7.4 Types of Motivation

1. **Achievement Motivation:** It is the drive to pursue and attain goals. An individual with achievement motivation wishes to achieve objectives and advance up on the ladder of success. Here, accomplishment is important for its own sake and not for the rewards that accompany it.
2. **Affiliation Motivation:** It is a drive to relate to people on a social basis. Persons with affiliation motivation perform work better when they are complimented for their favourable attitudes and co-operation.
3. **Competence Motivation:** It is the drive to be good at something, allowing the individual to perform high quality work. Competence motivated people seek job proficiency, take pride in developing and using their problem-solving skills and strive to be creative when confronted with obstacles. They learn from their experience.
4. **Power Motivation:** It is the drive to influence people and change situations. Power motivated people wish to create an impact on their organization and are willing to take risks to do so.
5. **Attitude Motivation:** Attitude motivation is how people think and feel. It is their self-confidence, their belief in themselves, their attitude to life. It is how they feel about the future and how they react to the past.
6. **Positive Motivation:** It is the reward-based motivation which tries to create willingness to perform better. It improves performance, increase mutual cooperation and develops trust between employees and management. Positive motivation may take the form of monetary, nonmonetary or both. Examples Monetary Incentive: - pay increment, cash reward, bonus payment, leave with pay, profit sharing scheme, retirement benefit and Non-monetary Incentive: - promotion, participation in decision-making, recognition, autonomy, or freedom to work, challenging work.

7. **Negative Motivation:** Negative motivation means the act of forcing employees to work by means of threat and punishment. It involves disciplinary actions. Examples: Monetary: - fines, penalties, pay cut, non-monetary: - demotion, threat of dismissal from job, transfer to remote areas, and group rejection. Since, this is not good practice. However, sometimes manager may be compelled to use this technique with a view to prevent them from undesirable behaviour.

Self-check Question:

A. **Define achievement motivation.**
B. **Describe attitude motivation.**
C. **Elaborate positive motivation.**
D. **What do you understand by power motivation?**

7.5 Techniques to Increase Motivation

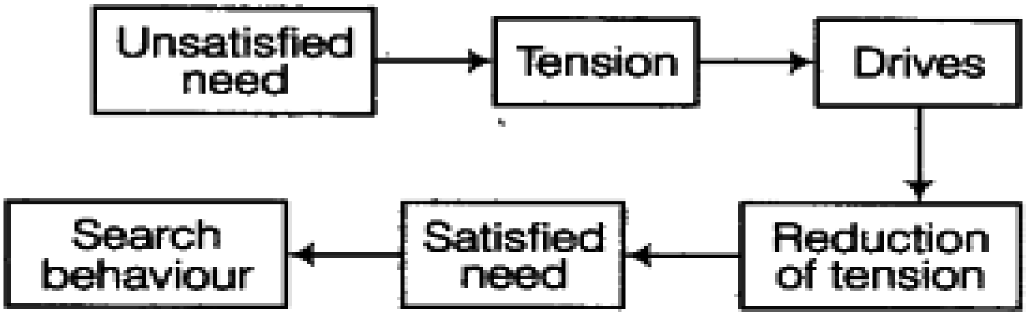
To motivate employee is the important task of each organization. It is the process by which an organization get the right things done by people. For motivating employee's mind management adopted two techniques financial and non-financial.

Financial Motivation: Financial motivation means which is directly or indirectly connected with money. Wages and salary bonuses, profit-sharing, leave with pay, medical reimbursement etc. are the financial motivation.

Non-financial Motivation: Non-financial motivations are not connected with monetary rewards. They are the psychic rewards or the rewards of enhanced position, that can be secured in the working organization. They are:

- Job security
- Job enlargement
- Job rotation
- Job loading
- Job enrichment
- Status and pride
- Quality and work life
- Reinforcement
- Competition
- Appraisal, praise, and prestige
- Delegation of authority

7.6 Motivation Process



Motivation process

1. **Unsatisfied need**. Motivation process begins when there is an unsatisfied need in a human being.
2. **Tension**. The presence of unsatisfied need gives him tension.
3. **Drive**. This tension creates an urge of drive in the human being and he starts looking for various alternatives to satisfy the drive.
4. **Search Behaviour.** After searching for alternatives, the human being starts behaving according to chosen option.
5. **Satisfied need.** After behaving in a particular manner for a long time then he evaluates that whether the need is satisfied or not.
6. **Reduction of tension**. After fulfilling the need the human being gets satisfied and his tension gets reduced.

   For example, if an employee develops a need to earn more, this need will make him restless and he will start thinking how to satisfy his need. To satisfy his need he may think of working hard in organization and get promotion so he will start working hard. After sometime he will get incentives or increments or promotion which will satisfy his need.

   But motivation process does not end by satisfaction of one need. After fulfilling one need another need develops and the same process continues till needs keep emerging in human beings.

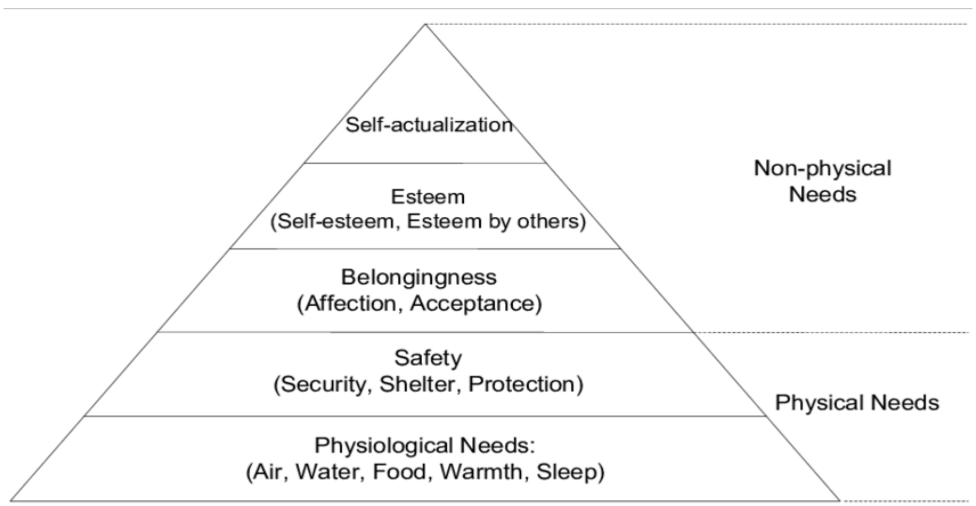
7.7 Theories of Motivation

(a) Maslow's Need Theory

Maslow's need priority model in one of the most widely referred to theories of motivation. Abraham Maslow, a clinical psychologist, thought (1943) that a person's motivational needs could be arranged in a hierarchical manner, starting in an ascending order from the lowest to the highest needs, and concluded that once a given level of needs (set of needs) was satisfied, if ceased to be a motivator. The next higher level of need to be activated to motivate the individual. Although the hierarchical aspects of Maslow's theory are subject to question and often not accepted, his identification of basic needs has been popular. Maslow identified five levels in his need hierarchy in an ascending order of importance. The five categories of needs are be described as follows:

1. **Physiological Needs:** These are the basic needs for sustaining human life itself: needs for food, drink, shelter, clothing, sleep, etc. But once these basic needs are satisfied, they no longer motivate.
2. **Safety Needs:** Safety or securing needs are concerned with freedom from physical or psychological (mental) harm, danger, deprivation, or threat, such as loss of job, property, food, clothing, or shelter.

3. **Social or Affiliation or Acceptance Needs:** These are belongingness needs emanating from human instinct of affiliation or association with others. These include owners, love, and affection, needs of mutual relations, identification with some group, etc.
4. **Esteem Needs:** This set of needs represents higher level needs. These needs represent needs for self-respect, respect of others, a general feeling of being worthwhile, competence, achievement, knowledge, independence, reputation, status, and recognition.
5. Self-actualisation Needs: This set of higher order needs concerns with reaching one's potential as a total human being. It is the desire to become what one is capable of becoming i.e., to maximum one's capacity and abilities to accomplish something appreciable and self-fulfilling. It is a need for being creative or innovative, for transforming self into reality.



Criticisms or Maslow's Model:

Maslow's theory has been criticised on several grounds:

1. Human needs cannot be classified into clear and only specifies categories, i.e., their hierarchy cannot be specified. The determination of higher and lower levels is dependent on people's cultural values, personalities, and desires.

2. It is not necessary that at a time only one need is satisfied. In other words, needs of more than one levels may be fulfilled jointly, for example, physical and esteem needs. Maslow' model does not explain this multi-motivation fact.

3. Some of the assumptions of Maslow's theory are not always found in practice.

4. It has been found by some scholars like Lawler and Suttle that physical and safety needs may be probably satisfied, but high-level needs do not appear to be rather satisfiable.

(b) McGregor's Theory X and Y

We know that there are two types of motivation viz., internal motivation and external motivation. Internal motivation is made up of the forces which exist within an individual, i.e., his needs, wants and desires. External motivation includes the forces which exist inside the individuals as well as the factors controlled by the manager, including job context items, such as salaries, working conditions, company policy and job content items, such as recognition, advancement, and responsibility.

Douglas McGregor's theory incorporates both internal and external motivation. McGregor sets forth two alternative views (at opposite extremes) of human nature - the first view is called 'Theory X' and the second view is called 'Theory Y.'

Theory X: According to Theory X there are following assumptions about the human nature, on which the manager must base his motivation efforts:

1. Average human being has an inherent dislike of work and will avoid it if he can.

2. Because of this human characteristic of dislike of work, most people must be coerced, controlled, directed, and threatened with punishment to get them to put forth adequate effort toward the achievement of organizational objectives.

3. Average human being prefers to be directed, wishes to avoid responsibility, has relatively little ambition, wants security above all. McGregor felt that Theory X assumptions were used in most industrial organisation of his time, but they were generally incorrect. Thus, the management approaches that develop from these assumptions will be inadequate for the full utilisation of each worker's potential because they will often fail to motivate people to work for the realisation of organizational objectives. Hence, he felt the need to revise and correct these assumptions to conform to the present-day organisation set up and ever-developing personality of the employee.

Theory Y: Theory Y is McGregor's modern view of the nature of man. It contains assumptions which he believed could lead to greater motivation and better fulfilment of both individual needs and organizational goals. The Theory Y assumptions are:

1. The expenditure of physical and mental effort in work is as natural as play or rest.

2. External control and the threat of punishment are not the only means for bringing about effort towards organizational objectives.

3. Commitment to objectives is a function of the reward associated with their achievement.

4. The average human being learns, under proper conditions, not only to accept but to seek responsibility.

5. The capacity to exercise a relatively high degree of imagination, ingenuity, and creativity in the solution of organizational problems is widely, not narrowly, distributed in the population.

6. Under the conditions of modern industrial life, the intellectual potentialities of the average human being are only partially utilised. It may be noted that the main foundation of Theory Y is 'integration,' i.e., the establishment of an environment in which employees can best achieve their own goals by committing themselves to the organisation's objectives. In doing so, employees are expected to exercise a large degree of internal motivation.

(c) Vroom's Expectancy Theory

It is also considered as expectancy/valence approach attempting at overcoming criticism of other motivational approaches. Expectancy approach aims at differentiating among individuals and situation. It deviates from the assumption that all employees are alike or all situations are alike and therefore there is only one way of motivating them. Expectancy approach advocates that the behaviour of individual is influenced by their expectations, perceptions, and calculations regarding the relationship between performance and rewards. It specifies that the efforts to achieve high performance is a function of perceived likelihood that high performance can be achieved and will be rewarded if achieved and that the reward will be worth efforts made. This approach has three basic elements.

1. **Performance Outcome Expectancy:** In individuals expecting some consequences of their behaviour which in turn affects their decision to behave in a particular manner. For example, the sales executive who is thinking about exceeding his sales target may expect a praise, a bonus, or no reaction.
2. **Valence:** Outcome of a particular behaviour has a specific valence that is power to motivate which varies from individual to individual. For example, promotion to higher position may have somewhat different valence for the manager who gives too much importance to money as compared to the other manager who attaches more significance to status, development, and growth.
3. **Efforts Performance Expectancy**: Expectation of individual that how difficult it will be to perform successfully will affect their decision about behaviour. For example, if choices are giver, individual will select the level of performance which have the highest possibility of achieving outcome which they value.

(d) Alderfer's ERG Theory

Alderfer's ERG theory suggests that there are three groups of core needs: **existence** (**E**), **relatedness** (**R**), and **growth** (**G**)—hence the acronym *ERG*. These groups align with Maslow's levels of physiological needs, social needs, and self-actualization needs, respectively.

Existence needs concern our basic material requirements for living. These include what Maslow categorized as physiological needs (such as air, food, water, and shelter) and safety-related needs (such as health, secure employment, and property).

Relatedness needs have to do with the importance of maintaining interpersonal relationships. These needs are based in social interactions with others and align with Maslow's levels of love/belonging-related needs (such as friendship, family, and sexual intimacy) and esteem-related needs (gaining the respect of others).

Finally, **growth** needs describe our intrinsic desire for personal development. These needs align with the other portion of Maslow's esteem-related needs (self-esteem, self-confidence, and achievement) and self-actualization needs (such as morality, creativity, problem-solving, and discovery).

Alderfer proposed that when a certain category of needs isn't being met, people will redouble their efforts to fulfil needs in a lower category. For example, if someone's self-esteem is suffering, he or she will invest more effort in the relatedness category of needs.

Implications of the ERG Theory

Managers must understand that an employee has various needs that must be satisfied at the same time. According to the ERG theory, if the manager concentrates solely on one need at a time, this will not effectively motivate the employee. Also, the frustration- regression aspect of ERG Theory has an added effect on workplace motivation. For instance- if an employee is not provided with growth and advancement opportunities in an organization, he might revert to the relatedness need such as socializing needs and to meet those socializing needs, if the environment or circumstances do not permit, he might revert to the need for money to fulfil those socializing needs. The sooner the manager realizes and discovers this, the more immediate steps they will take to fulfil those needs which are frustrated until such time that the employee can again pursue growth.

(e) Herzberg's Two-Factor Theory of Motivation

In 1959, Frederick Herzberg, a behavioural scientist proposed a two-factor theory or the motivator-hygiene theory. According to Herzberg, there are some job factors that result in satisfaction while there are other job factors that prevent dissatisfaction. According to Herzberg, the opposite of "Satisfaction" is "No satisfaction" and the opposite of "Dissatisfaction" is "No Dissatisfaction."

Herzberg classified these job factors into two categories-

a. **Hygiene factors-** Hygiene factors are those job factors which are essential for existence of motivation at workplace. These do not lead to positive satisfaction for long-term. But if these factors are absent / if these factors are non-existent at workplace, then they lead to dissatisfaction. In other words, hygiene factors are those factors which when adequate/reasonable in a job, pacify the employees and do not make them dissatisfied. These factors are extrinsic to work. Hygiene factors are also called as **dissatisfiers or maintenance factors** as they are required to avoid dissatisfaction. These factors describe the job environment/scenario. The hygiene factors symbolized the physiological needs which the individuals wanted and expected to be fulfilled. Hygiene factors include:

   - **Pay** - The pay or salary structure should be appropriate and reasonable. It must be equal and competitive to those in the same industry in the same domain.
   - **Company Policies and administrative policies** - The company policies should not be too rigid. They should be fair and clear. It should include flexible working hours, dress code, breaks, vacation, etc.
   - **Fringe benefits** - The employees should be offered health care plans (Mediclaim), benefits for the family members, employee help programmes, etc.
   - **Physical Working conditions** - The working conditions should be safe, clean, and hygienic. The work equipments should be updated and well-maintained.
   - **Status** - The employees' status within the organization should be familiar and retained.
   - **Interpersonal relations** - The relationship of the employees with his peers, superiors and subordinates should be appropriate and acceptable. There should be no conflict or humiliation element present.
   - **Job Security** - The organization must provide job security to the employees.

b. **Motivational factors-** According to Herzberg, the hygiene factors cannot be regarded as motivators. The motivational factors yield positive satisfaction. These factors are inherent to work. These factors motivate the employees for a superior performance. These factors are called satisfiers. These are factors involved in performing the job. Employees find these factors intrinsically rewarding. The motivators symbolized the psychological needs that were perceived as an additional benefit. Motivational factors include:
   a. **Recognition** - The employees should be praised and recognized for their accomplishments by the managers.
   b. **Sense of achievement** - The employees must have a sense of achievement. This depends on the job. There must be a fruit of some sort in the job.
   c. **Growth and promotional opportunities** - There must be growth and advancement opportunities in an organization to motivate the employees to perform well.
   d. **Responsibility** - The employees must hold themselves responsible for the work. The managers should give them ownership of the work. They should minimize control but retain accountability.
   e. **Meaningfulness of the work** - The work itself should be meaningful, interesting, and challenging for the employee to perform and to get motivated.

Limitations of Two-Factor Theory

The two-factor theory is not free from limitations:

1. The two-factor theory overlooks situational variables.

2. Herzberg assumed a correlation between satisfaction and productivity. But the research conducted by Herzberg stressed upon satisfaction and ignored productivity.
3. No comprehensive measure of satisfaction was used. An employee may find his job acceptable despite the fact that he may hate/object part of his job.
4. The two-factor theory is not free from bias as it is based on the natural reaction of employees when they are enquired the sources of satisfaction and dissatisfaction at work. They will blame dissatisfaction on the external factors such as salary structure, company policies and peer relationship. Also, the employees will give credit to themselves for the satisfaction factor at work.
5. The theory ignores blue-collar workers. Despite these limitations, Herzberg's Two-Factor theory is acceptable broadly.

(f) William Ouchi`s theory Z

Ouchi proposed Theory Z – a hybrid model that blends elements of successful Japanese managerial practice with an assessment of US workers` needs. It focuses heavily on a humanistic philosophy, teamwork, and consensus decisions. The distinguishing features of Theory Z companies include:

- Long-term employment
- Non-specialized careers
- Individual responsibility
- Concern for the total person
- Control systems are less formal
- Consensus decision-making and
- Slower rates of promotion

It is believed that theory Z companies develop close, cooperative, trusting relationships among workers, managers, and other groups.
Theory Z emphasizes that industrial teams are created within a stable work environment. This match enables the employee to satisfy his needs for affiliation, independence, and control. Further, it contributes for the organisation`s needs of high quality and high productivity.

Maruti Udyog Limited in India, Toyota, Honda, and Nissan are the best examples for the practices and outcomes of Theory Z. These organisations` level of quality and productivity has been quite higher than those of their competition in the respective countries. In fact, the rate of absenteeism and number of grievances in these companies are very low compared to those in similar organisations.

Positive Points of Theory Z: The positive points of theory Z are:

- Theory Z companies have made a commendable attempt to adapt Japanese ideas into their organisations.
- This theory is based on shared concern for multiple employee's needs.
- Theory Z suggests strong bondage between organisations and its employees.
- Employee's involvement is a prominent factor in this theory.
- Theory Z encourages the practice of informal organisations.
- This theory encourages automatic coordination among employees.

Negative Points of Theory Z: Theory Z is not free from criticism:

- It is criticised that this theory is not new. It is an extension of earlier theories which failed to receive popularity.
- It is also criticized that the research supporting this theory is limited.
- The other criticism is that this theory fails to provide useful criteria for helping managers regarding the correct time to use this theory.

• The volatile firms in the software industry, information technology and other high technology industries cannot provide life time employment.
• Slow rates of promotions frustrate employees.
Despite these limitation or criticisms, Theory Z helps managers in managing human resources efficiently and balancing human behaviour with the organizational environment.

(g) Adam's Equity Theory

The **Adam's Equity Theory** posits that people maintain a fair relationship between the performance and rewards in comparison to others. In other words, an employee gets de-motivated by the job and his employer in case his inputs are more than the outputs.

The Adam's Equity Theory was proposed by John Stacey Adams, and is based on the following assumptions:

- Individuals make contributions (inputs) for which they expect certain rewards (outcomes).
- To validate the exchange, an individual compares his input and outcomes with those of others and try to rectify the inequality.

Various Types of Inputs and Outcomes

Inputs	**Outputs**
Efforts	Pay
Times	Promotion
Education Experience	Recognition security
Training	Personal development
Ideas	benefit

Exchange relationship between a person's inputs/outcomes in relation to those of other persons may be of three types:

1. Overpaid Inequity: In this case, the person perceives that his outcomes are more as compared to his inputs in relation to others. This relationship can be expressed by

$$\frac{\textbf{Person's outcomes}}{\textbf{Person's input}} > \frac{\textbf{other's outcomes}}{\textbf{other's inputs}}$$

In this case, the person experiences guilt feeling.

2. Underpaid Inequity: In this case, the person perceives that his outcomes are lower as compared to his inputs in relation to others. This relationship can be expressed as

$$\frac{\textbf{Person's outcomes}}{\textbf{Person's input}} < \frac{\textbf{other's outcomes}}{\textbf{other's inputs}}$$

In such relationship, the person experience dissonance.

3. Equity: In this case, the person perceives that his outcomes in relation to his inputs are equal to those of others. This relationship can be expressed by:

$$\frac{\textbf{Person's outcomes}}{\textbf{Person's input}} = \frac{\textbf{other's outcomes}}{\textbf{other's inputs}}$$

In this case, the person experiences satisfaction. The impact of inequity on the person is as follows:

1. Perceived inequity creates tension in the person.
2. The amount of tension is proportional to the magnitude of inequity.
3. The tension created in the person will motivate him to reduce it.
4. The strength of the motivation to reduce inequity is proportional to the perceived in equity.

(h) McClelland's Needs Theory

McClelland's Needs Theory was proposed by a psychologist David McClelland, who believed that the specific needs of the individual are acquired over a period of time and gets molded with one's experience of the life. McClelland's Needs Theory is sometimes referred to as **Three Need theory** or **Learned Needs Theory.**

McClelland has identified three basic motivating needs, Viz. Need for Power, Need for Affiliation and Need for Achievement and, along with his associates performed a considerable research work on these basic needs.

1. Need for Achievement

The need for achievement would fall between needs for esteem and self-actualization. This need is satisfied not by the manifestations of success, which confer status, but with the process of carrying work to its successful completion.

This is the drive to excel, to achieve in relation to a set of standards, and to strive to succeed. In other words, need for achievement is a behaviour directed towards competition with a standard of excellence. McClelland found that people with a high need for achievement perform better than those with a moderate or low need for achievement and noted regional/national differences in achievement motivation. Through his research, McClelland identified the following three characteristics of high need achievers:

- High need achievers have a strong desire to assume personal responsibility for performing a task or finding a solution to a problem.
- High need achievers tend to set moderately difficult goals and task calculated risks.
- High need achievers have a strong desire for performance feedback.

2. Need for Power

The need for power is concerned with making an impact on other, the desire to influence other, the ways to change people, and the desire to make a difference in life. People with a high need for power are people who like to be in control of people and events. This results in ultimate satisfaction to man.

People who have a high need for power are characterized by:

- A desire to influence and direct somebody else.
- A desire to exercise and control over others.
- A concern for maintaining leader-follower relations.

3. Need for Affiliation

The need for affiliation is defined as a desire to establish and maintain friendly and warm relations with other people. The need for affiliation, in many ways, is similar to Maslow's social needs. The people with high need for affiliation have these characteristics:

- They have a strong desire for acceptance and approval from others.
- They tend to confirm to the wishes of those people whose friendship and companionship they value.
- They give value and feeling to others.

Self-check Questions:

A. **Who developed the Theory X and Theory Y?**
B. **Who founded the Theory Z?**
C. **Who gave need hierarchy theory of motivation?**
D. **Two factor theory of motivation is developed by …….?**

7.8 Summary

Motivation is derived from the word motive. Motive is an inner state that energies, activates or movies and directs or channels behaviours towards goals. Types of motivation include positive motivation and negative motivation. The basic theory of motivation is Maslow's Need Hierarchy Theory of motivation, which identifies five categories of, needs viz., psychological needs, security needs, social needs, esteem needs and self-actualisation needs. Theory X and Theory Y are based on opposite assumption towards man. Herzberg's two factor theory is based on satisfiers and dis- satisfiers. ERG Theory is based on existence, relatedness, and growth needs of individuals. These theories have their own limitations in applications and as such criticisms are levelled against them.

7.9 Keywords

Motivation: The internal or external factors that drive individuals to take certain actions or exhibit particular behaviours.

Maslow's Hierarchy of Needs: A psychological theory proposing that individuals are motivated by a hierarchy of needs, including physiological, safety, social, esteem, and self-actualization needs.

Herzberg's Two-Factor Theory: Frederick Herzberg's theory that distinguishes between hygiene factors (extrinsic factors that prevent dissatisfaction) and motivators (intrinsic factors that lead to satisfaction).

McClelland's Theory of Needs: David McClelland's theory proposing that individuals are motivated by the need for achievement, power, and affiliation.

Expectancy Theory: A motivation theory that suggests that individuals are motivated to act in a certain way if they believe that their efforts will lead to good performance, which will be rewarded.

7.10 Short Question Answer

1. Define motivation in the context of organizational behaviour.
2. Explain the significance of motivation for organizational success.
3. Discuss the key factors that influence employee motivation in the workplace.
4. Describe two-factor theory and its implications for employee motivation.

7.11 Long Question Answer

1. Examine the Maslow's Needs Hierarchy Theory of Motivation. How does this theory help Managers in Motivating Employees?
2. What is motivation? Discuss the nature and types of motivation.
3. Discuss Adam's equity theory of motivation.
4. "Theory X and Theory Y are concerned with the nature of the people." What are its implications.

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7.13 Self-check Question (Answer Key)

7.3

A. It is the stimulation of any emotion or desire operating upon one’s will and promoting or driving it to action.
B. **Incentive**: Motivation is the incentive of employees. It is a personal and natural feeling of the mind of the employees. This feeling arises in the mind of an individual. In fact, an individual is inspired to make his efforts to satisfy the needs of his life.

   Unending Process: Motivation is an unending process. Human needs are unlimited and a person always feel a need. To satisfy these needs, the person must always be inspired with the incentives for work. Satisfaction of one need leads to the feeling of another one and this process never ends.
C. **High level of performance:** It is the duty of every manager to ensure that the employees have a high degree of motivation. He should offer monetary and non-monetary incentives. Highly motivated workers would be regular for work, and have a sense of belonging for the organization. Quality of product will be improved, wastage will be minimum and there will be increase in productivity, and performance level will be high.

   Low employee turnover and absenteeism: Employee turnover and absenteeism is caused due to low level of motivation on the part of managers. When dissatisfaction is increased employees do not enjoy the work assigned to them. Therefore, there is a tendency of absenteeism. The workers hunt for an alternative job and leave the organization whenever they get an opportunity. High level of absenteeism causes low level of production, wastages, poor quality and disruption in production schedules. Increased turnover is disastrous for any organization as it puts strain on financial position of the organization due to additional recruitment, selection, training and development.

7.4

A. It is the drive to pursue and attain goals. An individual with achievement motivation wishes to achieve objectives and advance up on the ladder of success. Here, accomplishment is important for its own sake and not for the rewards that accompany it.
B. Attitude motivation is how people think and feel. It is their self-confidence, their belief in themselves, their attitude to life. It is how they feel about the future and how they react to the past.
C. It is the reward-based motivation which tries to create willingness to perform better. It improves performance, increase mutual cooperation and develops trust between employees and management. Positive motivation may take the form of monetary, nonmonetary or both.
D. It is the drive to influence people and change situations. Power motivated people wish to create an impact on their organization and are willing to take risks to do so.

7.7

A. Douglas McGregor
B. William Ouchi
C. Abraham Maslow
D. Frederick Herzberg

MBA-DE | **MBCM 1102T**
PART I SEMESTER-I | **102- ORGANIZATIONAL BEHAVIOR**

LESSON NO.8 | **AUTHOR: CHARU CHAUDHARY**

LEADERSHIP: THEORY AND ITS APPLICATIONS

STRUCTURE

8.1 Objectives

The purpose of this lesson is to:

- To introduce the concept of leadership
- To discuss the nature and characteristics of leadership
- To understand the leadership styles
- To introduce the theories of Leadership
- To discuss the contemporary issues in leadership

8.2 Introduction

Leadership is the process of actions and operations, creativity and emotions of mind, bodyand soul. Leader is the one who inspires (Self/Others) for the fulfilment of the mind, body,nature and the activities of the environment to a particular purpose in business, career and life. He works for the (Self/Others) foundation of the mind, body, nature’s relationship, attachment, separation and action.

Leadership serves several functions crucial to the success of an organization. One of the most important functions of a leader is to provide a vision for the company. The leader explains the vision and what members of the organization must do to achieve it.

While an organization may have people with various talents and capabilities, it is leadershipthat harnesses individual efforts towards the collective goal. By inspiring and motivating teams and coordinating personal actions for the advancement of a common goal, leaders help their companies achieve excellence.

8.3 Definition of Leadership

Leadership is the ability of an individual or a group of individuals to influence and guide followers or other members of an organization. Leadership involves making sound -- and sometimes difficult -- decisions, creating and articulating a clear vision, establishingachievable goals and providing followers with the knowledge and tools necessary to achieve those goals.

Definitions

"Leadership is the process of influencing people so that they will strive willingly towards theachievement of group goals." **- Koontz and O'Donnell**

"Leadership refers to the quality of the behaviour of the individual whereby they guide peopleon their activities in organised work."**- Chester I. Bernard**

"Leadership is a relationship in which one person influences others to work together willinglyon related tasks to attain what the leader desires."**- George R. Terry**

8.4 Characteristics of Leadership

An analysis of the definitions cited above reveals the following important characteristics ofleadership:

1. Leadership is a personal quality.
2. It exists only with followers. If there are no followers, there is no leadership.
3. It is the willingness of people to follow that makes person a leader.
4. Leadership is a process of influence. A leader must be able to influence the behavior,attitude and beliefs of his subordinates.
5. It exists only for the realization of common goals.
6. It involves readiness to accept complete responsibility in all situations.
7. Leadership is the function of stimulating the followers to strive willingly to attain organizational objectives.
8. Leadership styles do change under different circumstances.
9. Leadership is neither bossism nor synonymous with management.

- **Self-Check Questions**

A. It takes a leader to ______ up a leader.
B. For leader, Intuition directly sets up ______.

8.5 Leadership Styles or Types of Leaders

A leadership style refers to a leader's characteristic behaviors when directing, motivating, guiding, and managing groups of people. Great leaders can inspire political movements andsocial change. They can also motivate others to perform, create, and innovate.

8.5.1 Leadership style based on Attitude and Behavior

According to their attitude and behavior patterns leaders are classified as under:

1.Authoritarian Leadership (Autocratic)- Authoritarian leaders, also known as autocratic leaders, provide clear expectations for what needs to be done, when it should be done, and how it should be done. This style of leadership is strongly focused on both command by the leader and control of the followers. There is also a clear division between the leader and the members. Authoritarian leaders make decisions independently, with little or no input from the rest of the group. Authoritarian leadership is best applied to situations where there is littletime for group decision-making or where the leader is the most knowledgeable member of the group. The autocratic approach can be a good one when the situation calls for rapid decisions and decisive actions. However, it tends to create dysfunctional and even hostile environments, often pitting followers against the domineering leader.

2.Participative Leadership (Democratic)- Participative leadership, also known as democratic leadership, is typically the most effective leadership style. Democratic leaders offer guidance to group members, but they also participate in the group and allow input from other group members. Participative leaders encourage group members to participate, but retain the final say in the decision-making process. Group members feel engaged in the process and are more motivated and creative. Democratic leaders tend to make followers feellike they are an important part of the team, which helps foster commitment to the goals of thegroup.

3.Delegative Leadership (Laissez-Faire)- Delegative leadership, also known as laissez-faire leadership, is the leadership where Delegative leaders offer little or no guidance to group members and leave the decision-making up to group members. While this style can be usefulin situations involving highly qualified experts, it often leads to poorly defined roles and a lack of motivation. Laissez-faire leadership tended to result in groups that lacked direction and members who blamed each other for mistakes, refused to accept personal responsibility,made less progress, and produced less work.

4.Paternalistic leadership- Under this management style the leader assumes that his functionisfatherly or paternal. The relationship between the leader and his group is the same as the relationship between the head of the family and the members of the family. The leader guidesand protects his subordinates as members of his family. As the head of the family, he provideshis subordinates with good working conditions and fringe benefits. It is assumed that workers will work harder out of gratitude. This leadership style has still been widely prevalent in smallfirms in India. However, this paternalistic approach is unlikely to work with mature adult employees, many of whom do not like their interests to be looked after by a "godfather." Instead of gratitude, it might generate antagonism and resentment in the subordinates.

8.5.2 Formal and Informal Leaders - Leadership style based on Official Recognition

/ Relationship

From the viewpoint of official recognition from top management, leaders may beclassified as under:

1.Formal Leader - Formal Leadership comes from structure, authority, and power and usually comes in the form of orders or commands. Formal leadership is effectivefor managing others and achieving results. A formal leader derives their strength from having official authority within an organizational structure. This authority provides them with power that they use to accomplish goals on behalf of the organization. They usually issue commands or mandates to subordinates. Typically,a formal leader is the public-facing element of an organization. They provide a levelof vision and direction, including detailed actions and the grander vision, for those who work with them.

2.Informal Leader - Informal Leadership comes from relationships, influence, andconnections and usually comes in the form of favours. Informal leadership isvaluable at building coalitions and enhancing collaborative efforts. An informal leader may not, or may, have official authority in the organization. They often createinfluence by connecting with others and building relationships. These leaders aren'talways public with their contributions either, but their impact translates throughout the entire organization.

8.5.3 The Managerial Grid - Leadership style based on concern for production v/sconcern for people

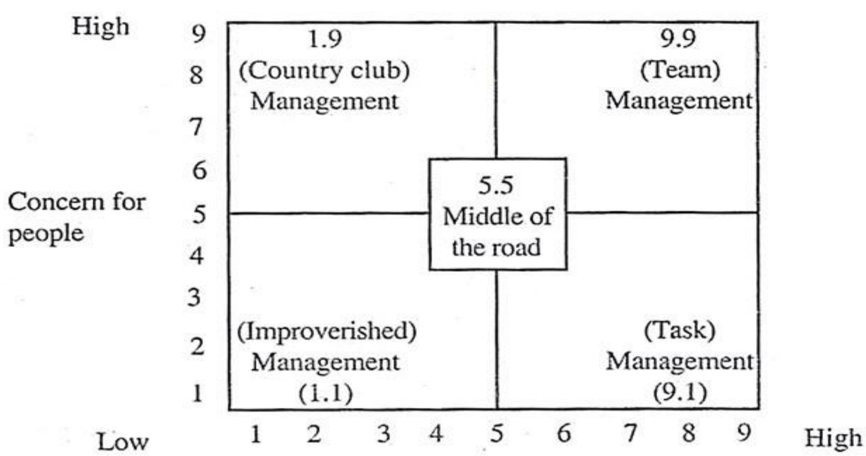
The managerial Grid was developed by R. R. Blake and J. S. Mouton; the ManagerialGrid Model helps Managers to analyze their leadership styles through a technique known as grid training. Also, Managers can identify how they concerning their concern for production and people with the Managerial Grid Model.

The two dimensions of leadership, viz. concern for people on 'vertical' axis and concern for production on the 'horizontal' axis have been demonstrated by R. R. Blake and J. S. Mouton in the form of Managerial Grid Model.

Managerial Grid Model is based on two behavioural dimensions:

1.Concern for people: This is the degree to which a leader considers the needs ofteam members, their interests, and areas of personal development when decidinghow best to accomplish a task.

2.Concern for production: This is the degree to which a leader emphasizes concrete objectives, organizational efficiency, and high productivity when deciding how best to accomplish a task.



MANAGERIAL GRID

- **(1,9) Country Club Style Leadership** -Leadership style of leader is mostconcerned about the needs and the feelings of members of his or her team. In thisenvironment, the relationship-oriented manager has a high concern for people buta low concern for production. He pays much attention to the security and comfortof the employees. He hopes that this will increase performance. He is almost incapable of employing the more punitive, coercive and legitimate powers. The organization will end up being a friendly atmosphere but not necessarily very productive. Employees in this type of work environment go about their day working at their own pace on projects that they enjoy and with co-workers that they are attracted to.

- **9,l) Task management-** This leadership style is characterized by a concern for production as the only goal. In this style, the manager is authoritarian or compliance. A task-oriented manager has a high concern for production and a lowconcern for people. He finds employee needs unimportant and simply a means toan end. He provides his employees with money and expects performance back. There is little or no allowance for cooperation or collaboration. He pressures his employees through rules and punishments to achieve the company goals. This type of leader is very autocratic, has strict work rules, policies and procedures, and views punishment as the most effective means to motivate employees.

- **(1,1) Impoverished Leadership**- Impoverished Leadership is a delegate-and- disappear management style and a lazy approach. The manager shows a low concern for both people and production. He or she avoids getting into trouble. Hismain concern is not to be held responsible for any mistakes. Managers use this style to preserve job and job seniority, protecting themselves by avoiding gettinginto trouble. This leader is mostly ineffective. He or she has neither a high regardfor creating systems for getting the job done nor for creating a work environmentthat is satisfying and motivating. A result is a place of disorganization, dissatisfaction, and disharmony.

- **(5,5) Middle-Of-The-Road Leadership-** Middle-Of-The-Road Leadership is a kind of realistic medium without ambition. It is a balanced and compromised style. The manager tries to balance the competing goals of the company and the needs of the workers. The manager gives some concern to both people and production, hoping to achieve acceptable performance. He believes this is the most anyone can do. Consequently, compromises occur where neither the production nor the people's needs are fully met. The supervisor views it as the most practical management technique. It is also an outcome when production andpeople issues are seen as in conflict.

- **(9,9) Team Leadership-** In Team Leadership, the manager pays high concern toboth people and production. Motivation is high. The manager encourages teamwork and commitment among employees. This style emphasizes making employees feel part of the company-family and involving them in understandingthe organizational purpose and determining production needs. This method reliesheavily on making employees feel they are constructive parts of the company. And this will result in a team environment organization based on trust and respect,which leads to high satisfaction and motivation and, as a result, high production.A (9,9)-oriented manager is capable of acting sensibly to bring about effective results, maintaining consistency but finding innovative solutions to fit unique problems, and unusual circumstances".

8.5.4 Likert's System Management - Leadership style based on decision making

The Likert's Management System was developed by Rensis Likert in the 1960s. Rensis Likert with his associates observed the different patterns and styles of management in various fields. He observed the styles for around three decades and came up with the Likert'sManagement System. After years of observation and research, he outlined four styles of management which described the relationships, involvement and roles of managers and subordinates in an industrial setting. The observation of Likert was carried out at Michigan University, USA. The Likert's Management system consisted of four styles, and they are Exploitative Authoritative, Benevolent Authoritative, Consultative and Participative.

1. **Exploitative Authoritative System-** It is the first system in Likert's Leadership Styles. Under this style Likert states that the ultimate power lies in the hands of the top subordinates. The Top management makes the policies and rules and the employees in the lower level are bound to follow the instructions given to them by their superiors. Here, it is observed that the workers at the lower level do not feel freeto discuss their work with their superiors. The communication and teamwork in this system are very little. The leaders in the system of Exploitative authoritative have a lower level of concern for their employees. They use threats or methods that involvefear to achieve their work. The method of threat works well, and the employees workefficiently upon entering the organization. The leaders are ignorant of the psychological feelings of the employees and the communication between them is almost nil. In this type of system, the upper management burdens employees with a heavy workload and they are to finish the work without fail. The monetary benefits and work satisfaction in this type of system is very less.

2. **Benevolent Authoritative System-**Under this system of Likert's, it is observed that the authority lies in the hands of the managers and not in the hands of the lower-levelworkers. The superiors have a small amount of confidence and trust in the employees.The superiors have less control over the employees. They do not use methods of threats. However, the employees are rewarded and punished as per their performancein the organization. In this system of management, the employees are involved in some of the decision-making processes. But the ultimate power lies in the hands of the superiors. Here also the communication is very little, and the employees do not

feel free to share their work experience with the superiors.

3. **Consultative System**-This is the third style of leadership given by Likert. In this system, Likert has stated that responsibility and authority are spread widely throughout the organization. The subordinates in the different levels of the organizations are given different responsibilities. The employees and subordinates work as a team on certain decisions. There is fair communication between the employees and the superiors. However, the power to form policies and rules lies in the hands of the top management. Under this system, the employees are rewarded for better performance and at the same time, they are also punished for bad performances. The employees are free to communicate with their superiors and subordinates. They can share their work-related issues with the superiors freely. The system promotes a healthy work environment for the employees and motivates them to work efficiently.

4. **Participative System**-This is the last style of leadership given by Likert. Under this style, Likert states that the power and responsibility to achieve the goals of the organization is distributed among all the employees and subordinates in the organization. According to this system, each employee has a certain role to play in the success of the organization. The superiors have the utmost confidence and trust intheir employees. The employees are made to participate in the decision-making process of the organization. The system states that there is a continuous flow of information in both an upward and downward direction. The employees are providedwith a healthy work environment, and they are motivated continuously by their superiors.

Self-Check Questions

A) What is one characteristic about the Authoritarian leadership style?
   a) A leader relies less on authority and more on themselves.
   b) A leader accepts power and knowledge of the team members
   c) A leader tells others what to do
   d) The team members tell the leader what to do

B) What is one characteristic of a laissez-faire leadership style?
   a) A leader gives opinion only when asked
   b) A leader takes charge
   c) Everyone works together and participates together
   d) Nobody gives any suggestions or instructions

8.6 Theories of Leadership

8.6.1 Trait theory

Some of the leaders in the history have always been identified as strong leaders based on the qualities or traits that they display. Leaders like Mahatma Gandhi, Indira Gandhi,Margaret Thatcher, Nelson Mandela, Narayana Murthy of Infosys, etc. has been identified, based on the traits that they displayed.

For instance, when Margaret Thatcher was the prime minister of the Great Britain, shewas regularly described as a confident, iron-willed, determined and decisive leader. Thus, the trait theories of leadership consider personal qualities and characteristics thatdifferentiate leaders from non-leaders.

In the beginning, the assumption behind trait theory was that „leaders are born and notmade‟. This concept was popularly known as the „Great Man Theory‟ of leadership. The great man theory was originally proposed by Thomas Carlyle in 1949 and the assumption behind this theory is that „great leaders will arise, when there is great need".The theory also assumes that a leader cannot be a normal person and they are differentfrom the average person in terms of personality traits such as intelligence, perseveranceand ambition.

In the period of 1960s, various research studies were made on the traits of a leader andabout 80 traits that a leader could display was identified. The trait theory assumes thatleaders are born with inherited traits and good leaders have the right combination of traits. In 1974, Stogdill identified certain traits and skills that are essential for a leader, which are as follows:

- Traits and Skills of Leadership (Stogdill, 1974).

TRAITS	SKILLS
• Adaptable to situations	• Intelligent
• Alertness to social environment	• Conceptually skilled
• Ambition (achievement oriented)	• Creative
• Assertiveness	• Diplomatic
• Cooperation	• Fluent speaker
• Decisiveness	• Knowledgeable about group
• Dependability	• Organized
• Dominance	• Persuasive
• Energy	• Socially skilled
• Persistence	
• Self-confidence	
• Stress tolerance	
• Willingness to take responsibility	

Limitations of The Trait Theory

1. There is bound to be some subjective judgment in determining who is regarded as a ‘good’ or ‘successful’ leader

2. The list of possible traits tends to be very long. More than 100 different traits of successful leaders in various leadership positions have been identified. These descriptions are simply generalities.

3. There is also a disagreement over which traits are the most important for an effective leader

4. The model attempts to relate physical traits such as, height and weight, to effective leadership. Most of these factors relate to situational factors. For example, a minimumweight and height might be necessary to perform the tasks efficiently in a military leadership position. In business organizations, these are not the requirements to be an effective leader.

5. The theory is very complex.

8.6.2 Behavioral theory

In the 1940s, apart from the research studies being conducted on the traits displayed by leaders, research was also conducted on the behaviors exhibited by leaders. The first andforemost study on leadership was carried out by psychologist, Kurt Lewin and his associates in 1939 and identified different styles of leadership, viz. autocratic, democratic and laissez-faire leadership, which has been discussed in the next unit. While theassumption behind traits theory is that „leaders are born, rather than made‟, behavioral theories assume that specific behavioral patterns of leaders can be acquired through learning and experience. While the trait theory concentrates on „what the leaders are‟, the behavioral theories concentrate on „what the leaders do‟. In this section, four different behavioral patterns of leadership have been dealt with, which are as follows:

- **Ohio State Studies** - One of the foremost studies that emanated on behavioral theories was the study made by Ohio State University in 1945 by E.A. Fleishman,
  E.F. Harris and H.E. Burtt. The study narrowed the leadership behaviors into twocategories, viz. initiating structure and consideration, under which the various leadership behaviors were clubbed.

- **Initiating Structure**: Initiating structure refers to the extent to which a leader is likely to define and structure his or her role and those of employees in the search for goal attainment. It includes behavior that attempts to organize work, work relationships, and goals. A leader with initiating structure is generally task oriented, with focus on performance of employees and meeting of deadlines.
- **Consideration:** As per consideration ‟category, a leader pays more attention to the employee of the organization rather than the task and shows concern for the well-being, comfort and satisfaction of employees.That is, a leader focuses on the relationships that are characterized by mutual trust, respect for employees' ideas, and regard for their feelings".The two-factor conceptualization of Ohio Studies has been gaining wide recognition in recent times.
- **University of Michigan Studies** - Similar to the Ohio State University studies, research on leadership studies was also carried out by the University of Michigan's Research centers, in 1946 by Rensis Likert and his associates. The study made an analysis of the relationship between leadership behaviors and organizational performances. Michigan Studies also identified a two-factor component, viz. "employee-oriented leader‟ and "production-oriented leader‟.
- **Employee-Oriented Leader**: The concern of the employee-orientedleaders was more on the interpersonal relations with the employees and such leaders paid more attention on the needs of the employees and accepted the individual differences among members.
- **Production-Oriented Leader**: The production oriented-leaders paid attention to the technical aspects of the job, or the tasks assigned to the employees, rather than on employees. Such leaders gave least importanceto the group members and regarded the employees as only a means to achieve the ends, that is, the goals of an organization.

It can be found that the two-factor conceptualization of the Ohio study issimilar to the two-way dimension of the Michigan studies. While the employee-oriented leadership can be compared with the "consideration‟ component of

Ohio studies, production-oriented leadership can be compared with "initiating structure‟. While the Ohio studies considered both its components to be important for effective leadership, the Michiganstudies gave supremacy to the component of "employee-orientation‟ over"production-orientation‟.

8.6.3 Fielder's Contingency theory

Fred Fiedler was the first person to develop a comprehensive model for the contingencytheory of leadership in 1967. The basic premise behind this theory is that effective performance of an organization or a group of people in an organization highly depend upon the style adopted by a leader and the degree to which a situation gives control to the leader.

In order to assess the style followed by a leader, Fiedler developed "Least-Preferred Coworker" (LPC) scale, in which the leaders were asked to give their preference on theemployee with whom they have least preference to work with. If the least preferred co-worker was described in favorable terms, such response was rated as 'relationship oriented' and if rated in unfavorable terms, a leader was regarded as 'production oriented'.

Fiedler's model thus illuminated attention on a new dimension of leadership studies. Thus, through this study, it was suggested that, if a situation requires a task-oriented leader and the person in that leadership position is relationship-oriented, either the situation has to be modified or the leader replaced, if optimal effectiveness is to be achieved.

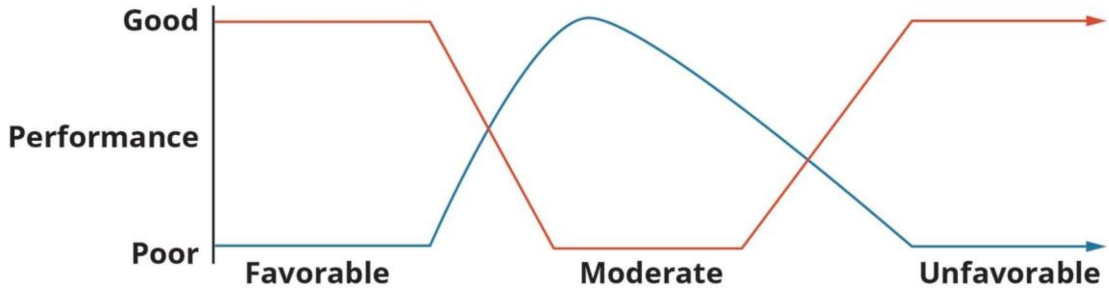
Based on the results derived, Fiedler has identified three situational factors, viz. leadermember relations, task structure and position power, which determine leadership effectiveness.

(i)Leader-Member Relations: The degree of confidence, trust and respect thatmembers have on their leader.

(ii) Task Structure: The degree to which the job assignments are structured orunstructured.

(iii) Position Power: The degree of influence a leader has overpower variablessuch as hiring, firing, discipline, promotions, and salary increases.

Fiedler's model evaluates the effectiveness of leadership, based on the degree of existence of the above-mentioned situational factors. The degree varies fromgood to poor in leader-member relations, high to low in task structure and strong to weak in position power. According to Fiedler, a leadership is said to have more control of organizational situations, if the leader-member relations are good, task assignments are highly structured along with a stronger power position. Similarly, the situations in an organization would be unfavorable, if the respect that members have for leaders is poor, with unstructured taskassignments and weak position power.



	1	2	3	4	5	6	7	8
Leader-Member Relations	Good	Good	Good	Good	Poor	Poor	Poor	Poor
Task Structure	High	High	Low	Low	High	High	Low	Low
Leader Position Power	Strong	Weak	Strong	Weak	Strong	Weak	Strong	Weak

8.6.4 Hersey and Blanchard's Situational theory

According to this model, the leader has to match the leadership style according to the readiness of subordinates which moves in stage and has a cycle. Therefore, this theory is also known as the life-cycle theory of leadership.

The theory, developed by Paul Hersey and Kenneth Blanchard, is based on the 'readiness'level of the people the leader is attempting to influence. Readiness is the extent to which followers have the ability and willingness to accomplish a specific task. Ability is the knowledge, experience, and skill that an individual possesses to do the job and is called job readiness. Willingness is the motivation and commitment required to accomplish a given task. The style of leadership depends on the level of readiness of the followers.

The readiness(R) is divided into a continuum of four levels which are:

R1 - low follower readiness - refers to low ability and low willingness of followers i.e., those who are unable and insecure.

R2 - low to moderate follower readiness - refers to low ability and high willingness of followers i.e., those who are unable but confident.

R3 - moderate to high follower readiness - refers to high ability and low willingness offollowers i.e., those who are able but insecure.

R4 - high follower readiness - refers to high ability and high willingness of followers i.e.,those who are both able and confident

The direction is provided by the leader at the lower levels of readiness. Therefore, the decisions are leader directed. On the other hand, the direction is provided by the followersat the higher levels of readiness. Therefore, the decisions in this case are follower directed. When the followers move from low levels to high levels of readiness, the combinations oftask and relationship Behaviors appropriate to the situation begin to change.

For each of the four levels of readiness, the leadership style used may be a combination oftask and relationship behaviour.

Task behaviour: Extent to which the leader spells out the duties and responsibilitiesof a follower which includes providing them direction, setting goals, and defining roles forthem. Usually, a one-way communication exists which is meant to provide the direction tothe followers.

Relationship behaviour: Extent to which the leader listens to the followers and provides encouragement to them. Here, a two-way communication exists between the leader and the follower.

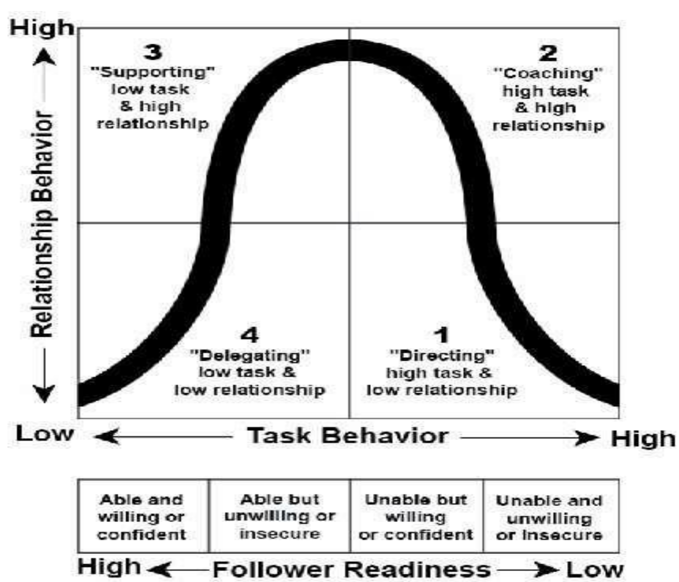
By combining the task and the relationship behaviour, we arrive at the following four different styles of leadership which correspond with the different levels of readiness as shown in the Figure

S1 - Telling: This style is most appropriate for low follower readiness (R1). Itemphasizes high task behaviour and limited relationship behaviour.

S2 - Selling: This style is most appropriate for low to moderate follower readiness (R2).It emphasizes high amounts of both task and relationship behaviour.

S3 - Participating: This style is most appropriate for moderate to high follower readiness (R3). It emphasizes high amount of relationship behaviour but low amount oftask behaviour.

S4 - Delegating: This style is most appropriate for high follower readiness (R4). It emphasizes low levels of both task and relationship behaviour.



Self- Check Questions

A) Which of these theories focuses on the relationship between the leaders and followers ?

a) Situational Theory
b) Relationship theory
c) Transactional theory
d) Behavioral theory

B) The major problem with original trait approaches to leadership was

a) Traits do no exist
b) They were too general
c) It was difficult to measure traits
d) Only a few traits characterize effective leaders

8.7 Contemporary Issues in Leadership

Leaders have been dealing with VUCA (volatility, uncertainty, complexity, and ambiguity)for decades, but now with ever-evolving technology and new processes, leaders and organisations are facing even stronger headwinds than they were even five years ago. If they don't adapt, they won't survive.

1.Adapting to the pace of change in the workplace

Technology is one of the biggest drivers of business change. Great leaders are always looking for more visibility over how change impacts not just their own brand, but the values, processes and people of the companies they lead. More adaptation. More pivoting, more changing is required with the coming time. The styles and techniques that work today won'tin the very near future. As more teams become more diverse, distributed, remote and culturally different, you've got to get ready to change. Again.

2.Confusing good leadership with the ability to make money no matter the cost

Environmental and labour issues continue to push businesses to greener, more sustainable methodologies. A company's success cannot simply be measured by the latest sales report.

The public has more visibility than ever over how a brand does business. The challenge of keeping it both ethical and profitable is one that good leaders will want meet head on.

3.Learning from the past while remaining in the present

"Today's problems are no different than problems of the past." For business leaders who'vebeen around for a while there's nothing new under the sun. That doesn't mean you shouldn'tremain flexible and open to new solutions. But, if history has taught us anything it's that there's a rarely a time in any industry when it isn't in flux, either reeling from the latest disruption or racing to the next innovation. In an information dense environment, where oneshaky quarter can lead to panic in the staffroom, remaining calm is a challenge that will setgreat leaders apart from the pack. Drawing from your experience to inform how you make decisions in the present will help you be a more effective leader.

4.Staying agile with technology

Agile is more than just a buzzword. Keeping abreast of the technology landscape involves more than just spending money on the newest technology tools. Great business leaders listento what their staff tell them, and are prepared not just to change their business, but to changethemselves.

We see all too often the way an outdated approach to leadership can leave a business stranded in the ocean, too bloated with inefficient processes to turn their future around.

The pace of change is increasing thanks largely to technology. If leaders aren't agile enoughto keep up, they hold back an entire team and ultimately, the organisation. To become agileand able to lead through change, leaders need to be constantly assessing themselves and reflecting on where they are and what they've learnt. Take risks, learn from the results andlisten to feedback.

5. Being open to new business models

"With the business world and technology always evolving, the biggest challenge for leaderstoday is determining a clear path for success. Depending on your industry, there are now many different business models you could adopt, so it's important to stay on top of industrytrends and be adaptable. As a leader, you need to be able to objectively evaluate whether ornot you need to evolve and take a different path to achieve success."

6.Business as usual; what does it mean to you?

As a leader, you may be inclined to trust your instincts, to err towards a highly conservativeapproach in evaluating new business models and their suitability. Instincts can be a double-edged sword, however, and many organisations are demanding more than just experience toinform how they make strategic decisions. Unleashing the power of data driven decision- making could prepare a person for future leadership challenges, but are he/she is prepared to challenge himself/herself by remaining open to industry trends and changes?

7.Challenging behavior through intergenerational collaboration

Today leadership is a behavioural challenge (invest in people's Behaviors to drive results).It takes a thoughtful boss to see behind fads and dogma in order to coach the next generationof leaders.

Business leaders are at a crucial juncture in generational change. Bridging the gap betweenbaby boomers, Gen X, Millennials and Gen Z is something many organisations simply aren't prepared for. Historically, leadership had been about selecting the right tools for the right job. Now, with digital tools so readily available to most organisations, we're seeing the challenge of leadership being more about our habits and processes.

Younger workers are already versed with the technology that can drive innovation throughthe workplace but blending that integration with the methodology of an older generation that still thrives on gut instinct can often pit team members against each other. The challengefor many business leaders is to accept that innovation requires change, and that we never truly stop learning from each other, regardless of age or experience.

8.Predicting the exponential growth of technology

Historically, our experiences with the rapid growth of technology have shown a trend towards exponential growth in computing power, while the cost of silicon continues to drop.Cheaper, faster and more integrated technology makes it harder to predict how businesses will operate even in the near future. “Our intuition about the future is linear. But the realityof information technology is exponential, and that makes a profound difference. Example: If I take 30 steps linearly, I get to 30. If I take 30 steps exponentially, I get to a billion.” Onan exponential scale, the step from 29 to 30 is larger than all the steps that have come beforeit. That’s why all good leaders in modern business need to be aware of how technology canpotentially disrupt their business overnight.

9.Reducing complexity in a data rich environment

Did you know that workplaces today have six times as many performance requirements as they did 50 years ago? Often, these requirements can run counterproductive to the efficiencyof teams and businesses. With staff focussed on so many competing conditions, theopportunity to think creatively and innovate is lost. Leaders that want to empower their teams will look to reduce the level of complexity through policy and automation. This willfree up their staff to pursue higher order thinking, creative innovation and critical analysis.The challenge for many business leaders is to do it right.

8.8 Summary

Leadership plays a key role in showing the right direction to his/her employees in achieving the goals of an organization. The various theories of leadership viz. traits theory, behavioraland situational theories offer useful insights in understanding the different dimensions of leadership styles. With such theoretical underpinnings, the study of leadership gets a new horizon, as with such theories, the focus has been shifting from “what leaders are”, and “what leaders do” to the extent of” “how a leader behave in different situations”. In the samemanner, theories of leadership were also looked at through the lens of gender. Some usefulinsights were derived on the gendered context of leadership and the different styles and theories of leadership. However there seems to be confrontations between theory and practice, especially when taking women leadership into considerations. Though leadership theories based on gender concerns find place in recent years, it still has to protrude the mainstream leadership literature.

8.9 Keywords

- Leadership:- The action of leading a group of people or an organization.
- Laissez faire:- Doctrine of noninterference in the affairs of others ,especially with reference to individual contact or freedom of action.
- Trait:- a particular characteristic that can produce a particular type of behaviour.

8.10 Short Questions for Practice

Q1- What is Likert's system Management ?

Q2- What are the limitations of the Trait theory of Leadership?

Q3- What is Autocratic style of leadership?

8.11 Long Questions for Practice

Q1-"Leadership is situational". In the light of this statement discuss the various theories of leadership in brief. Does it make sense to change a person's leadership style or the situation. Comment.

Q2- What do you understand by the term "leadership"? Enumerate its important characteristics.

Q3- Explain the different styles of leadership.

8.12 Recommendations

Burns, J.M. (1978), "Leadership", New York: Harpett & Row.

Fielder, Fred E. (1976), "A Theory of Leadership Effectiveness", New York: Mc GrawHill Book Co.

Likert, Rensis (1967), "The Human Organization", New York: Mc Graw Hill Book Co.

Luthans, Fred (1976), "Introduction to Management", Mc Graw Hill Book Co.

8.13 Self-Check Questions Answer key

8.4

A. Grow

B. Action

8.5

A. C. A leader tells others what to do

B. A. A leader gives opinion only when asked

8.6

A. B. Relationship theory

B. B. They were too general

LESSON NO.9 **AUTHOR: PROF. RAJAN GOYAL**

GROUP DYNAMICS

STRUCTURE

9.1 Objectives

The purpose of this lesson is to:

— Introduce the concept of Group Dynamics.

— Discuss types of groups.

— To understand the process of group formation and group composition.

— To discuss the various factors affecting group performance.

9.2 Introduction

The alone individual— the single man or woman who has no connection to other men and women — is an extraordinarily rare human being. *Homo sapiens* is capable of surviving alone, and the recluse, ascetic, and prisoner in solitary confinement can forge a life on their own. But few humans seek or enjoy the challenges of solitude. Most people prefer to live in groups. Virtually all the activities of our lives —working, learning, worshiping, relaxing, playing, and even sleeping — occur in groups rather than isolated from others. Most people belong to many different groups, so the number of groups in the world probably reaches well beyond six billion. The world is literally teeming with groups.

For centuries, sages and scholars have been fascinated by groups —by the way they form, change over time, dissipate unexpectedly, achieve great goals, and sometimes commit great wrongs. Yet groups remain something of a mystery — unstudied at best, misunderstood at worst. Here we unravel some of their mysteries by examining their basic nature, their processes, and their impact on their members. We begin ourtask by asking some questions: What is a *group?* What are the characteristics of groups that most interest us? What kinds of group processes do we want to study? What do we mean by *group dynamics?* What assumptions do we embrace as we describe, analyze, and compare the various groups that populate the planet? What approach do we take to the study of groups?

9.3 What Is a Group?

Hundreds of fish swimming together are called a *school.* A pack of foraging baboons is a *troupe.* A half dozen crows on a telephone wire is a *murder.* A *gam* is a group of whales. But what is a collection of human beings called? A *group.*

Defining Groups

What would you include if you were asked to name all the groups in which you are a member? Would youlist your family? Your neighborhood association? People who regularly log into a chat room on the Internetwith you? Your political party? The handful of fellow students who often take the same classes you do? Coworkers who go out for drinks after work once in a while? The people standing in line with you at the checkout counter of the supermarket? standing in a queue in a checkout counter are a group, for they are briefly connected in a situation that demands cooperation, communication, and patience. In all these examples, the members are linked together in a web of interpersonal relationships. Thus, a group is defined as *two or more individuals who are connected to one another by social relationships.*

TWO OR MORE INDIVIDUALS: A group can range in size from two members to thousands of members. Very small collectives, such as dyads (two members) and triads (three members) are groups, but so are very large collections of people, such as mobs, crowds, and congregations (Simmel, 1902). On average,however, most groups tend to be relatively small in size, ranging from two to seven members. One researcher (J.James, 1953), after counting the number of people in 7405 informal, spontaneously formedgroups found in public settings, reported an average group size of only 2.4. He also found that deliberatelyformed groups, such as those created in government or work settings, included an average of 2.3 members(J.James, 1951). In many cases, larger groups are also sets of inter- locked smaller groups. Although groups come in all shapes and sizes, they tend to "gravitate to the smallest size, two" (Hare, 1976, p. 215).

The size of a group influences its nature in many ways, for a group with only two or three members possesses many unique characteristics simply because it includes so few members. The dyad is, by definition, the only group that dissolves when one member leaves and the only group that can never be broken down into subgroups (J.M. Levine & Moreland, 1995). Very large collectives, such as mobs, crowds, or congregations, also have unique qualities. In a very large group, for example, the chances for each member to be connectedto all other members becomes very small. As groups increase in size, they tend to become more com-plexand more formally structured (Hare, 1976). By definition, however, all are considered groups.

WHO ARE CONNECTED TO ONE ANOTHER: Like a series of interconnected computers, the individuals in any given group are *networked:* They are connected one to another. These connections, or ties, may be strong emotional bonds, like the links between the members of a family or a clique of close friends.The links may also be relatively weak ones that are easily broken with the passage of time or the occurrenceof relationship-damaging events. Even weak links, however, can create robust outcomes across an entire group of networked individuals. Nor do these relationships need to link every person directly to every otherperson in the group. It takes, for example, 6 one-to-one links to connect every member of a 4-person groupto every other member of that group (A/B, A/C, A/D, B/C, B/D, and C/D), but a 12-person group wouldneed 66 links to join every member to every other member.

Hence, many ties between members in groups are indirect ones. Person A might, for example, talk directly to B, B may talk to C, so A is linked to C through B. But even in large groups, members often feel connected to themajority of the group's members and to the group as a whole (Granovetter, 1973).

9.4 Types of Groups

Groups may be classified according to many dimensions, including function, personal involvement, and organization.

Types of Groups are;

- Formal Group.
- Informal Group.
- Managed Group.
- Process Group.
- Semi-Formal Groups.
- Goal Group.
- Learning Group.
- Problem-Solving Group
- Friendship Group.
- Interest Group.

9.4.1 Formal Groups

Formal groups are created to achieve specific organizational objectives. Usually, they are concerned withthe coordination of work activities. People are brought together based on different roles within the structureof the organization. The nature of the task to be undertaken is a predominant feature of the formal groups.Goals are identified by management and short and rules relationships and norms of behavior established. Formal groups chain to be related to permanent although there may be changes in actual membership.

However temporary formal groups may also be created by management, such as project teams in a matrix organization.

9.4.2 Informal Groups

Within the formal structure of the organization, there will always be an informal structure. The formal structure of the organization and system of role relationship, rule, and procedures, will be augmented by interpretation and development at the informal level. Informal groups are based more on personal relationships and agreement of group's members than on defined role relationships. They serve to Satisfypsychological and social needs not related necessarily to the tasks to be undertaken. Groups may devise ways of attempting to satisfy members' affiliations and other social motivations that are lacing in the worksituation, especially in industrial organizations.

9.4.3 Managed Group

Groups may be formed under a named manager, even though they may not necessarily work together witha great deal. They have the main thing in common, at least the manager and perhaps a similar type of work.

9.4.4 Process Group

The process group acts together to enact a process, going through a relatively fixed set of instructions. Theclassic environment is a manufacturing production line, where every movement is prescribed. There mayeither be little interaction within process groups or else it' is largely prescribed, for example where one person hands something over to another.

9.4.5 Semi-Formal Groups

Many groups act with less formality, in particular where power is distributed across the group, forcing a more collaborative approach that includes- negotiation rather than command and control. Families, communities and tribal groups often act as semi-formal ways as they both have nominal leaders yet members can have a high degree of autonomy.

9.4.6 Goal Group

The goal group acts together to achieve a shared objective or desired outcome. Unlike the process groups,there is no clear instruction on how they should achieve this, although they may use some processes and methods along the way. As there is no detailed instruction, the members of the goal group need to bring more intelligence, knowledge, and experience to the task.

9.4.7 Learning Group

The learning group comes together to increase their net knowledge. They may act collaboratively with discussion and exploration, or they may be taught with a teacher and a syllabus.

9.4.8 Problem-Solving Group

Problem-solving groups come together to address issues that have arisen. They have a common purpose in understanding and resolving their issue, although their different perspectives can lead to particular disagreements.

Problem-solving may range along a spectrum from highly logical and deterministic, to uncertain and dynamic situations there creativity and instinct may be better ways of resolving the situation.

9.4.9 Friendship Group

Groups often develop because individual members have one or more common characteristics. We call these formations of friendship groups.

Social alliances, which frequently extend outside the work situation, can be based on similar age or ethnicheritage, support for Kolkata Knight Riders cricket, or the holding of similar political views, to name just a few such characteristics.

9.4.10 Interest Group

People who may or may not be aligned into a common command or task groups may affiliate to attain a specific objective with which each is concerned. This is an interest group.

Employees who band together to alter their vacation schedules, support a peer who has been fired, or seekimproved working conditions represent the formation of a united body to further their common interest.

9.5 Differences between Formal Group and Informal Group

Basis for Comparison	Formal Group	Informal Group
Meaning	Groups created by the organization, to accomplish a specific task, are known as Formal Groups.	Groups created by the employees themselves, for their own sake are known as Informal Groups.
Formation	Deliberately.	Voluntarily
Size	Large.	Comparatively small.
Life	It depends on the type of group.	It depends on the members.
Structure	Well Defined.	Not well defined.
The importance is given to	Position.	Person.
Relationship	Professional.	Personal.
Communication	Moves in a defined direction.	Stretches in all the directions.

Self Check Questions

A) Which refers to the interaction of forces between group members and a social situation?
   a) Group dynamics
   b) Group cohesiveness
   c) Group work
   d) None of the above

B) Families, friends and neighborhood groups are the examples of which group?
   a) Primary
   b) Secondary
   c) Command
   d) Task

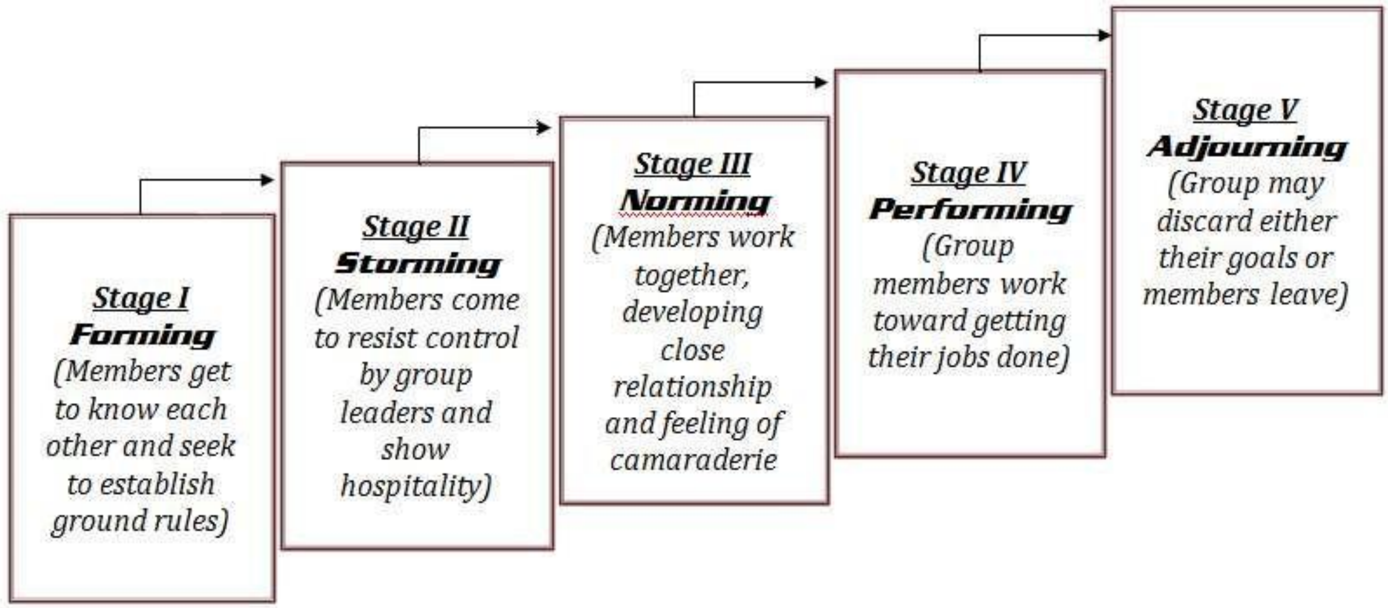
C) Which group is a collection of people that we use as a standard of comparison for ourselves or to which we would like to belong?
   a) Membership
   b) Reference
   c) Primary
   d) Command

D) Which group is created by members for their own satisfaction and their working is not regulated by organizational rules and regulations?
   a) Formal
   b) Informal
   c) Responsive
   d) Secondary

9.6 Stages of Group Formation and Development

Tuckman was responsible for coining the 5 main stages in the process of group discussion. They are also known as

Tuckman's 5 stages of group development. Moreover, these stages of group formation are meant tobe followed in the



exact sequence as they are below:

- **Forming**

This is a beginning stage and lasts only a few days (or weeks). Members begin by planning their work andtheir new roles. Moreover, the emotions here are positive. The groups should begin by learning about teamprocesses in preparation for the rough times ahead. However, it is crucial for them to learn the aspects of conflict resolution, communication, group decision-making and time management.

- **Storming**

There exists a considerable amount of fights and arguments in this stage. People begin to feel the stress offrustration, resentment, and anger. Moreover, as the problem festers, the job remains undone. Managers alsoexperience frustration and are worried about the situation, thereby, are tempted to intervene. Members experience a drastic emotional roller coaster from elation to depression. Moreover, the situation seems bleak.Usually, the storming period may last 1-2 months. Also, without effective training and support, the team mayexperience retarded growth.

Conflicts are usually frowned upon. However, they are the definition of normal, natural, and even necessaryevents in an organization. It is critical for the group to handle it well because they are great in helping to buildskill and confidence for the next stage.

- **Norming**

In the norming stage, the group works through individual and social issues. The group establishes its ownnorms of behaviour and begin to trust each other. Moreover, as the group develops interpersonal skills, it becomes all the more skilled. Members begin the art and knack of problem-solving. They also cross-train andlearn new and adequate job skills. This stage usually lasts for 4-12 months.

- **Performing**

In this stage, the group is ready to begin performing its respective task and assigned jobs. In this stage, thegroup has become well acquainted with one another and has clarity with regard to what needs to and has to bedone. The performing stage begins when the group is comfortable to work and ends when the job is completed.

- **Adjourning**

Post the performing stage, the group is adjourned. The adjourning stage ends the process of group formation.Because the group is adjourned once the task that is assigned to the group is completed.

Self- Check Questions

A) Which of the following is not a stage in group development process?

a) Storming
b) Norming'
c) Implementing

d) Forming

B) Which stage is characterized by cooperation, integration and unity?

a) Performing
b) Norming
c) Adjourning
d) Forming

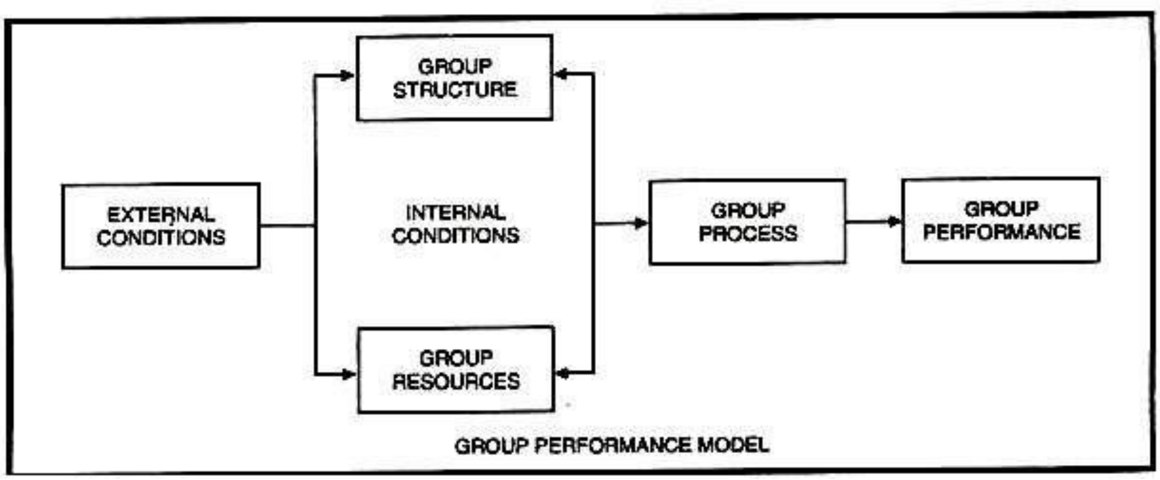
C) In which stage, here is struggle, dispute and competition among group members?

a) Norming
b) Forming
c) Storming
d) Performing

9.7 Group Composition

Group composition is described as homogeneity and heterogeneity of groups. Group composition basically determines the group productivity. When profiles of members are same then it is Homogeneousgroup. When group members are not same by age, experience, technical knowledge, cultural norms, language, nationality are different then it is heterogeneous group. A manager cannot alter the basic personality of the group members. Therefore, attempts to influence their behavioral roles in a team or group are more useful. A homogeneous group is more productive when task is simple, co-operatively done. Heterogeneous group is productive when the task is complex and requires creative effort.

9.8 Factors which Affects Group Performance



1. External conditions:

A group is a part of large organizations. They are created by the organization and as such they do not existin isolation. A group has to rather work within the framework provided by the organization. Every group is influenced by a number of external conditions imposed from outside it. These external conditions include: the organization's strategy, its rules, regulations, its culture, physical work setting, employee selection process etc.

2. Group structure:

A group comprises of a number of individuals and has a well defined structure. Groups have structures that shape the behaviour of its members and make it possible to predict and explain the individual behaviour within the group as well as the performance of the group as a whole.

Some of the structural components are:

(i) Group Size:

A minimum of two persons as required to form a group, as far as the maximum number in concerned, thegroup should have as many members as can interact meaningfully amongst one another. However, an idealgroup size is said to comprise of 5-7 members over a smaller group in terms of idea generation. The evidence indicates that smaller groups are faster at completing tasks than the larger ones. The group size should be determined by taking in consideration factors such as nature of task to be performed, the maturityof the group members etc.

(ii) Group Composition:

A group comprises of a number of individuals with varied qualities and characteristics. In fact most of thegroup activities require a variety of skill and knowledge. As far as group composition is concerned, a group may be homogeneous or heterogeneous. Homogeneous groups are those which are composed of similar individuals, similar in terms of personality, age, gender, experience, knowledge etc.

Heterogeneous groups on the other hand are the ones which comprise of dissimilar individuals i.e. the individual who differ from one another in one way or the other. In some types of tasks homogeneous groups could be more appropriate while in other types heterogeneous groups could be more appropriate.

(iii) Group Status:

The term status refers to the relative ranking that a person holds in a group. Status is determined in the context of comparison. Therefore, status defines the rank of an individual relative to others in the organization and the group. Status is in-fact defined in terms of rights, privileges, duties and obligations the individual holds in an organization.

It is an important factor in understanding human behaviour. When an individual perceives a disparity between his status with that of other group members, it creates a disequilibrium that results in interpersonalconflicts. So, what is important for the group members is to believe that the status hierarchy is equitable and just.

(iv) Group Norms:

Group norms are the “The oughts’ ” or “should be” of behaviour. They are prescriptions for acceptable behaviour determined by the group. “Group Norms are a set of beliefs, feelings, and attitudes commonly shared by group members. These are also referred to as rules or standards of behaviour that apply to groupmembers”.

(v) Leadership:

Leadership will play an important criterion in performance of group. Leader should be able to bring high cohesiveness among the group members. The members must be attracted towards group performance.

(vi) Knowledge, Skills and Personality of Group members:

Performance largely depends upon the quality of people in group. The connection between innovation andgroup structure was established. Innovation has the ability to generate and implement new ideas. Innovation or creative ideas are required to cope up with new technological change or work practices. Clubbing the group members together has some contingency effect. Student of management should understand that when high performing members clubbed with high performance members the outcome was better than low and low performing members

(vii) Technology and Resources:

Technology is an impetus for group performance. Organizations must provide right technology for the taskat hand. Availability of resources influences group performance.

9.9 GROUP COHESIVENESS

Group cohesiveness is the extent to which a group is committed for remaining together. The forces that create cohesiveness are attraction to the group, resistance to leaving the group and the motivation to remaina member of the group. Research on group performance factors has focused on the relationship between cohesiveness and group productivity. Highly cohesive groups appear to be more effective at achieving their goals than groups that are low in cohesiveness

9.9.1 Factors Affecting Group Cohesiveness

1. **Similarities of Attitudes and Values:**

One of the major factors affecting team cohesion is the similarity in attitudes and values among group members. It is basic human nature people enjoy and get attached to the people who have similar opinions,morals, beliefs, and code of conduct as people with the same opinions provide the same kind of social validation.

2. **Size of the Group:**

It is assumed that cohesiveness will decrease as the size of the group decreases. When the size of the groupincreases the interaction with the members becomes more difficult and hence the goal is hampered.

3. **Time:**

When people spend time with each other the more they will get close and hence it strengthens the degree of cohesiveness.

4. **Inter Dependency:**

When each member has autonomous action, the cohesiveness between the members of such a group wouldbe less as opposed to the group whose members are doing the procedure and are relying upon each other.

5. **Management Behaviour:**

If we talk about factors affecting group cohesiveness then management behavior plays a major role in it. When a manager makes a close relationship with a few in groups that may cause unhealthy competition amongst members of the group. It is important that managers reward cooperative behavior so that the bondgrows amongst the groups.

Self-Check Questions

A) ______ refers to the degree of attachment or bonding that members feel with that group.
   - a) Group dynamic
   - b) Group Cohesiveness
   - c) Group norms
   - d) All of these

B) ______ are the rules of behavior and code of conduct that provides some order and conformity to group activities and operations.
   - a) Group dynamics
   - b) Group Cohesiveness
   - c) Group norms
   - d) Group formation

9.10 Keywords

- Attitude : An enduring system of evaluations or feelings in favor of or against a person or group.
- Belief :Acceptance of a statement about an object, event, person or group.
- Cognition : Sensation, perception, thoughts, ideas and such processes.
- Cohesiveness : The social force which keeps the group together. It is the product of attractiveness of the interaction with group members.
- Communication : The exchange of meaning and mutual influence.
- Cooperation : It arises when groups work together in the pursuit of common interest.
- Culture : The pattern of all arrangements, material or behavioural, which have been adopted by a society.
- Dependence : The condition in which a person or a group relies on another for its need satisfaction and outcomes.
- Group : A collection of individuals who are in interdependent relationship with one another sharing common norms of behaviour and attitude.
- Group dynamics : The way in which changes which take place in the behaviour of some members of the group lead to changes in behaviour of other members of the group. This is why groups can mobilize powerful force which may be constructive or destructive.

9.11 Short Questions for Practice

1- Explain briefly on Inter-Group dynamics with examples.
2- What do you mean by Managed group?
3- Differentiate between Formal and Informal groups.

9.12 Long Questions

1. Define the term Group? Discuss various types of groups in detail?
2. Discuss in detail the steps involved in formation and development of group?
3. "Group performance is affected by various factors". Do you agree? Justify.

9.13 Suggested Readings

- Baron, R.A. and Byrne, D.(2000). Social Psychology, 8th Edition, Prentice Hall of India Pvt. Ltd.,New Delhi.
- Kuppuswamy, B.(1980), An Introduction to Social Psychology, 2nd Revised edition,(reprinted,2004), Asia Publishing House, Mumbai.
- Myers, G. David (2008), Social Psychology, 9th edition, The McGraw Hill Companies, Inc.

9.14 Self-Check Questions (Answer key)

9.4

A. A Group dynamics
B. A Primary
C. B Reference

D. B Informal

9.6

A. C Implementing

B. B norming

C. C Storming

9.9

A. B Group Cohesiveness

B. C Group Norms

MBA-DE | **MBCM 1102T**
PART I SEMESTER-I | **102- ORGANISATIONAL BEHAVIOUR**

LESSON NO.10 | **AUTHOR: PROF. RAJAN GOYAL**

TEAM DEVELOPMENT

STRUCTURE

10.1 Objectives

The purpose of this lesson is to:

- Introduce the concept of team development .
- Characteristics of an Effective Team.
- Importance of team development.
- To understand the principle-centered approach to team development.

10.2 Introduction

Teams are becoming a key tool for organizing work in today's corporate world. Teams have the potential to immediately amass, organize, relocate, and disperse. But teams are an effective tool of employee motivation. It is essential to consider the fact that teams develop and get mature over a period of time. **Team development creates a captivating atmosphere by encouraging co-operation, teamwork, interdependence and by building trust among team members**.

There are some tasks which can't be done alone. Individuals need to come together, discuss things amongthemselves and work together towards the realization of a common goal. The individuals forming a teamshould ideally think more or less on the same lines and should have similar interests and objective.

People with absolutely different tastes can't form a team. Their goals have to be the same. Every team is formed to achieve a predefined goal and it is the responsibility of each and every member to contribute hislevel best and accomplish the assigned task within the stipulated time frame. The team members must complement each other and come to each other's help whenever required. Individual performances do notmatter much in a team and every individual should strive hard and work in unison.

10.3 What Is a Team?

A team is a group of individuals who work together toward a common goal. Each member of a team is valuable to the common goal in their own way, using a unique set of skills to fulfill a team role. And yet, everyone on the team shares the same orientation and attitude. Though this may sound easy on paper, balancing individual and common goals within a team is quite difficult, especially during periods of stress,failure, or discord.

10.4 Characteristics of an Effective Team include:

- **Clear Purpose** The vision, mission, goal or task of the team is defined and accepted by everyone on the team. The team have an action plan.
- **Informality**
  The atmosphere is informal, comfortable and relaxed. There are no obvious tensions or signs of boredom.
- **Civilized Disagreement** When there is disagreement, the team is comfortable with it and shows no signs of avoiding, smoothing over or suppressing conflict.
- **Consensus Decisions** For important decisions the intention is to achieve substantial, but not necessarily unanimous, agreement through open discussion of everyone's ideas and avoidance of formal voting or easy compromises.
- **Open Communication** Team members feel free to express their feelings on the tasks as well as on the group's operation. There are few hidden agendas. Communication also takes place outside of meetings.
- **Clear Roles and Work Assignments** There are clear expectations about the roles played by each team member. When action is taken, clear assignments are made, accepted and carried out. Work is fairly distributed among team members.
- **Shared Leadership** While the team has a formal leader, leadership functions shift from time to time depending on the circumstances, the needs of the group and the skills of the members. The formal leader models the appropriate behaviour and helps establish positive norms.
- **External Relations** The team spends time developing key outside relationships, mobilizing resources and building credibility with important players in other parts of the organization.
- **Style Diversity** The team has a broad spectrum of team player types including members who emphasize attention on the task, goal setting, focus on process and question how the team is functioning.
- **Self-Assessment**
  Periodically the team stops to examine how well it is functioning and what may be interfering withits effectiveness.

10.5 Importance of Team Development

1. Builds Trust

Trust plays an essential role in building effective teams. For **teams to work together**, they need to know they can trust each other. That they can fall back on each other if the need arises. Moreover, when you build trust among teams, they give each other space and autonomy to accomplish their tasks and make their own decisions.

Trust makes people feel safe. When they feel safe, they open up. They let their team members know abouttheir strengths and weaknesses. They are more proactive with their ideas, take risks, listen to each other and then arrive at a consensus. As a result, there's more collaboration, communication and team membersaren't afraid to expose their vulnerabilities to each other.

2. Regulates Communication

When employees work as a team, they **communicate**. They talk to each other about the task at hand and the best way to achieve the desired result. They strategize, divide themselves into smaller groups, hold discussions and try to finish the task in the most efficient manner. Communication also allows employeesto **understand their roles** and what their peers are doing. When employees know what their team members are doing, they can check up on the progress made and help each other out if someone cannot reach their goal.

3. Increases Productivity

Teams share the workload. This means that if one member has relatively less work, she can help another team member complete their work. This allows the project to be finished faster, thereby increasing productivity and improving the overall bottom line.

The importance of team building is that it improves the individual's and the organization's productivity. Because individuals work in teams, they can pick up on new skills and sharpen their existing skills. This improves **team performance**, makes them efficient and over time, more work gets completed in less time.As a result, organizations can generate more revenue when they achieve their targets and deliver their best.

4. Brings People Together

As Margaret Carty rightly said*, "The nicest thing about teamwork is that you always have others on your side."*

One of the most important benefits of team building is that it improves interpersonal relationships betweenemployees. When people work together, they share experiences and both failures as well as victories. It brings them closer and makes them trust each other. When team member A helps team member B, team member B is sure to return the favor at some point. Employees **team up together** to face adversaries andshare the spotlight.

5. Fosters Creativity and Learning

Successful team building motivates employees to learn from each other and build on each other's talents.As compared to working solo on a project, teamwork allows room for fresh ideas and new perspectives. Itbrings together individual experiences combined with new, **innovative ideas** which makes the work morefun and efficient.As a result, everyone can bring something new to the table and learn from each other.

6. Healthy Competition

It's proven that when you make a task a competition, people achieve more. In the workplace, conducting **team building activities** can be a great way to bring out the competitive side of youremployees. Team building exercises are fun games where employees participate in completing their challenges while competing with other games. The main objective of conducting these games to inculcate

team spirit among employees, letting them work with other teams and acquire skills like problem solving, communication and collaboration along the way.

7. Makes People More Accepting

The race to achieve success should be equal. Everyone should be given the same importance, resources, and equal opportunities to reach their goals.

With workplaces becoming more inclusive towards cultural and **gender diversity**, your employees need to do their bit too. It is always a good idea to form teams with people from **different ethnicities and** **backgrounds**. Such groups are often more creative as they are more accepting and understanding of eachother's differences. It makes them realize their preconceived judgment of an individual is completely wrongand that that team member is a lot of fun to work with.

8. Resolves Conflicts

When people work together, there are sure to be disagreements. It's up to team members to resolve the conflicts amicably and not let them turn into full-blown disputes.
But conflicts aren't always a bad thing. Conflicts can sometimes turn into constructive and valuable work. Disagreements, especially, might arise if people with diverse experiences are grouped rather than those with similar experiences. The key to resolving such conflicts is that people should be open to hear and accept diverse opinions and perspectives. If team members can group their diverse opinions, skills, and experiences, they can achieve more than a group formed on similar experiences.

9. Employees Can Acquire Skills

Team building is important. It enables employees to learn from others and develop new skills. Working ina team helps employees take on leadership roles and see their team members fulfill their responsibilities. To perform and achieve their goal, they need to arrive at a consensus before making any decisions. This requires employees to hold discussions, communicate and **actively listen** to each other. Teamwork enables problem-solving capabilities, strategizing, and decision-making skills. It also teaches team members to hold responsibility and accountability for their decisions and actions.

10. Improves Company Culture

When teams work together, it fosters creativity and innovation in the workplace. Employees communicate and collaborate more. This improves their performance and efficiency, resolves conflicts and misunderstandings and makes people more accepting towards each other. More people start getting recognized which motivates them and others to achieve more and better the next time. This improves the company's overall bottom line and simultaneously fosters a positive and motivating **workplace culture**.

10.6 Difference between Group and Team

BASIS	**GROUP**	**TEAM**
Meaning	A group is made when independent individuals, having something in common, come together.	A team is that group of interdependent individuals, who join hands for the realization of a specific goal.
Accountability	Individual	Individual and mutual
Decision-Making Authority	Group members	Team leader
Individual Growth	Proper training but limited application	Skill development and application
Focus On	Individual goals	Team goals
Dependency	Independent members	Interdependent members

Specific Roles Assigned to Individuals	No	Yes
Interpersonal Understanding	Not necessary	Compulsory
Leadership	Unstructured	Structured
Level of Trust	Low	High
Level of Commitment	Low	High
Conflict Management	Weak	Strong
Synergy	Neutral or negative	Positive

Self-Check Questions

A) In an organization, open communication should be encouraged in a successful team.

a) True

b) False

B) In order to have an effective group , one must have

a) Supporters

b) Directors

c) Promoters

d) Thinkers

e) All of the above

10.7 Principle- Centered Approach to Team Development

Principle centered leadership is when a leader does not give in to their own or others centers but rather chooses a path or direction free of any center influence. Leaders should aim for a principle centered leadership style because they do not have the luxury to have only one value system when moldinga team of different personalities and backgrounds together.

A great leader should rather aim to seek to understand first and judge second and by doing so they will beprinciple centered and make the right principled call for the situation. **Principle centered leaders bind different personalities together and they give a fair framework for all parties to trust and work within**. Principle center leaders inspire others to believe in things bigger than themselves and create an environment where fairness is a constant.

Principle-Centered Leadership consists of four levels of influence arranged in concentric circles, which, from the outer to the inner, are: Organizational, Managerial, Interpersonal and Personal. In addition, thereare four key principles: Alignment, Empowerment, Trust and Trustworthiness. Principle-centered Leadership is focused on personal development and growth – self-development – the development of personality and character.

10.7.1 Characteristics of Principle-Centered Leadership

Stephen R. Covey observes that principle-centered leaders have common characteristics including:

(a) continual learning

(b) service orientation

(c) radiate positive energy

(d) belief in other people

(e) leading balanced lives
(f) seeing life as an adventure
(f) synergistic
(g) exercise mentally and physically

10.7.2 Important Values and Traits as a Team Leader

The following are examples of values. One might use these as the starting point for discussing values within your organization:

(a) **Honesty.** Always do the honest thing. It makes employees feel like they know where they stand with you at all times.
(b) **Focus.** Know where you're going and have a strong stated mission to lead people on. You have to have strong focus and stay the course.
(c) **Passion.** Whatever it is, you must have passion for what you're doing. Live, breathe, eat and sleep your mission.
(d) **Respect.** Not playing favorites with people and treating all people -- no matter what station in life, what class or what rank in the org chart -- the same.
(e) **Excellent persuasion abilities.** People have to believe in you and your credibility. Imageis everything and the belief people have in you, your product, your mission, your facts or your reputation are key to being a great leader.
(f) **Confidence.** If you don't believe in yourself, no one will. The reality is people want to know what you know for sure -- and what you don't.
(g) **Clarity.** The only way you can get confidence is by becoming really, really clear about whom you are and what is most important to you.
(h) **Care.** The strongest, most effective leaders I've met care not just about the business, but about the people in it and the people impacted by it. Care shouldn't be a four-letter word in our workplace today -- and the best leaders know it.
(i) **Integrity.** They are people who are respected and worth listening to. I find in general due to all of the economic difficulties; employees prioritize and seek leaders and organizations that arehonest and meet their commitments.
(j) **Compassion.** Too many leaders these days manage with the balance sheet, often times at the expense of their employees and long-term customer relationships. Talented people want to workfor leaders and organizations that truly care about their employees and the communities in which they operate.
(k) **Shared vision and actions.** People produce real business gains and smart people need to understand what is needed and be part of the solution.
(l) **Engagement.** Great business leaders are able to get all members of their teams engaged. They do this by offering them challenge, seeking their ideas and contributions and providing them with recognition for their contributions.
(m) **Humility.** True leaders have confidence but realize the point at which it becomes hubris.
(n) **Empowering.** True leaders make their associates feel emboldened and powerful, not diminished and powerless.
(o) **Collaborative.** True leaders solicit input and feedback from those around them so that everyone feels part of the process.
(p) **Communicative.** True leaders share their vision or strategy often with those around them.
(q) **Fearlessness.** True leaders are not afraid to take risks or make mistakes. True leaders make mistakes born from risk.
(r) **Genuine.** You need to be clear on what your values are and must be consistent in applying

them. As part of that, you need to have the courage to hold true to them.

(s) **Self-awareness.** You need to be clear on what your strengths are and what complementary strengths you need from others.

(t) **Leverage team strengths.** Part of awareness is don't expect people to change. If you think you can change someone, think again.

(u) **Leadership transitions.** You need to understand the business model, how it applies to your current position, what you need to do to provide the greatest value, and how to leverage your strengths at this level.

(v) **Supportive.** You need to foster a positive environment that allows your team to flourish. Also, by aligning the reward and recognition systems that best match your teams' profile and deliver results.

Self Check Questions

A) A director could be considered as a natural born _____

a) Follower
b) Admirer
c) Leader
d) None

10.8 Keywords

- Team Building :- the process of encouraging members of a group to work well together , for example by having them take part in activities or games.
- Gender diversity:- refers to the extent to which a person's gender identity, role or expression differs from the cultural norms prescribed for a people of a particular sex
- Synergy :- the interaction of elements that when combined produce a total effect that is greater than the sum of the individual elements.

10.9 Short Questions for practice

Questions

1. What do you mean by team development?
2. Differentiate between group and team development?
3. What is Principle centered leadership?

10.10 Long Questions

1.Define the term team? Discuss various characteristics of an Effective Team?
2.Discuss various importance of team development for an organization? 3.Discuss in detail the principle centered approach to team development?

10.11 Suggested Readings

- Covey,S. (2004). Seven Habit of Highly Effective People. New York: Free Press
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- J. W., & Davis, K. (1997). Organisational Behaviour: Human Behaviour at Work. 9th Ed. New Delhi. Tata McGraw- Hill Publishing Company Limited.
- Shermerhorn, J. R., Hunt, J. G., Osborn, R. N. (2005). Organisational Behaviour. 9 th Ed. New Delhi. John Wiley and Sons Inc

10.12 Self Check Questions (Answer-key)

10.6

A) A True

B) E All of the above

10.7.3

A) C Leader

LESSON NO.11 AUTHOR: PRIYANKA VERMA

ORGANIZATIONAL CONFLICT AND NEGOTIATIONS

STRUCTURE

11.1 The concept

There is a large and growing body of literature about organizational conflict. The concept of conflict has been treated as a general. Social Phenomenon, with implications for the understanding of conflict within and between organizations. It has also assumed various roles of some importance in attempts at general theories of management and organizational behaviour. Besides, conflict has been the focus of numerous empirical Studies of organization in the decade.

A Working Definitions of Conflict

There are numerous definitions of conflict but broadly conflict may be defined as "all kinds of oppositionor antagonistic interaction". Such a definition is flexible enough to embrace incompatible goals, different value structure, divergent interests and interactions that are covert or overt. The characteristics of a conflictsituation help to clarify this phenomenon;

(I) At least two parties (individuals or groups) are involved in some kind of interaction.

(2) Mutually exclusive goals and/or mutually exclusive values exist, in fact or as perceived by the partiesinvolved.

(3) Interaction is characterized by behaviour designated to defeat, reduce, or suppress the opponent or togain a mutually designated victory.

(4) The parties face each other with mutually opposing actions and counteractions.

(5) Each party attempts to create an imbalance or relatively favoured position of power over the other.

Louis R. Pondy (1976) has given a very comprehensive definition of conflict. According to him the termconflict is used in four ways in the literature to describe:

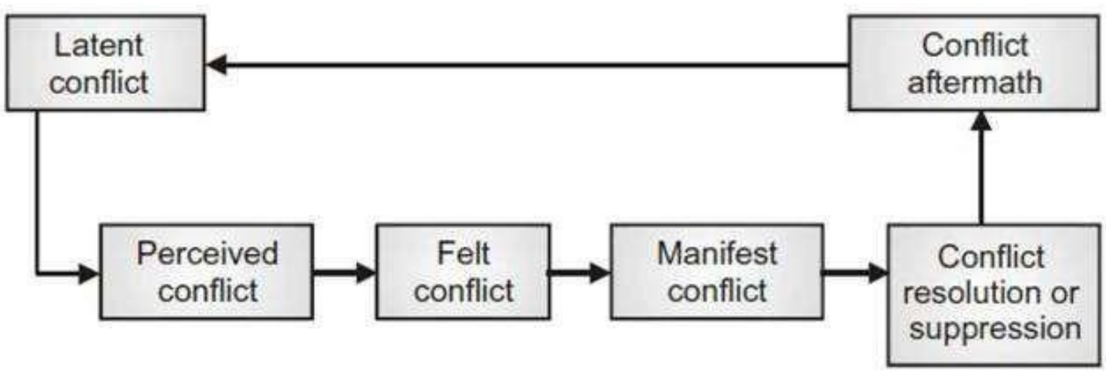
(i) Antecedent conditions of conflictful behaviour (for example, scarcity of resources, policy difference)
(ii) Affective states of individuals involved (e.g., Stress, tension, hostility, anxiety etc.)
(iii) Cognitive states of individual i.e., their perception or awareness of conflict situations
(iv) Conflictful behaviour, ranging from passive resistance to overt aggression.

The problem is not to choose among these, alternative conceptual definitions, since each may be relevantstage in the development of a conflict episode, but to try to clarify their relationships.

Having defined conflict and noted its characteristics, the term "competition" and "cooperation" should also be put in perspective. While conflict and competitions are often used as synonyms or similar terms, but they are not so. All competitions, are not conflicts, for example, two employees can compete for the "salesman of the year" award without conflict. The competitions may exist without conflict; however, if the competition is based on scarce or limited resources then it may result in conflict. Another relationshipthat is frequently misunderstood is that between cooperation and conflict. Is cooperation the opposite of conflict? As Robbins rightly pointed out, the opposite of conflict is no conflict, whereas the opposite of cooperation is no cooperation. Thus, the elimination of conflict does not assure cooperation e.g., two organizational units may not be in conflict but remain uncooperative because there is not incentive to cooperate or they do not perceive a reason for joint effort. In this case, some mutually attainable goal maybe required to stimulate cooperative interaction.

11.2 The Conflict Process

Conflict can best be understood if it is viewed as a dynamic process. A conflict between two parties (individual's groups, or organizations) can be seen described and analysed as a sequence of conflict episodes. The episodes tend to unfold in the manner shown in figure below:



The six phases of the conflict process shown in figure above can be briefly described as given below:

Phase -1 Antecedent Conditions of Conflict

Antecedent conditions are the characteristics of a situation that increases the likelihood of conflict. Someof the potential antecedents to conflict are:

- Unequal task dependency
- Different objectives and values

- Role dissatisfaction
- Ambiguities in assigning credit or blame
- Dependence on common resources
- Communication barriers
- Personal factors

Another researcher has condensed the long list of organizational conflict into three basis types:

(1) competition for scarce resources, (2) divergence of sub-unit goals and (3) drive for autonomy whenone party seeks to exercise control over another:

Phase-2 Perceived Conflict

The antecedent conditions discussed above will lead to conflict if they are perceived as threatening. Perceived conflict is, thus, an impersonally recognized set of conditions that are harmful to the parties. Itmay, however, be noted that the perception is a highly individualized and subjective process which mayprovide accurate or inaccurate evaluation of existing conditions. Further, the perception of conflict neednot always result in conflict be ween the parties. The situation may be ignored if it is seen as minimally threatening or having a low potential loss (conflict-avoiding process). On the other hand, the parties maychoose to attend to some conflict situations, particularly to those that have established and readily accessible procedures for their resolution. As started by Pondy, "Organizations are characteristically facedwith more conflicts than can be dealt with, given available time and capacities. The normal reaction is focus attention on only a few of these, and these tend to be conflicts for which short run, routine Solutionare available."

Phase- 3 Felt Conflict

There is an important distinction between perceiving conflict and feeling conflict. 'X' may be aware that'Y' is in serious disagreement over some policy, but it may not make 'X' tense or anxious, and it may haveno effect whatsoever on 'X's affection towards Y. Felt conflict is, thus a personalized conflict relationship,expressed in feelings of threat, hostility, fear or mistrust. Conflicts become personalized when the wholepersonality of the individual is involved. As in case of perception, feelings and attitudes may create conflict when none really exists. Such a conditions may arise from the characteristics of the individual personality. For example, high sensitivity and self-esteem cause one person to personalize many situationswhich others would see as neutral of non-threatening.

Phase- 4 Manifest Behaviour

Manifest behaviour is the action resulting from perceived and/or felt conflict. When there is a conscious,though not necessarily deliberate, attempt to block the goal achievement of the other party, the behaviour is considered conflictive. Such behaviour may range from covert sabotage or defensive alliances to moreopen forms of aggressive behaviour. Further, knowledge of the organizational requirements and of the expectations and motives of the participants appear to be necessary to characterize the behaviour as conflictful. This suggests that behaviour should be defined to be conflictful, if and only if, some or all theparticipants perceive it to be conflictful. For example, the manifested behaviour is problems-solving whenthe parties seek to achieve the goals of both by the supportive efforts.

Phase – 5 Conflict Resolution or Suppression

Conflict resolution is termination of manifest conflict between individuals or groups. The termination ofmanifest conflict may leave the parties with different reactions to the resulting agreement. The way the parties feel about the settlement will depend upon the Strategy used to resolve the conflict. Three basis strategies for dealing` with the conflict are the win lose strategy, The lose-lose strategy, and the win-winStrategy.

Phase - 6 Resolution Aftermath

The resolution aftermath is the consequence of the conflict resolution method employed, which, in turn,affect the future relations of the parties. If the conflict has been genuinely resolved to the satisfaction of all the participants, the basis for a more cooperative relationship is structured. On the other hand, if the conflict has been suppressed or smoothed over, the latent conditions of conflict may be aggravated and lead to an explosion or simply persist and contaminate relationships. Thus, the resolution methods differand may increase the probability of future conflict or contribute to future harmony and cooperation. The understanding of various phases of conflict discussed above and their interrelationships can be of much help in predicting and influencing conflict outcomes.

Self-check Questions

A) Most conflicts have their roots in uncertainty , and negotiation is a way of managing the
   a) Resultant risk
   b) Failure
   c) Uncertainty
   d) Inputs

B) Process which begins when one party perceives that the other has frustrated, or is about to frustrate, some concern of his, is known as
   a) Conflict
   b) Risk
   c) Uncertainty
   d) Poor Management

C) In which Stage of the conflict process does conflict become visible ?
   a) Illumination
   b) Intentions
   c) Behaviour
   d) Cognition

D) The presence of conditions that create opportunities for conflict to arise is the _____stage of the conflict process.
   a) Potential opposition
   b) Cognition
   c) Vision
   d) Intentions

E) Stage II of the conflict process deals with:
   a) Cognition and personalization of conflict
   b) Group development
   c) Conflict avoidance
   d) Interaction between group members

11.3 Source of Conflict in Organisation

While there are number of reasons as to why conflict is found in organizations, we are discussing in briefSome of these below: -

(i) Interdependence of People or Departments

People who are dependent upon each other are most likely to come into conflict. For example, martial partners or roommates or departments requiring the cooperation of each other have conflict at one time orthe other. The operation and maintenance units of an airline are frequently in conflict with each other because of this interdependency.

(ii) Difference in Objectives

When two groups have major differences in objectives, the potential for conflict remains high. While it can be argued that everybody working for the same organization should have the same ultimate objectivei.e., the success of the organization, this does not always happen in practice. Frequently, smaller units in the organizations have different aspirations and desires than that of management.

(iii) Competitions for Limited Resources

A fundamental reason for the most of conflict between groups exists in organizations because not every department can get all the money, material and human resources it wants. Conflict develops because mostdepartment (or any other organizational unit) believe that their cause is the most worthwhile. Even duringthe time when a company is prospering, resources must be divided in such a manner that everybody doesnot get what. he or she desires.

(iv) Role Theory and Role based Conflict

Roles are crucial in understanding conflict within organizations because roles determine what people ought to do as a function of their position. When interpersonal conflict is found in an organization, it is frequently related to the role people occupy rather than to their differences in personality. Certain jobs have built-in conflict in the sense that people tend to present the activities performed by the holder of thatjob (his or her role) for example: auditors, quality control experts, safety advisors, industrial engineers aresome of the occupations that are faced with role conflict. Thus, potential for conflict exists when the job involves criticizing or improving upon the work of other.

(v) Personal Differences

A variety of personal and cultural differences among people contribute to job conflict. The generation gap (differences in values that stem from differences in age) leads to the conflict because members of differentgenerations may not accept the, other groups value. While older employees frequently question the seriousness of purpose of younger workers, the younger workers believe that the older workers are resistant to change and are blindly loyal to the company. These attitudes resulting from generation gap can create conflicts between younger and older employees in the organization.

The individuals with aggressive or hostile nature are more predisposed towards conflict. Similarly, a person with low self-esteem may over compensate by being belligerent towards others.

(vi) Game Playing

Some of the conflicts usually prevalent in organizations are because of individual's propensity to play games instead of being authentic with each other. A game refers to a human interaction that takes place repeatedly which on the surface seems to be genuine intent but contains a concealed motivation. Hundredsof games have been identified and labelled by specialists in transactional analysis (TA) (For a good discussion of TA and its application to motivation, communication, leadership, individual difference consult the book: Organizational Behaviour in a Changing Environment by Dr. R.D. Pathak (Publishers Himalaya Publishing House, 1983) "Kick me" is one well-known game which contributes to job conflicts.As with the game, it takes place at both the surface level and at a deeper unspoken or hidden level.

Robbins has considered the various sources of conflict under three categories as shown below:

Conflict Source Communication	**Conflict Source structure**
Semantic difficulties Insufficient exchange of Information Channel noise	Power differences Work flow Unequal task dependence goal and rewards Differentiation specialization Dependence on common Resource role conflict Ambiguity in credit and blame

Communication as a source of conflict includes all factors that impair the transmission and understanding of information, there by retarding collaboration and stimulating misunderstanding. Structural source of conflict, on the other hand, refer to barriers and roles created by management in seeking to structure and coordinate organizational activities. The organizations structure for achieving objective is often poorly planned and/or implemented which leads to conflict. Finally, there is some potential for conflict anytime when individual is brought together to achieve specific goal, even in the best-designed organizations. Theseare the personal behaviour sources or conflict. It should be noted here that these sources of conflict may interact or reinforce one another. For example, a behavioural-personal conflict (personality attributes) mayfind expression in communication activities which may further be reinforced by power inherent in the structural arrangement. Thus, detecting the real source of conflict is not an easy task.

11.3.1 Levels of Conflict:

Newstrom and Davis refer to conflict as "any situation in which two or more parties feel themselves in opposition. Conflict is an interpersonal process that arises from disagreements over the goals to attain or the methods to be used to accomplish these goals".

Conflict can occur in three levels:

1. Inter-Personal Conflict:

If it were true that the sole motive of all activity is the desire to avoid pain and to secure pleasure, conflictcould hardly arise. But neither it is true nor possible as there are always incompatible motives which impelus to incompatible goals as individual human being and as members of social groups and organisations. And this is what gives birth to a conflict. When this happens within an individual, we call it "MENTALCONFLICT" and when it happens two individuals or amongst many members of a group or groups, it isknown as "INTER PERSONAL CONFLICT".

Conflict is a painful manifestation of energy and by consuming within the organisation the energy that should be sustaining fruitful work of mind and body, may reduce and weaken the organism and prepare the way for disorder.

When applied to the groups or group members, this wasteful use of energy in "inter-personal conflict" results in simple disagreement to serious fights.

In an industry, if leads to indiscipline, poor morale, infights, industrial strife, etc. By the same token, conflict releases energy at every level of human affairs - energy then can produce positive and constructiveresults.

It is clear from the above that conflict is natural and inevitable. It is therefore, in the interest of all of us tounderstand its genesis and the methods of resolution so that conflict could be channelled to useful purposesrather than providing devastating results.

2. Organisational Conflict:

Individuals in the organisation have many conflicting experiences is organisational setting as for example

(a) The boss wants more production, the subordinates want more consideration. (b) Customers demand faster deliveries peers request schedule days. (c) Consultants suggest changes, subordinates resist changeand (d) The rule book prescribes a formula, but the staff says it will not work. These are four types of organisational conflict.

(a) Hierarchical Conflict: There may be conflict between the various levels of the organisation. The board of directors may conflict with the top management, middle management may conflict with supervisory personnel, or there may be general conflict between management and the workers.

(b) Functional Conflict: There may be conflict between various functional departments of the organisation. Conflict between the production and marketing departments in an industrial organisation isa classic example.

(c) Line-Staff Conflict: There may be a conflict between the line and staff. It often results from situations where staff personnel do not formally possess authority over line personnel.

(d) Formal-Informal Conflict: There may be conflict between the formal and informal organisations. For example, the informal organisation's norms for performance may be incompatible with the formal organisation's norms of performance.

3. Inter Group Conflict:

Definitions of conflict usually involve an element of competition and an element of aggression (Coser, 1956; Brickman, 1974). Let's define inter group conflict as the state existing between two or more groupsthat are competing over scarce resources when one of the aims of the competition is to neutralise, injure or eliminate the competitor. The resources under dispute may be physical (a good home, farmland, oil fields), economic (money, good jobs, bright prospects), psychological (self-esteem, self-actualisation), social (prestige, influence) or any combination thereof. By referring to these resources as scarce, we meanthat each contending group considers them inadequate to fulfil everyone's needs.

11.4 Types of Conflicts

(a) Goal Conflict:

Goal conflict arises when two or more motives block one another. There are three types of goal conflict.

1. Approach-Approach-Conflict: Where the individual is motivated to approach two or more positive but mutually exclusive goals. For example, a young person faced with two excellent job opportunities, or an executive who has choice between two very attractive office to work.

2. Approach-Avoidance-Conflict: Where the individual is motivated to approach a goal and at the same time, is motivated to avoid it. The single goal contains both positive and negative characteristics for the individual. For example, Managers engaged in Long-range planning are very confident of a goal they have developed for the future. Yet, as the time gets near to commit resources and implement the plan, the negative consequences seem to appear much greater than they did in the developing stage. The Managersmay reach a point where approach equals avoidance. The result is a great deal of internal conflict which may cause indecision, ulcers or even neurosis.

3. Avoidance-Avoidance-Conflict: Where the individual is motivated to avoid two or more negative but mutually exclusive goals. For example, the worker who detests his supervisor and has too much pride to accept unemployment compensation. This worker cannot easily resolve his avoidance-avoidance-conflict in a time when jobs are very scarce.

(b) Role Conflict:

A role consists of a pattern of norms and is directly related to the theatrical use of them. A role is the position that has expectations evolving from established norms. As a pattern of prescribed behaviour, a role is a bundle of norms. As a pattern of actual behaviour, a role is one side of a set of social relationships.An individual can have many roles simultaneously. Since the individual has many roles to play in an organisation, role conflict is bound to exist. The classic example of role conflict is of a first-line supervisor.The best approach to resolve this conflict would be to recognise the existence of role conflict, attempt to understand its causes and ramifications and then try to manage it as effectively as possible.

(c) Inter-Personal Conflict:

Conflict situations inevitably are made of at least two individuals who hold polarized points of view, whoare somewhat indolent or ambiguous and who are quick to jump to conclusions. Our popular framework for analyzing dynamics of interaction between self and others is JOHARI WINDOW. Joseph Luft and Harry Ingham (this the name JOHARI) have developed this model.

Self-Check Questions

A) Conflict between two individuals such as coworkers is :

- **a) Intrapersonal conflict**
- **b) Intergroup conflict**
- **c) Interpersonal conflict**
- **d) Interdepartmental conflict**

B) Which of the following is not a root cause of conflict in a workplace?

- **a) Organizational structure**
- **b) Personality differences**
- **c) Compatible goals**
- **d) Task interdependence**

11.5 Traditional and Modern approaches to conflict

Traditional approach to conflict

The traditional approach to conflict is the one suppression and elimination, meaning that conflict is not voiced out. This is viewed as something bad, which can lead to organization complete failure. Thus, traditional management do not encourage employees to voice out their grievances and dissatisfaction, theyare rather ignored. There is nothing like grievance procedure process in an organization or right of collective bargaining. This approach is usually practiced by private and some public organizations, most especially those that do not recognize the trade union. This is the human element, it recognizes man as aneconomic animal, pay him and work that's all because, and this period most organization were owner managers. Though, the approach is still practical by some organizations presently its idea was defeated asa result of industrial resolution and the birth of trade unions which gave rise to the modern approach.

Modern approach to conflict

With the birth of trade unionism, in modern organizations, conflict is seen as something real and inevitable. Thus, a laid down procedure of resolving grievances is established. This approach discourages suppressedconflict, it does not see conflict as an organization faction because it leads to reorientation and reorganization, it then sees conflict as an avenue for correction. Though it is not practiced by certain organization, it is the most widely practiced approach in out today environment. This approach recognizesthe human element at work; hence it discourages suppressed dissatisfaction to be able to understand employee feelings.

Traditional vs Modern views of Conflict

Traditional view	Modern view
Conflict is avoidable.	Conflict is inevitable.
Conflict is caused by management error In designing organization or by trouble makers.	Conflict arises from many causes, including org, structure, unavoidable differences in goals, in perceptions & values of specialized personnel & so on.
Conflict disturbs the organization & prevents optimal performance.	Conflict contributes & detracts from org. performance in varying degrees.
The task of the management is to eliminate conflict.	The task of the management is to manage the level of conflict & its resolution for optimal org. performance.
Optimal organizational performance requires the removal of conflict.	Optimal organizational performance requiresa moderate level of conflict.

11.6 Functional and dysfunctional organizational conflicts

Functional Conflicts

The conflict which supports the goals of a group and improves it performance is known as a functional ora positive conflict. The functional conflict is helpful in the achievement of the goals of a group as it aids in –

(i) Analytical thinking: During a conflict the members of a group display analytical thinking in identifying various alternatives. In absence of conflict, they might not have been creative or even might have been lethargic. The conflicts may include challenge to such views, rules, policies, purpose and planswhich entail a significant analysis to justify these groups as they are or make other alterations that may benecessary.

(ii) Diffusing tension among the members of the group: When conflict is allowed to express openly it can help in reducing the tension among the members of the group which would otherwise remain suppressed. Suppression of tension can lead to imaginative distortion of truth, sense of frustration and tension, high mental exaggerations and biased opinions resulting in fear and distrust. When members express themselves, they get some psychological satisfaction. This also leads to reduction of stress among the involved members.

(iii) Promote Competition: Conflicts results in increase competition and this increased competition in turn results in more efforts. Some persons are highly motivated by conflict and service competition. Such conflict and competition can result in increased effort and output.

(iv) Promote group cohesiveness: Some experts believe that conflict creates solidarity among the members of the group it also increases loyalty in the members of the group and inculcates a feeling of group identity as the members of a group compete with outsiders. This increased group cohesiveness canhelp the management in achieving the organizational goals effectively.

(v) Facing challenges: The abilities of individuals as well as groups can be tested during conflict. Conflict creates challenges for them and to face these challenges individual and group to need to be creative and dynamic. When they are able overcome these challenges successfully it leads to a search for the alternatives to the present methods which results in organizational development.

(vi) Organizational change: It has been seen that sometimes conflict stimulates change among the members of a group. Whenever people are faced with conflict, there is a change in their attitudes and theybecome ready for the change to meet the requirements of the situation

(vii) Increased awareness: Conflict creates an increased awareness about the problems faced by the group. The group members also become aware of the members involved in the problem and the methods adopted to solve the problem.

(viii) Quality of decision: Conflict result s in high quality decisions taken by the members of a group. During the conflict, the members express the opposing views and perspective which results in some high-quality decisions. The members share the information and examine the reasoning of other members to develop new decisions.

(ix) Identification of weakness: The weaknesses of a group and its members can be identified easily during the conflict. It becomes easier for the management to remove these weaknesses once it becomes aware of these.

Dysfunctional conflict

The conflict which obstructs the achievement of the goals of a group is called a dysfunctional or destructiveconflict. The characteristics of a dysfunction conflict are:

(i) Increased tension: a dysfunctional conflict can cause high level of tension among the members of a group and in some cases, it becomes difficult for the management to resolve such a conflict. This increased tension may result in anxiety uncertainty, hostility and frustration among the members of a group.

(ii) High rate of employee turnover: Dysfunctional conflicts can cause some employees to leave the organization if they are not able to resolve the conflict in their favor. In such a case it is the organization that must suffer to loss of its valuable employees.

(iii) Increased dissatisfaction: Dissatisfaction can be increased among the members of the party that loses in conflict. This struggle during conflict also results in decreased concentration on the job and in this way, it can also adversely affect the productivity of the whole group.

(iv) Distrust: Conflict can result in a climate of distrust among the members of a group and in the organization. It can decrease the level of cohesiveness among the group members who will have negative feelings towards other members of the group and avoid interaction with them.

(v) Distraction from organizational goals: Conflicts can distract the members of a group from the organizational goals they are supposed to achieved but during a conflict the members may waste their timeand energy in making efforts for emerging as winners in the on-going conflict in the group and their

attention from the organizational goals may be diverted. Personal victory becomes more important for themembers involved in the conflict and the organizational goals take a back seat.

(VI) Conflicts may cost dearly: The cost for a conflict is not only paid by individuals but they can weakenthe organization also. In case the management fails to handle conflicts efficiently and tries to suppress them, conflicts can acquire huge proportions later. Thus, it is important that the management should interfere in the conflicts at an earlier stage otherwise unnecessary troubles can be created at a later stage. The organization may have to suffer as some of its valuable employees may leave the organization or a feeling of distrust that is generated among the employees could have a negative impact on the productivity.

11.7 Resolution of conflict

Conflict in the work place is a very common phenomenon that occurs almost daily. People generally workin different situations. The goals and needs also vary from one setting to another. Sometimes it is adjustableand sometimes not. So, conflict may happen. In many cases effective conflict resolution skills can make the difference between positive and negative outcomes. You can solve many problems considering the following three main points. These are

- **Increased understanding**: Sometimes discussion is needed to resolve the conflict and ultimately it improves the awareness level. It also helps to achieve the goal.
- **Increased group cohesion:** Team members can develop mutual respect and renewed faith in their abilityto work together.
- **Improved self-knowledge:** Conflict helps individuals to sharpen their focus and enhancing their effectiveness.

Kenneth Thomas and Ralph Kilman (1970) identified five main styles of dealing with conflict. These are:

i) **Collaborative:** The collaborating style is high on both assertiveness and cooperation. This is a strategy to use for achieving the best outcome from conflict—both sides argue for their position, supporting it with facts and rationale while listening attentively to the other side. The objective is to find a win–win solution to the problem in which both parties get what they want. They'll challenge points but not each other. They'll emphasize problem solving and integration of each other's goals. For example, an employee who wants to complete an MBA program may have a conflict with management when he wants to reduce his work hours. Instead of taking opposingpositions in which the employee defends his need to pursue his career goals while the manageremphasizes the company's need for the employee, both parties may review alternatives to findan integrative solution. In the end, the employee may decide to pursue the degree while taking online classes, and the company may realize that paying for the employee's tuition is a worthwhile investment. This may be a win–win solution to the problem in which no one givesup what is personally important, and every party gain something from the exchange.

ii) **Competitive:** Individuals who tend towards a competitive style take a firm stand and they know what they want. This style is useful when there is an emergency and decision need to be made fast, when the decision is unpopular. People exhibiting a competing style want to reach their goal or get their solution adopted regardless of what others say or how they feel. They are more interested in getting the outcome they want as opposed to keeping the other party happy, and they push for the deal they are interested in making. Competition may lead to poor relationshipswith others if one is always seeking to maximize their own outcomes at the expense of others'

well-being. This approach may be effective if one has strong moral objections to the alternatives or if the alternatives one is opposing are unethical or harmful.

iii) **Compromising:** The compromising style is a middle-ground style, in which individuals have some desire to express their own concerns and get their way but still respect the other person'sgoals. The compromiser may say things such as, "Perhaps I ought to reconsider my initial position" or "Maybe we can both agree to give in a little." In a compromise, each person sacrifices something valuable to them. For example, in 2005 the luxurious Hotel in Mumbai advertised incorrect nightly rates for ₹1000, as opposed to ₹10,000. When the hotel received many online bookings at this rate, the initial reaction was to insist that customers cancel their reservations and book at the correct rate. The situation was about to lead to a public relations crisis. As a result, they agreed to book the rooms at the advertised price for a maximum of three nights, thereby limiting the damage to the hotel's bottom line as well as its reputation.

iv) **Accommodating:** The accommodating style is cooperative and unassertive. In this style, the person gives in to what the other side wants, even if it means giving up one's personal goals. People who use this style may fear speaking up for themselves or they may place a higher value on the relationship, believing that disagreeing with an idea might be hurtful to the other person.They will say things such as, "Let's do it your way" or "If it's important to you, I can go alongwith it." Accommodation may be an effective strategy if the issue at hand is more important toothers compared to oneself. However, if a person perpetually uses this style, that individual may start to see that personal interests and well-being are neglected.

v) **Avoiding:** The avoiding style is uncooperative and unassertive. People exhibiting this style seek to avoid conflict altogether by denying that it is there. They are prone to postponing any decisions in which a conflict may arise. People using this style may say things such as, "I don't really care if we work this out," or "I don't think there's any problem. I feel fine about how things are." Conflict avoidance may be habitual to some people because of personality traits such as the need for affiliation. While conflict avoidance may not be a significant problem if the issue at hand is trivial, it becomes a problem when individuals avoid confronting important issues because of a dislike for conflict or a perceived inability to handle the other party's reactions.

Another important theory we can mention here is the Interest Based Relational Approach. This approach indicates the following points in connection with resolving conflict.

- We have to make sure that good relationships are the first priority.
- We have to keep people and problems separately.
- We have to pay attention to the interests that are being presented.
- We have to listen first and talk second.
- We have to set out the facts.
- We have to explore options together.

Considering the above points, we can resolve our conflicts and it will be positive and constructive one.

11.8 Summary

Conflict is inevitable. It is, therefore, essential to learn to resolve rather than running away from it. Conflictif resolved properly can lead to better understanding and harmonious relations. Understanding of one's own self and of others will help reduce conflict areas. Individuals must make efforts to cultivate/develop some attributes which make an individual successful in conflict management. It is possible to improve one's ability to handle conflict more creatively and effectively - especially if one can view "Conflict" notas a process to be feared and suppressed, but as one to be understood and managed.

11.9 Keywords

- **Conflict :-** It describe as a state of disagreement or misunderstanding, resulting from the actual or perceived dissent of needs ,beliefs, resources and relationship between members of the organization.
- **Grievances :-** Grievance refers to the employee's dissatisfaction with company's work policy and conditions because of an alleged violation of rule.
- **Semantic :-** connected with the meaning of words
- **Job Dissatisfaction:-** It refers to the negative emotions, attitudes, and behaviours that employee experience when they are unhappy with their job or workplace.
- **Cohesiveness:-** the quality of sticking together, or of causing things to stick together

11.10 Short Questions

Q1) How can conflict be good for an organization?
Q2) For project management , outline 4 sources of conflict that can arise during a project.
Q3) How do you approach conflicts in the workplace?
Q4) What are the traditional views on conflict?

11.11 Long Questions

Q1) What do you mean by organisational conflict? What are different types of conflicts situations?

Q2) What are the main stages to deal with Conflict? Explain them in brief.

Q3) "Modern Approach to Conflict is quite different from Traditional Approach"? Explain.

Q4) Are organisational conflicts always dysfunctional? Explain in detail.

11.12 References

- **Ritz, Joseph H. (1981)**, "Organisational Behaviour", New York: Richard D. Irwin.
- **Robbins, S.P. (1994),** "Organisational Behaviour", New Delhi: Prentice Hall of India
- **Koontz H. and Weihrich H**., Essentials of Management, Tata McGraw- Hill Publishing Co. Ltd., New Delhi, 12th edition

11.13 Self-Check Questions (Answer-key)

11.2.1

A) A Resultant Risk

B) A Conflict

C) C Behaviour

D) A Potential Opposition

E) A Cognition and personalization of conflict

11.4.1

A) C Interpersonal conflicts

B) C Compatible goals

ORGANIZATIONAL DEVELOPMENT

STRUCTURE

12.1 Objectives

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

- Understand what is organizational development
- Understand the nature and goals of the organizational development
- Describe the organizational development initiatives and how they affects the organization
- Understand the concept of OD interventions and its types
- Describe the process of OD

12.2 INTRODUCTION

Organization development (OD) is an effort that focuses on improving an organization's capability through the alignment of strategy, structure, people, rewards, metrics, and management processes. It is a science- backed, interdisciplinary field rooted in psychology, culture, innovation, social sciences, adult education,human resource management, change management, organization behavior, and research analysis and design, among others.

There are a few elements in this definition (adapted from **Cummings & Worley, 2009**) that stand out.

- **Critical and science-based process**. OD is an evidence-based and structured process. It is not about trying something out and seeing what happens. It is about using scientific findings as input and creating a structured and controlled process in which assumptions are tested. Lastly, it is about testing if the outcomes reflect the intention of the intervention.
- **Build capacity to change and achieve greater effectiveness.** Organizational development is aimed at

organizational effectiveness. It, therefore, has a number of (business) outcomes. These can differ between organizations, but usually, they do include financial performance, customer satisfaction, organizational member engagement, and an increased capacity to adapt and renew the organization. These

are not always clear-cut. Sometimes it is about building a competitive advantage, in whichever way we define that.

Warren Bennis's (1969) definition positions OD as reactive to change, rather than proactive, as was the case in Beckhard's definition. Bennis also introduced the concept that is still core to our understanding ofOD today—namely, organizational culture: "Organization development is a response to change, a complexeducational strategy intended to change beliefs, attitudes, values, and structures of organizations so that they can better adapt to new technologies, markets, and challenges, and the dizzying rate of change it". Bennis used four words that are seen today as key components of organizational culture: beliefs, attitudes,values, and structures. This view was later expanded by Edgar Schein (1980), who developed the idea of a cultural iceberg (see **Figures 1.1 and 1.2**).

These figures illustrate that change in an organization can occur at many levels. As behaviors and their associated artifacts are readily visible to others, OD can effect change in these relatively easily. However,when organizational change needs to penetrate the underlying beliefs, values, and, ultimately, the unconscious assumptions made in the organization, change is much more difficult. As illustrated in his metaphor of the iceberg, Schein indicated how difficult it is to "see" the assumptions that underlie our behaviors. Another metaphor used by Schein was the peeling of an onion. We can easily see the outside skin of the onion (behaviors), but, without peeling away the layers between the external skin and the coreof the onion (the assumptions), we cannot really understand the onion (the people in the organization). This is the challenge that faces OD professionals—how do we peel away the layers of the onion or get to the bottom of the iceberg as we work in an organization? At the same time, because of its greater ease and efficient use of time, efforts to bring about change through OD should not attempt to go deeper than necessary to accomplish the objective (Harrison, 1970). If changes in behaviors or artifacts are sufficient (i.e., at the tip of the iceberg or the outer layer of the onion), then no further effort is necessary

Figure 1.1 Levels of Cultures and Their Interactions (adapted from Schein, 1980, p. 4)

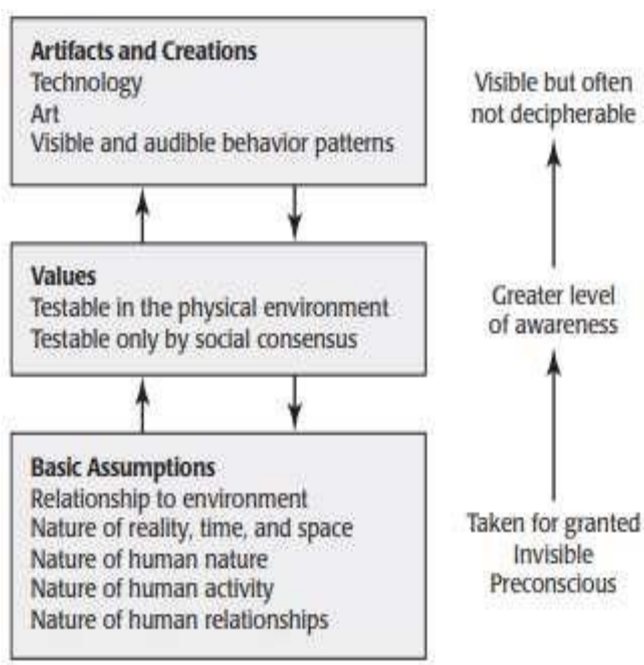
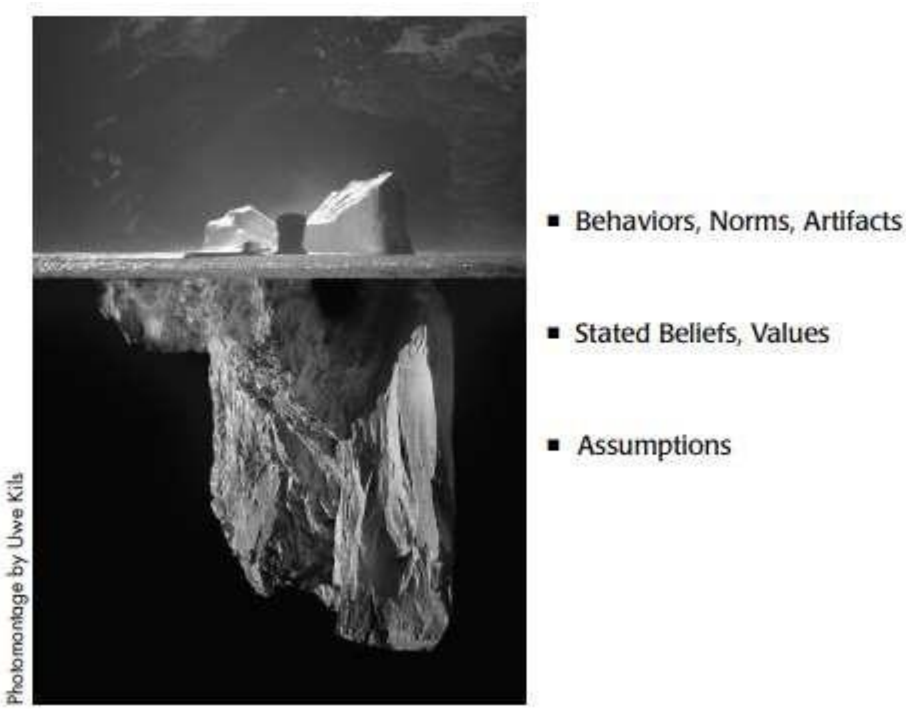


Figure 1.2 Schein's Cultural Iceberg



12.3WHAT ARE SOME ORGANIZATION DEVELOPMENT INITIATIVES?

Organization development involves an ongoing, systematic, long-range process of driving organizational effectiveness, solving problems, and improving organizational performance.

Organization development initiatives are typically categorized as:

- **Human process initiatives** that include team building, interpersonal and group process approaches, and coaching.
- **Techno-structural initiatives** that include restructuring organizations (for example, mergers and acquisitions, flexible work design, downsizing, business process engineering, total quality management, quality of work life, Six Sigma, and Agile).

- **Human resource management** initiatives that include employee engagement, employee experience, performance management, employee development, succession planning, coaching and mentoring, career development, and diversity awareness.
- **Strategic initiatives** that include organization transformation, culture change, leadership development, and attraction and retention initiatives.

12.4 GOALS OF ORGANIZATIONAL DEVELOPMENT

Organizational change and development can be a long, sometimes overwhelming process, but companiesusually begin with several goals in mind:

- **Ongoing improvement.** Changing company culture to view new strategies as a positive growth opportunity allows for ongoing improvement and encourages employees to become more open to changeand new ideas. New strategies are introduced systematically through planning, implementation, evaluation,improvement, and monitoring.
- **Better or increased communication.** Organizational development that leads to increased feedback and interaction in the organization aligns employees with the company's vision. Employees feel that they have more ownership in the company's mission and may be more motivated as a result.
- **Employee development.** In today's business world, employees must constantly adapt to changing products, platforms, and environments. Employee development comprises training and work process improvements that help everyone keep up with shifting demands.
- **Product and service improvement.** Organizational development leads to innovation, which can help improve products and services. This innovation often comes as the result of intensive market research andanalysis.

- **Increased profit.** Organizational development helps increase profits by optimizing communication, employee processes, and products or services. Each serves to increase a company's bottom line.
   While change can be difficult, most companies find that the benefits of organizational development far outweigh the costs.

SELF-CHECK QUESTIONS

A) Organization development is aimed at:-
   a) Enhancing congruence between organizational structure, processes, strategy ,people and culture
   b) Developing new and creative organizational solutions
   c) Developing the organization's self renewing capacity
   d) All of the above

B) OD values generally tend to be :-
   a) Humanistic
   b) Democratic
   c) Optimistic
   d) Only a and b
   e) All of the above

C) Organization deals with _____& _______ problems
   a) People & work system
   b) People & Customer
   c) Work system& customer
   d) People & strategic

12.5 OD INTERVENTIONS

OD intervention refers to the range of planned, programmatic activities client and consultant participate induring the course of OD program.
French & Bell

OD intervention is a sequence of activities actions and events intended to help an organisation improve its performance and effectiveness.
Rober Zawacki

OD interventions are the building blocks which are the planned activities designed to improve the organisation's functioning through the participation of the organisational members.

OD interventions include team development, laboratory training, managerial grid training, brainstorming and intergroup team building. The intervention should take place at all three levels, namely, individual, group and organisation.

12.5.1 Types of OD Interventions

We can classify the OD interventions into three categories:

1. **Behavioural Techniques**: These techniques are designed to affect the behaviour of individuals and thegroup. These include:

- Sensitivity Training
- Role Playing
- MBO
- Grid Organization Development

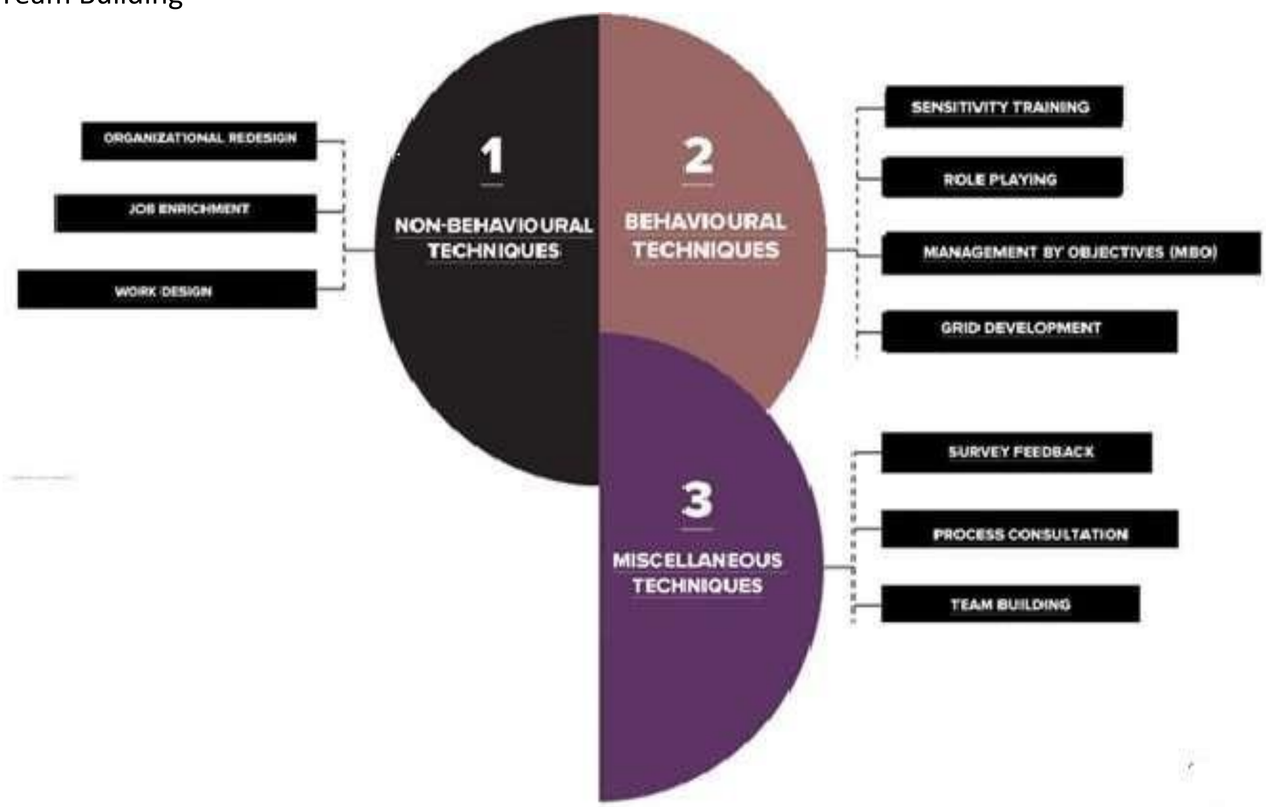
2. **Non-Behavioural Techniques**: These techniques are much more structured than behavioural

techniques.These include:

- Organisational Redesign
- Work design
- Job Enrichment

3. **Miscellaneous Techniques**: In addition to the above techniques, there are certain other techniques whichare used in organisation development, such as:

- Survey Feedback
- Process Consultation
- Team Building



12.5.1.1BehaviouralTechniques

- Sensitivity Training

The purpose of **sensitivity training** sessions or **T-groups** (T for training) is to **change the behavior of people through unstructured group interaction**. Members (ten to fifteen individuals) are brought together in a free and open environment, away from work places, in which participants discuss themselves freely, aided by a facilitator. No formal agenda is provided.

The **objectives** of the T-groups are

- To provide the participants with increased awareness of their own behaviour
- How others perceive the, greater sensitivity to the behaviour of others
- Increased understanding of group processes.

- Role Playing

Role playing may be described as a technique of **creating a life situation**, usually one involving conflict between people, and then having persons in group play the parts or roles of specific personalities. In industry, it is used primarily as a technique of or modifying attitudes and interpersonal skills.

For instance, two trainees may play the roles of a superior and a subordinate to discuss the latter's grievances. The **purpose** of role playing is to aid trainees to **understand certain business problems** and to **enable observers to evaluate reactions to them**.

Role-playing is generally used for human relations and sales training. This technique makes trainees self-conscious and imaginative and analytical of their own behaviour.

- **Management by Objectives (MBO)**

Managing by Objectives is a dynamic system which **integrated the company's need to achieve its goals for profit and growth** with the manager's need to contribute and develop himself.

Management by objectives (MBO) is a technique designed to

1. Increase the precision of the planning process at the organisational level.
2. Reduce the gap between employee and organisational goals.
3. MBO encourages performance appraisal through a process of shared goal setting and evaluation.

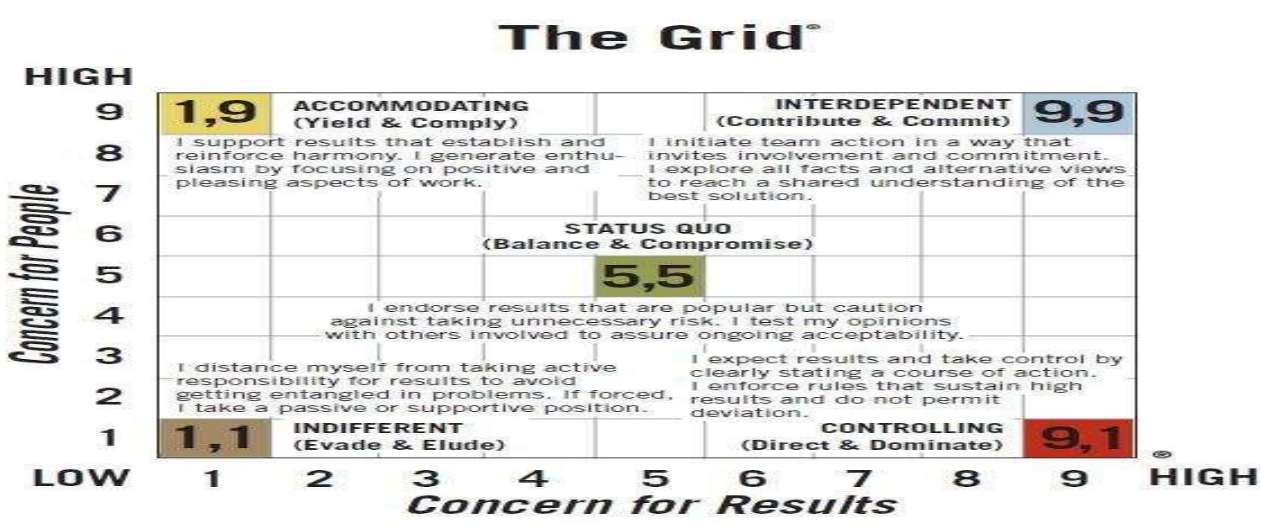
- Grid development

Grid organisational development is based on Blake and Moution's model of leadership called the managerial Grid. Their model depicts two prevailing concerns found in all organisations-concern for productivity and concern for people.

Some managers are high in concern for productivity but low in concern for people; others are high inconcern for people but low in concern for productivity.

Besides helping managers evaluate their concern for proper and productivity, the Managerial Grid stressesthe **importance of developing a team-management leadership style**.

In grid OD, change agents use a questionnaire to determine the existing styles of managers, help them tore-examine their own styles and work towards maximum effectiveness.



12.5.1.2 Non-Behavioural Techniques

- **Organizational Redesign**

The organisation's structure may be changed to make it more efficient by redefining the flow of authority.These are also called **changes in functional responsibility**, such as a move from product to matrix organisational structure.

Organisational structure often reflects the personal desires, needs, and values of the chief executive. Changing structure, therefore, may create resistance and concern because people are worried about their power or status, or how the change will affect their work groups.

- **Job Enrichment**

Job enrichment implies **increasing the cents of a job** or the deliberate **upgrading of the responsibility**, scope and challenge in work.

Job enrichment is a **motivational technique** which emphasizes the need for challenging and interestingwork. It suggests that jobs be redesigned, so that intrinsic satisfaction is derived from doing the job.

In its **best application**, it leads to a vertically enhanced job by adding functions from other organisationallevels, making it contain more variety and challenge and offer autonomy and pride to employee. The job holder is given a measure of discretion in making operational decisions concerning his job. In this sense, he gains a feeling of higher status influence and power.

- **Work Design**

Work design is a broad term meaning the **process of defining tasks** and jobs to **achieve both organisational and employee goals**, it must, therefore, take into account the nature of the business (organisational interest), the organisational structure, the information flow and decision process, the differences among employees, and the reward system.

Within the board scope of work, design is the design of individual jobs, that is, job design.

- **Job analysis** is the process of obtaining information about jobs.
- **Job redesign** makes use of job analysis to redefine a job in terms of tasks, behaviours, education, skills, relationships, and responsibilities required.

12.5.1.3 Miscellaneous Techniques

- **Survey Feedback**

Survey feedback is one of the most popular and widely used intervention techniques, in the field of OD.It involves two basic activities:

— collecting data about the organisation through the use of surveys of questionnaires, and

— Conducting feedback meetings and workshops in which the data are presented to organisational members.

Survey feedback is useful in as much as it **helps bring about changes in attitudes** and perceptions of participants. Used along with **team building** the impact of the survey feedback is much more positive.

- **Process Consultation**

Process consultation includes “a set of activities on the part of a consultant which help the client to perceive, understand, and act upon process events which occur in the client’s environment”.

Process consultation assumes that an organisation’s effectiveness depends on how well its people relate toone another. An organisation’s problems, therefore, often can be traced to the breakdown of critical humanprocesses at key places.

Consultation concentrates on certain specific areas as communication, functional roles of members, groupproblem-solving and decision-making; group norms and growth, leadership and authority, and intergroupcooperation and competition.

- **Team Building**

Team building is a process of **diagnosing and improving the effectiveness of a work group** with particular attention to work procedures and inter-personal relationship in it, especially the role of the leaderin relation to other group members.

Both the group's task procedures and its human interactions are the subjects of study in team building. Thebasic assumption of team building is that increasing the effectiveness of teams will improve the organization's overall effectiveness.

12.5.2 Purpose & Importance of OD Interventions

1. Boosts the quality of employee outcome
2. Perpetually improving organization
3. Enhanced quality of products/services
4. Enhanced Competitive Edge
5. Increased profit

SELF-CHECK QUESTIONS

A) Sensitivity training is an intervention designed to improve the effectiveness of _____
  a) Individuals
  b) Dyads and Triads
  c) Teams
  d) Groups

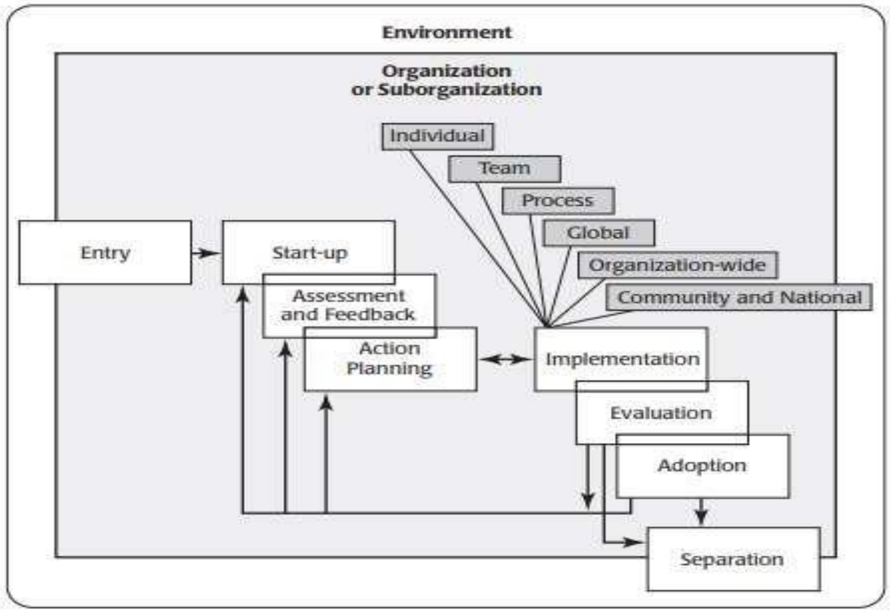
B) Grid OD Phase 2 deals with :-
  a) Individuals
  b) Total Organization
  c) Intergroup relations
  d) Teams

C) Survey feedback is an intervention designed to improve the effectiveness of _____
  a) Total Organization
  b) Teams
  c) Both a and b
  d) None of the above

12.6 PROCESS OF OD

The ODP model consists of eight components or phases with interactivity among the phases. Each of thesephases applies whether or not the OD professional is an internal or external consultant. Keeping in mind that OD can be applied at different levels of depth, some of these phases will be very brief and superficial,while more in-depth OD efforts will require more time, resources, and effort. Briefly, the purpose of eachcomponent is as follows:

Figure 1.3: Organization Development Process Model



- **Entry** – The first phase is when the OD professional ("consultant"), having done the requisite marketing,and a person representing the client organization (or part of an organization) ("client") meet to decide whether they will work together, assess the readiness of the organization to change, and agree on the conditions under which they will work together.

- **Start-up** – The next phase occurs after an agreement has been reached to work together, and a basic infrastructure (such as a client team with whom the consultant will work) is put in place.

- **Assessment and Feedback** – This phase is sometimes called analysis or diagnosis; in this phase, the consultant and client, together, determine the organizational culture, including its strengths and weaknesses, and give this information to the organizational members. The assessment can also focus on aspecific area of interest to the organization that might, because of its lack of depth, require much less commitment of time and resources.

- **Action Plan** – Based on what was determined in the previous step, plans are mutually developed as to howthe organization wishes to move forward, in terms of both goals and objectives and how these will be accomplished.
- **Implementation** – In this phase, the plans that were made in the previous step are implemented; in OD jargon, this is called an intervention.

- **Evaluation** – This phase answers the question, "How well did our intervention accomplish the objectivesthat were planned?"

- **Adoption** – If the evaluation indicates that the objectives of the intervention were accomplished, then thechange that was implemented becomes institutionalized; that is, it becomes a part of the way in which business is done in the organization. If the evaluation indicates that desired objectives were not met, thenthis phase is skipped. In both cases, the process begins all over again.

- **Separation** – At some point, the consultant will withdraw from the intervention process, having transferredhis or her skills to the client organization (again, whether the OD professional is internal or external). Thismay occur because additional change is no longer a priority to the client organization, or that it is not readyfor the next stage of change. It may be because OD skills are needed that the current OD consultant does not possess. It may be that the consultant has been co-opted by the organizational culture and is no longerable to maintain objectivity. For whatever reason, separation should occur intentionally and not by just letting it happens.

As can be seen by the model illustrated in Figure 1.3, the ideal, then, is that the process continues, with orwithout the consultant's involvement, with the objective of continuously improving the organization, no matter how well it is doing.

12.7 KEY TAKEAWAY

From the many definitions of organization development that exist, a few were presented to give the readera sense of how the broad field of OD has evolved. Detail was provided in support of the action research model, the core approach to OD, modified in this text as the organization development process model, withan explanation of each of its eight phases or dimensions: Entry, Start-up, Assessment and Feedback, Action Planning, Implementation, Evaluation, Adoption, and Separation. Brief mention was also made to OD interventions. The positive impact of doing OD work on an organization's performance was then explored.Finally, the values espoused by the OD Network and others were presented in support of the concept of OD being a value-based process with a bias toward humanistic values in creating an open system designedto meet the needs of its stakeholders.

12.8 Keywords

- Organisational development :- Organizational development is a critical and science-based process that helps organizations build their capacity to change and achieve greater effectiveness by developing, improving, and reinforcing strategies, structures, and processes.
- OD Intervention :- OD interventions are actions and events that help a company perform better and work more efficiently.
- Job enrichment :- Job enrichment is a process that is characterized by adding dimensions to existing jobs to make them more motivating. Examples of job enrichment include adding extra tasks (also called job enlargement), increasing skill variety, adding meaning to jobs, creating autonomy, and giving feedback.
- MBO :- MBO stands for Management by Objectives and is a framework designed to manage businesses based on their needs and goals. MBO goals are tailored to meet the needs of today's fast-growing businesses and fast-paced work environments.

12.9 SHORT QUESTIONS FOR PRACTICE

1. Which definition of OD do you prefer? Why?
2. From your perspective, is it important to have recognized credentials for OD interventions? Why?
3. Is OD development process helpful for the organization? Describe briefly.

12.10 Long answer questions

1.What are the challenges faced by the management for organisational development? Explain.

2. Define Organizational development. What are the distinguishing characteristics of OD make it different from other field of the study.
3. Describe the OD process in detail.
4. What do you understand b Organizational development? What are its characteristics and objectives?

12.11 References

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Organizational Behavior – by L. M. Prasad – Sultan Chand Publications
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12.12 SELF-CHECK QUESTIONS (ANSWER-KEY)

12.4.1

A) D All of above

B) E All of above

C) A People & work system

12.5.3

A) A Individuals

B) D teams

C) A Total organisation

LESSON NO.13 | AUTHOR: MANKAJ MEHTA

ORGANIZATIONAL CHANGE

STRUCTURE

13.1 OBJECTIVES

After studying this lesson, you should be able to:

- Explain the theories of planned change
- Explain causes, symptoms and benefits of resistance to change
- Identify the forces for change

13.2 CONCEPT OF ORGANISATIONAL CHANGE

The term 'organisational change' implies the creation of imbalances in the existing pattern of situation. When an organization operates and functions for a long time, an adjustment between its technical, human and structural set-up is established. It tends to approximate equilibrium in relation to its environment. In other words, organisation members evolve a tentative set of relations with the environment. They have an adjustment with their job, working conditions, friends and colleagues etc. Change requires individuals to make new adjustments. Hence the fear of adjustment gives rise to the problem of change and resistance to change. Individual comes in to danger. On the other hand, groupsresist change where their existence is in danger or a total change in overall work environment is contemplated.

Management of change may be defined as a conscious and concerted initiative by those who are in-charge of the destiny of the business undertaking or firm to keep a constant and intelligent watch overthe behaviour of uncontrollable forces, to assess their impact and influence of the controllable forces,and to evolve appropriate strategies and action programmes to maintain a dynamic equilibrium between the controllable and uncontrollable forces. The controllable forces are those forces about which sufficient information is available. Such forces can be managed easily. Uncontrollable forces are those about which not much is known. These forces exert a powerful influence on the behaviour of controllable forces and limit the scope of managerial action.

13.3 FORCES FOR CHANGE

(a) External Forces

External forces for change originate outside the organisation. Because these forces have global effects,they may cause an organisation to question the essence of what business it is in and the process by which products and services are produced. There are four key external forces for change: demographiccharacteristics, technological advances, market changes, and social and political pressures.

(i) Demographic Characteristics

Organisations need to effectively manage diversity if they are to receive maximum contribution and commitment from employees.

(ii) Technological Advancements

Both manufacturing and service organisations are increasingly using technology as a means to improve productivity and market competitiveness. Manufacturing companies, for instance, have automated their operations with robotics, computerized numerical control (CNC) which is used for metal cutting operations, and computer-aided design (CAD). CAD is a computerized process of drafting and designing engineering drawings of products. Companies have just begun to work on computer-integrated manufacturing (CIM). This highly technical process attempts to integrate productdesign with product planning, control, and operations. Office automation consists of a host of computerized technologies that are used to obtain, store, analyse, retrieve, and communicate information.

(iii) Market Changes

The emergence of a global economy is forcing Indian companies to change the way they do business.Companies have to forge new partnerships with their suppliers in order to deliver higher quality

Products at lower prices. iv)Social

and Political Pressures

These forces are created by social and political events. Personal values affect employees' needs, priorities, and motivation; managers thus may need to adjust their managerial style or approach to fitchanging employee values. Political events can create substantial change. For example, the collapse of both the Berlin Wall and communism in Russia created many new business opportunities. Althoughit is difficult for organisations to predict changes in political forces, many organisations hire lobbyistsand consultants to help them detect and respond to social and political changes.

(b) Internal Forces

Internal forces for change come from inside the organisation. These forces may be subtle such as lowmorale, or can manifest in outward signs such as low productivity and conflict. Internal forces for change come from both human resource problems and managerial behaviour/decisions.

(i) Human Resource Problems/Prospects

These problems stem from employee perceptions about how they are treated at work and the match between individual and organisation needs and desires. Dissatisfaction is a symptom of an underlyingemployee problem that should be addressed. Unusual or high levels of absenteeism and turnover alsorepresent forces for change. Organisations might respond to these problems by using the various approaches to job design by implementing realistic job previews, by reducing employees role conflict,overload, and ambiguity, and by removing the different stresses. Prospects for positive change stem from employee participation and suggestions.

(ii) Managerial Behaviour/Decisions

Excessive interpersonal conflict between managers and their subordinates is a sign that change is needed. Both the manager and the employee may need interpersonal skills training, or the two may simply need to be separated: for example, one of the parties might be transferred to a new department.Inappropriate leadership behaviours, such as inadequate direction or support, may result in human resource problems requiring change. Leadership training is one potential solution for this problem.

13.4 RESISTANCE TO CHANGE

Resistance to change is understood to be a natural phenomenon. But not all change is resisted. In fact,if we look at any organisation closely we would probably find that more changes are accepted than resisted. Accepting the fact that people have a natural instinct to adapt to their environment is the first step towards effective management of change. It has the advantage of placing people in a more positivelight, but also suggests that resistance to change is unnatural behaviour. If managers accept this principle, then they can proceed to analyse the situation to find the (unnatural) cause of resistance. Failure to understand this characteristic of resistance can cause many managers to attempt to run through changes rather than try to understand the sources of the resistance.

Sources of resistance to change may be rational or emotional. Rational resistance occurs when peopledo not have the proper knowledge or information to evaluate the change. Providing information (in the form of data, facts, or other types of concrete information) reduces the resistance. Emotional resistance involves the psychological problems of fear, anxiety, suspicion, insecurity, and the like. These feelings are evoked because of people's perception of how the change will affect them.

13.4.1 Causes of Resistance

All changes are not resisted. Some are wanted by the workers. For instance, if the workers have to stand before a machine throughout the shift, they will like the introduction of a new machine which will allow them to sit while working. Thus, resistance to change is offset by their desire tohave better working conditions. Sometimes, people themselves want change and new experienceas they are fed up with the old practices and procedures.

Resistance to change is caused by individual's attitudes which are influenced by many economic, psychological and social factors.

1) Economic Factors

These factors relate to the basic economic needs of the workers like necessities of life, jobsecurity and safety. These factors are:

(i) Workers apprehend technological unemployment. General new technology is expected to reduce theproportion of labour input and, therefore, people resist such change as it will affect their jobs security

(ii) Workers fear that they will be idle for most of the time due to increased efficiency by new technology

(iii) Workers may fear that they will be demoted if they do not possess the new skills required for the newjobs; and

(iv) Workers resist the change of getting higher job standards which may reduce opportunity for bonus orpay incentive.

2) Psychological Factors

These factors arise when workers perceive that factors relating to their psychological needs will be affected adversely by the proposed changes. These needs are sense of pride, achievement, self-fulfilment, etc. These factors are

(i) Workers may not like criticism implied in a change that the present method is inadequate and unsuitable

(ii) Workers may fear that there will be fewer opportunities for developing their personal skills because new work changes will do away with the need for much manual work. This will lead to reduction of their personal pride

(iii) Workers may apprehend boredom and monotony in the new jobs as a result of specialisation broughtby the new technology

(iv) They may fear that harder work will be required to learn and adapt to new ideas

(v) Workers may resist a change because they do not want to take trouble in learning the new things; and

(vi) Workers may not have the knowledge of entire change or they may be incapable of the implications of new ideas or methods.

3) Social Factors

Individual do have certain social needs like friendship, belongingness, etc. for the fulfilment of which they develop informal relations in the organisation. They become members of certaininformal groups and act as members of the group to resist change. The social reasons for resistance to change are:

(i) New organisational set up requires new social adjustments which are not liked by people because these involve stresses and strains. This also means discarding old social ties which is not tolerable to the workers.

(ii) Workers are carried by the fear that the new social set-up arising out of the change will be less satisfying than the present set up.

(iii) Workers also resist the changes which are brought abruptly and without consulting them.

Thus, it is obvious that resistance to change tends to focus on human relations problem, although it may appear to be related to the technological aspect of change. Workers resist thechanges which will affect their social relationships, upset their status and threaten their security. A change may give them a feeling of insecurity, since it challenges their way of doing things and may bring less labour oriented processes. Moreover, it is difficult for the workersto give up their old habits and customs. They also resist the change if they do not know it well.

13.4.2 Symptoms of Resistance

How does resistance to change manifest itself? There are several ways. But it does not mean thatthese symptoms always indicate resistance. Sometimes they may be indicators of other difficulties in the organisation.

1. Hostility or aggression is the immediate reaction of an individual to change. The hostility may only be expressed verbally, in the way the individual strikes at the boss, a fellow workers, or even at subordinates, but hostility and aggression can also take physical forms where the striking out isof a more intense character.

2. The individual may develop apathy towards his work. He loses interest in his work. There is more spoilage of materials, excessive idling of time, and decline in performance.

3. Absenteeism and tardiness are often signs of resistance. Perhaps these are forms of apathy or attempts on the part of the individual to escape his work environment. Separation, for example, may be an extreme illustration of this attempt to escape.

4. The development of anxiety and tension is a sure sign that resistance exists. The individual finds himself uncomfortable, shaky, and tensed up on his job.

5. At the group level additional signs of resistance are exhibited. Slow downs and strikes are the usual symptoms of group resistance. Another strategy adopted by a group to resist change is “restriction of output”. Often great care is exercised in timing operations, setting standards, and otherwise working out details of a wage incentive system, and yet at least part of the work group forms into an informal group, under a leader of its own choice. This group decides what a fair days work is and develops methods of keeping the non-conformist in line. The individual who starts to respond to the incentive is held in a check by sanctions which the informal group is able to bring to bear against him.

(b) Benefits of Resistance

Contrary to popular opinion, resistance to change is not bad. Resistance can bring some benefits.It may encourage the management to re-examine its change proposals so that they are appropriate.

In this way employees operate as a check and balance to ensure that the management properly plans and implements change. Resistance can also help identify specific problem areas where change is likely to cause difficulties, so that the management can take corrective action before serious problems develop. At the same time, the management may be encouraged to do a better job of communicating the change, an approach that in the long-run should lead to better acceptance. Resistance also gives management information about the intensity of employee emotions on an issue, provides emotional release for pent up employee feelings, and may encourage employee to think and talk more about a change so that they understand it better. This does not mean that resistance to change should endure. Resistance must be overcome and changeintroduced.

Self Check Questions

A) In order to respond effectively to opportunities and threats , the organisation may need to make changes to its current products, markets or processes. The environment may act as a trigger for change in organisation.

a) True

b) False

B) For an organisation to respond to the need for change, it needs a way of planning for,and implementing changes. Organisation may need to make strategic changes for lots of different reasons. For example:

a) Dealing with the changes in the global economy and global markets

b) Allowing an organisation to grow, either organically or through merger

c) Restructuring or reorganizing the business

d) All of the above

13.5 THEORIES OF PLANNED CHANGE

Change is vital to progress. The world is changing at a fast pace. Man has to actively engage andadapt with environmental, physical, spiritual and social change. Planned change takes place to help the dynamic systems of the society viz. the Individual, Group, Organization and Communityto

- Solve problems
- Learn from past and existing experiences
- Adapt to the environment and changes
- Reframe shared perceptions
- Improve performance

- And influence future changes

To attain long-term sustainability, changes and improvements have to be made continuously. Planned change is a purposeful, calculated and collaborative effort to bring about improvements in the dynamic systems with the assistance of a change agent (Roussel, 2006). Transforming plans into action is a complexprocess. The process of change fails because change agents often take an unstructured approach to implementation of change process (Wright 1998). There are many change theories. It is important, therefore, that managers, or change agents, identify an appropriate change theory or model to provide a framework for implementing, managing and evaluating change (Pearson et al, 2005). These theories provide frameworks that describe what activities have to be performed in order to start and carry our changein the dynamic systems. The theories of change purport and reiterate that change is indeed real. There are various theories of planned change each conforming to a particular school of thought. The theories examinechange and look at how change occurs.

1) Lewin's Three-Step Change Theory
2) Lippitt's Phases of Change Theory
3) Prochaska and DiClemente's Change Theory

I) Lewin's Three-Step Change Theory

Kurt Lewin was an eminent Gestalt Psychologist who developed the influential Field Theory. Lewin's field theory emphasized that behaviour is the result of the individual and his interaction with his entire field or the environment. According to Lewin, for change to take place,the total situation has to be taken into account. If only part of the situation is considered, a misrepresented picture is likely to develop that will hinder the change process. In 1951 Kurt Lewin introduced the three-step change model named the Lewin's Three-Step Change Theory.This provides a general framework for understanding change in the dynamic systems. Lewin discussedforces that can affect change. He views behaviour as a dynamic balance of forces-the 'driving forces' and the 'restraining forces' that work in opposing directions. Driving forces facilitate change because they push system in the desired direction, pushing it forward for change.Restraining forces hinder change because they push it in the opposite direction. In fact the restraining forces maintain status-quo of the system. Hence it is essential to analyse both the forces. Lewin's three-step model helps shift the balance in the direction of the planned change. This involves increasing forces pushing for change while decreasing forces maintaining the current state that resist change and hence produce less tension. Lewin identified three stages through which change agents traverse before change becomes part of that system. The three stagesshow that change involves a movement or change from one static state to another static state via a progressional shift. This is also known as Unfreeze-Change-Refreeze Theory of Change.

Stage 1- Unfreezing:

According to Lewin the first step of process of planned change is Unfreezing. This stage involvescreating the right conditions for change to occur. The purpose of this stage is to unfreeze the statusquo or the state of equilibrium. Unfreezing requires the systems to come out of the existing situation, overcome the strains of group conformity and individual resistance. People may resist change by attaching a sense of identity to their environment. In this state even the beneficial Alternatives initially cause discomfort. The challenge is to simply move people from this ‘frozen’state to a ‘change ready’ or ‘unfrozen’ state. Unfreezing can be achieved by the use of three methods.

The first is to increase the driving forces that direct behaviour away from the status quo or the existing situation. Second requires decrease of restraining forces that negatively affect and preventmovement from the existing equilibrium negatively. Third method involves finding a combinationof both the two methods listed above. Identify some activities that can assist in unfreezing and also motivate participants by preparing them for change. This also includes building trust with theclient, recognition for the need to change, active participation in recognizing problems and brainstorming solutions within a group.

Stage 2- Movement:

Lewin’s second step in the process of changing behaviour is movement. It is a transitional ‘journey’ and typically a period of confusion. People are in a state of confusion since their old setways are challenged but they have no clear understanding of the new ways that will replace the old ones. It is necessary in this step, to move the target system to a new level of equilibrium. Theend goal of this stage is to get people to the ‘unfrozen’ state and keep them there. Three actions that assist in the movement include:

a. persuading individual or community or the organization to agree that the status quo is notbeneficial to them and encouraging them to view the problem from a fresh perspective,

b. work together and gather new, relevant information, and connect the views of the group to well-respected, powerful leaders that also support the change.

c. and finally planning and implementing the action for change.

Stage 3- Refreezing:

The third step in Lewin’s three-step change model is refreezing. The end goal of this stage is to reach the stage of ‘refreeze’. This means that the change that has been implemented becomes sustained or “sticks” over time. If this step is not taken then it is highly likely that the change willbe short lived and the system will revert back to its old behaviours or equilibrium. At this stage new set of values acquired are actually integrated with the existing values and traditions of the system. This requires reestablishing stability and elevating the comfort levels of the systems by reconnecting them back to their safe and familiar environment. In this last and final stage in Lewin’s theory is to reinforce new set of values and patterns of behaviour by institutionalizing them through both formal and informal mechanisms including formulation of relevant policies and procedures.

Refreezing takes the dynamic system from a period of low productivity in the movement or the transitional state to that of individual/organisational effectiveness and sustainable performance. Refreezing exhibits the effects of forces that either promote change (driving force) or inhibit it (restraining force). Specifically, driving forces promote change while restraining forces oppose change. It can be concluded that change occurs when the strength set of forces (driving forces) isgreater than the strength of the opposing forces (restraining forces).

II) Lippitt, Watson and Westley Seven-step Theory

Lippitt, Watson, and Westley (1958) extended Lewin'sThree-Step Change Theory and proposed a seven-step theory of change. This theory rather than putting forth the evolutionof the change focuses on the roles and responsibilities of the change agent in the process of change. Change agent is very important in this theory. The stages in Lippitt, Watson and Westley's Seven-step Theory are:

1. development of a need for change,
2. establishment of a change relationship,
3. working toward change,
4. the clarification or diagnosis of client systems problem,
5. the examination of alternative routes and goals/establishing goals and intentions of action,
6. transformation of intentions into actual change efforts, and
7. the generalization and stabilization of change and achieving a terminal relationship.

III)Stages of Change Model/ Transtheoretical Model (TTM) by Prochaska andDiClemente

Prochaska &DiClemente (1983) gave the "stages of change" model which is one of the components of "Transtheoretical model of behaviour change". The TTM is a model of intentional change that focuses on the individual's decision making process. It describes how people modify problem behaviour or acquire a positive behaviour. Since it integrateskey constructs from other theories it is called the "transtheoretical model". This "Stages ofChange" model was identified and developed during a study of 'smoking cessation' by rochaska &DiClemente. Thereafter this model has been applied to studies focusing on bio-psycho-social problems, including domestic violence, HIV prevention, alcohol, drug and child abuse, weight control (Prochaska & Prochaska, 2009) and has been used for developing effective interventions for health behaviour change. This model has been widely applied in behaviour modification techniques. In order to move through the changeprocess everyone has to accomplish the same stage-specific tasks although the amount oftime an individual spends in a specific stage varies from one to another.

13.5.1 Stages of Change

According to Prochaska &DiClemente (1983) there are five stages of change. These stagesare:

1. Precontemplation
2. Contemplation
3. Preparation
4. Action, And
5. Maintenance

1. Precontemplation (Not ready to change)

People in precontemplation do not see their behaviours as a problem and therefore see no need to change. This is sometimes called the "ignorance is bliss" stage.Research shows that between 50 – 60% of clients are in the stage of Precontemplation and they don't see their behaviours as a problem and are "resistant to change". Norcross and Prochaska (2002) distinguish between "uninformed" and "under informed" groups of people. Those who have never seen their behaviours as problemsare considered "uninformed" and the group of people who have seen their behaviours as problematic in the past but are not currently interested in changing are called "under informed."Techniques for change include:

- Validate lack of readiness
- Encourage re-evaluation of current behavior
- Encourage self-exploration, not action
- Explain and personalize the risk

2. Contemplation (Thinking of changing)

Change is tough. It is hard to take that first step. The second stage is called contemplation and people recognize a problem and are contemplating a change, but haven't yet committed to changing. People in contemplation are sitting on the fence – part of them wants to change, but an equally compelling part of them wants to stay the same. For example, someone contemplating dieting to lose weight andhave not yet started dieting. This is the stage when people are sitting on the fence and ambivalent about change. Techniques for change include:

- Encourage client to evaluate pros and cons of behaviour change
- Re-evaluation of group image through group activities
- Identify and promote new, positive outcome expectations

3. **Preparation (Ready to change)**

The third stage is called preparation. In this stage, people have decided to change their dysfunctional behaviours within a month. They take little steps towards changing their behaviour
– or are "testing the waters." These little steps might have worked, or they might have failed, but they have not resulted in the kind of behaviour change that is warranted. For example, someone contemplating dieting to lose weight has said no to desert for the last few months but hasn't lost any weight, due to lack of comprehensive plan.

Techniques for change include:

- Help and encouragement to evaluate pros and cons of behaviour change.
- Identify and promote new, positive outcome expectations of behaviour change.
- Encourage small initial steps towards behaviour change.

4. **Action (Making change)**

The action initiated towards desired behavioural change including modification of environment, experiences, or behaviour. The client at this stage makes specific overt modifications in their life-styles. It is very important at this stage to take measures against relapse.

Techniques for change include:

- Help client restructure cues and social support.
- Enhance self-efficacy for dealing with obstacles.
- Help guard against feelings of loss and frustration.

5. **Maintenance (Staying on track)**

The focus of this stage is active work to maintain changes made and prevent relapse. In this stage client has been engaged in the new behaviour for at least six months and is committed to maintainthe new behaviour. They are more confident that they can continue their change.

Techniques for change include:

- Providing follow-up support
- Reinforcing internal rewards
- Discussing coping with relapse

6. **Relapse (fall from grace)**

This is an unofficial sixth stage referred to as "relapse," "recycling," or "slipping" in which the systemreverts back to old behaviours. Examples resuming drinking or smoking after a period of sobriety, ornon-smoking phase a year after quitting. Slipping is so common that it is considered normal.

Techniques for change include:

- Evaluating the triggers for relapse
- Reassessing motivation and barriers
- Planning stronger coping strategies

13.6 Keywords

- Resistance :- the refusal to accept or comply with something.
- Organisational change:- Organisational change is the process through which a company undergoes any transformation internally or externally.
- Self efficacy:- Self efficacy is the belief in one's capabilities to organize and execute the sources of action required to manage prospective situations.

13.7 SHORT ANSWER QUESTIONS

1.What does Organizational change involve?
2. Why is managing organizational change meaningful?
3. What are the barriers to organizational change?
4. What are the best practices in organizational change management?

13.8 LONG ANSWER QUESTIONS

1. Differentiate between the external forces and the internal forces that induce change in the organisations.
2. A well established manufacturing unit plans to introduce new machines and new methods of production. The workers in the factory numbering two hundred are fearful of the change and are resisting it in many ways. How will you advise the management to tackle the problem?
3. Trace the reasons for human resistance to change in industry. How can this be overcome?

13.9 References

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13.10 Self Check Questions (Answer-key)

13.4.3

A) A. True

B) D. All of the above

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STRESS MANAGEMENT AND ORGANISATIONAL DIAGNOSIS

STRUCTURE

14.1 OBJECTIVES

After reading this lesson you should be able to understand :-

- Concept of Work Stress
- Causes of Work Stress
- Consequences and Managing Work Stress
- Meaning and Importance of Organisational Diagnosis
- Methods of Organisational Diagnosis
- Need for Effective Organisational Diagnosis

14.2 CONCEPT

Stress is defined in terms of how it impacts physical and psychological health; it includes mental, physical, and emotional strain. Stress occurs when a demand exceeds an individual's coping ability and disrupts his or her psychological equilibrium. Stress occurs in the workplace when an employee perceives a situation to be too strenuous to handle, and therefore threatening to his or her well-being. Stress has become a majorconcern of the modern times as it can cause harm to employee's health and performance. Different psychologists and physiologists have defined stress differently. In simple words, Stress refers to pressuresor tensions people feel in life. As living human makes constant demands , so it produces pressure ,i.e., stress. Stress is however a natural and unavoidable feature in human life but beyond a particular level cancause various problems which in turn would affect the individual's performance in the organisation. Thus,Management of stress has become a challenging job for the modern organisation.

14.2.1 TYPES OF STRESS AT WORK

Stress can be either positive or negative. Some new work situations can bring us positive challenges and excitement, while others are very threatening and anxiety-arousing. For example , the depression in the economy can create negative stress for sales personnel, because they will be much more anxious about making sales commissions and sales quotas. On the other hand, promotions to new jobs present employeeswith positive stress. While employees may feel anxious about their new work assignments, they also anticipate them eagerly and look forward to the additional challenges, rewards, and excitement. In these cases, the new and uncertain job situations create positive stress (**also called eustress**).

For every individual there is a optimum level of stress under which he or she will perform to full capacity.If the stress experienced is below this optimum level, then the individual gets bored, the motivational levelto work reaches a low point, and apathy sets in. If one operates in a very low stress environment and constantly experiences boredom, the person is likely to psychologically or physically withdraw from work.Psychological withdrawal will result in careless mistakes being frequently made, forgetting to do things, and thinking of things other than work during work hours. Physical withdrawal will manifest itself in increased rates of tardiness and absenteeism which may ultimately lead to turnover. Though the optimumstress level is different for different individuals, each individual can sense and determine how much stressis functional for him or her to operate in a productive manner.

14.3 CAUSES OF WORK STRESS

Work stress is caused by demands and pressure from both within and outside of the workplace and it is categorised into different categories which are described as follows.

14.3.1 Job Characteristics

A major source of job stress is a person's role in the organisation. A role is simply the set of expectationsthat other people in the organisation have an individual in his or her job .Supervisors, co workers, customers and suppliers – all of these people expect an individual to behave in certain predictable ways. Often, the expectations others have of an employee are unclear, in conflict, or too high for the employee to meet within the time allotted, and he or she experiences stress.

1.Role Ambiguity : When there is a lot of uncertainty surrounding job definitions or job expectations, people experience role ambiguity. With the recent increase in mergers and acquisitions among major corporations, for instance, more and more employees are experiencing job stress as a result of role ambiguity. Role ambiguity is anxiety-arousing to employees, and they consequently experience job stress.

2. Role Conflict : Often employees discover that different groups of people in an organisation have widely varying expectations of them, and that they cannot meet all these expectations. This inconsistency of expectations associated with a role is called role conflict, which results in stress.

Role Overload : Role Overload is a situation in which employees feel they are being asked to do more than time or ability permits. Working under time pressure is especially stressful.

Role Underload : Role Underload is the condition in which employees have too little work to do or too little variety in their work. Salespeople in a store with no customer, standing around all day with nothingto do, could be said to experience role underload. Ironically, role underload lead to many of the same problems as role overload: low self-esteem; increased frequency of nervous symptoms and complaints; increased health problems.

Ethical Dilemmas : Ethical dilemmas such as whether or not one should report the observed unethical behaviours of another person can cause extreme levels of stress in individuals. This will be especially truefor those who have strong moral values of right and wrong and a deep sense of personal and corporate social responsibility. Tensions arise because one might have to contend with whistle blowing against one'sown colleagues who might be close friends, and may fear reprisal and other undesirable consequences which have to be pitted against one's sense of duty and loyalty to the organisation**.**

14.3.2 Interpersonal Relationships

A second major source of stress in organisations is poor interpersonal relationships with others, be they supervisors, subordinates, co workers, or clients. When interpersonal relationships at work are unpleasant,employees develop a generalised anxiety, a diffuse feeling of dread about upcoming meetings and interactions. Three aspects of interpersonal relationships at work, in particular, have a negative impact onjob stress:

1. Amount of contact with others: Jobs vary in terms of how much interpersonal contact is built into them. Too much prolonged contact with other people can cause stress.

2. Amount of contact with people in other departments: Having contacts with people outside one's own department creates a special sort of stress. People in other departments do not always have an adequate understanding of jobs outside their own areas. This causes stress.

3. Organisational climate: The overall psychological climate of the organisation can create stress. When day-to-day life in an organisation is marked by unfriendly, distant, or hostile exchanges, employees are continually tense and this causes stress.

14.3.3 Organisational Structural Factors

1. Stress Agents :- Work environment factors such as noise, heat, poor lighting, radiation and smoke are stress-inducing agents**.**

2. Insufficient resources :- Time, budget, raw materials, space or manpower are additional stressors in the work environment. When one has to produce and perform with inadequate resources on a long-term basis, this naturally imposes stresses and strains on the individuals who are responsible for getting the jobdone.

3. Other Structural Factors:- Other structural factors in the organisational setting such as staff rules and regulations and reward systems which are not platable to individuals may act as stressors. The lack of career promotion in organisations may be additional organisational stressors. Certain types of interactionswith significant forces in the external environment of the organisation can also be sources of stress**.**

14.3.4 Personal Factors

Frequently, employees' personal lives have a marked effect on their lives at work. If things are going wellpersonally, they are more likely to be upbeat and optimistic. They have more energy and patience for dealing with problems at work. On the other hand, if employees are having some personal problems, theymight be more tense or distracted when they go to work. Three factors, in particular, influence how muchstress people bring from their personal lives to the work setting:

1.**Career Concerns:** One major career concern that can cause stress is lack of job security. A second career concern that can cause employees stress is status incongruity, i.e., having jobs with less status (power, prestige) than they think they deserve.

2.**Geographical Mobility:** Geographical moves create stress because they disrupt the routines of daily life. When geographical moves are undertaken as part of a job transfer, the move scan be even more stressful. The transferred employees are likely to feel out of control at work, too, and experience their newwork environments as unpredictable.

14.4 CONSEQUENCES OF WORK STRESS

Consequences for the Individual

Stress can impact an individual mentally and physically and so can decrease employee efficiency and jobsatisfaction.

1. **Physical Consequences :-** Stress is one of the leading precursors to long-term health issues. Backaches, stroke, heart disease, and peptic ulcers are just a few physical ailments that can arise when a person is under too much stress.

2. **Behavioural Consequences** :- A person can also exhibit behavioural problems when under stress, such as aggression, substance abuse, absenteeism, poor decision making, lack of creativity, or even sabotage. A stressed worker may neglect their duties, impeding workflows and processes so that the broader organization slows down and loses time and money. Managers should keep an eye out for such behaviours as possible indicators of workplace stress.

3. **Psychological Consequences :-** The Psychological consequences of stress relate to a person's mental health and well being. When people experience too much stress at work, they become depressed or find themselves sleeping too much or not enough.

Consequences for the Organisation

1. **Decreased Profit :-** Too much stress might lead to decline in performance of the individuals. Thus , overall profitability and quality will suffer leading to reduced margin of profit

2. **Increased Absenteeism and Labor Turnover** :- The individuals under stress may withdraw from the scene. There may be increased rates of absenteeism and labor turnover. An employee may withdraw psychologically ceasing to care about the organisation.

3. **Low Spirits :-** Job satisfaction, morale and organisational commitment can all suffer, along with motivation to perform at high levels. As a result , people may become more prone to complain about unimportant things, do only enough work to get by, and so forth.

4. **Delay in decisions :-** Decision making might be delayed or even poor decisions might be taken if the decision makers are under excessive stress.

14.5 MANAGEMENT OF WORK STRESS

Stress management has assumed greater importance in the modern organisations. More than organisations, individuals are concerned with the stress reduction. As the saying goes 'prevention is better than cure', prevention of stress is better than attempting to cure stress. This is because stress once experienced has negative consequences. Though employee possesses negative perception of stress, there is a need to inducemoderate levels of stress for better performance. The question arises what should be the acceptable levelsof stress? The individual management techniques are more popular than organisational management techniques. Let us learn the strategies of stress management in detail.

14.5.1 Strategies At the Individual level

Individuals assume automatic responsibility and look for ways and means of dealing with their stress. Following are some of the techniques which individuals can adopt for reducing stress :

1) Time Management : Improper and inadequate utilisation of time cause anxiety. One popular approach to time management is to make a list every morning of the things to be done that day.The things to be donemay be arranged in the list according to their importance.

2) Physical Management : Physical exercises greatly help in relieving tension and stress.When body is conditioned with physical exercise, oxygen is inhaled properly and blood circulation increases.

3) Psychological Management : Managing psychological activities lead to effective management of stress. The following are some of the psychological management techniques.

i) Relaxation : Relaxation of mind through meditation, hypnosis and biofeedback can effectively reduce mental tensions.. This technique relaxes muscles and mind. It also brings significant changes in heart rate, blood pressure, lung capacity and other biological organs of the body.

ii) Behavioural Self-control: Exercising proper control over behaviour in dealing with others can bring down the chance of stress. Stress can be relaxed by developing proper perception, practicing good listening, maintaining calm and tension free mind empathy and positive attitude are some of the behavioural self control techniques.

iii) Cognitive Therapy: Cognitive therapy involves knowing ones' own emotions to release anxiety and tension. In this technique, people are made to understand the reasons causing stress in them by the processof self-observation. For example, if an employee develops a feeling that he is incompetent to handle a newjob, counselling is provided to develop a confidence of competence to handle all the new jobs. Thus, withthe help of cognitive therapy, a positive impact is created for the mental satisfaction. Cognitive therapy enables people to exercise self- control for relaxing stress.

iv) Yogic Management : In recent times, yoga is an effective technique of relieving stress.. Practicing a number of yoga asana relaxes muscles reduces blood pressure, controls asthma, relieves neurological problems, improves lung capacity, enhances proper flow of blood and helps relax tensions and strains.

4) Social Management: Developing good social networks involves grouping of people who are good listeners and confidence builders. This increases social support to individuals. Social clubs, recreation clubs, friendship clubs, informal gatherings, birthday parties, and family are some of the social networks that increase social support and reduce stress.

5) Self-awareness Management: Self-awareness is similar to self-audit or personal audit. Managers are required to understand themselves in a free and fair manner. They should encourage open communicationand willing to listen to others especially on their deficiencies.

6) Inter Personal Management: One of the most successful techniques of stress management is developing inter personal understanding. Transactional Analysis, Johari Window and Grid techniques help in the development of inter personal understanding and consequent relief from stress.

14.5.2 Strategies At the Organisational level

In modern organisations, human resources are vital resources. Organisations are interested in finding out the organisational stressors and remove them as far as possible. Organisations adapt the following techniques of stress management.

1) **Selection and Placement Policy:** Selecting the employees by a proper personality fit suitable to jobs minimise the chance of stress in the individuals. For instance a sales person jobs requires extensive travelling rather than experience. If a person having a poor attitude of travelling is selected, he is likely to experience more stress in performing the job. Therefore, proper recruitment and selection policy should be followed by the organisation to reduce stress.

2) **Goal Setting:** Goal ambiguity, lack of proper perception of goals, challenging goal and unattainable goals cause stress in individuals. Therefore, organisations should follow a strategy of participation in goalsetting to provide motivation, reduce frustration and ambiguity of goals.

3) **Job Enrichment and Job Design**: Job enrichment provides motivation to the employees. It enriches job factors such as responsibility, recognition, and opportunity for advancement, growth and self esteem. Routine, unstructured and poorly designed jobs cause greater stress in individuals. Job redesign provides more responsibility, more meaningful work, more autonomy and increased feed back. This provides greater control over work activities and reduces dependence on others. Therefore, job enrichment and job redesign provide an effective way of reducing stress.

4) **Role Clarity**: If Employees understand their role in organisation, this reduces the chance of role conflict and increases role compatibility. This eliminates stress in the individuals.

5) **Career Planning and Development**: Employees in general are free to plan their careers. However, organisations also aim at employee development. Organisations take less interest in career planning of theemployees. Designing appropriate career plans, education programs, development programs and organisation development considerably reduce employee's stress.

6) **Democratic Leadership**: Democratic leaders create confidence in the subordinates and allow participation in the decision making process. This enables employees to relieve stress and promote healthywork.

7) **Organisation Climate**: A sound organisation climate and culture characterised by sound administrative policy, good organisational communication, participative culture and supportive climate ensure reduction of stress.

8) **Wellness Programmes**: Programmes that focus on employee's physical and mental condition organised by the management are known as wellness programmes. However, these programmes are successful only when the

employee himself takes personal interest in his physical and mental health. Organisations act as only a catalyst to promote programmes that facilitate reduction of stress.

9) Quality of Work Life: The concept has been increasingly recognised in the recent years. This technique involves improving the working conditions and other internal and external aspects of work life. In addition, providing good housing facilities, living conditions, social and recreational facilities, training and development of employees for overall development of human resources in the organisation will develop quality of work life.

Self-Check Questions

A) The symptoms of stress can be divided in to the following categories

a) Cognitive
b) Emotional
c) Physical
d) All of the above

B) Which of the following are the basic sources of stress?

a) The Environment
b) Social stressors
c) Physiological
d) All of the above

14.6 MEANING OF ORGANISATIONAL DIAGNOSIS

The concept of organisational diagnosis holds a significant importance. We need to diagnose organisationalissues before we can address them ! Diagnosis is defined as a critical analysis of the nature of something. Organizational diagnosis are ". . . investigations that draw on concepts,models, and methods from the behavioral sciences in order to examine an organization's current state and help clients find ways to solveproblems or enhance organizational effectiveness" **(Harrison & Shirom)**

In Simple words, "Organisational diagnosis involves gathering , analysing and interpreting information about how the organisation is functioning".

In some ways organisations, their structure and functioning can be compared to structure and functioningof the human system. Just as an organism has several parts an organisation is also structured with severalsubsystems. Effective functioning of the human sub-systems depends on the effective functioning of all the constituent parts. When the human system is in trouble it is either due to a problem in a part that couldbe located or due to problems that affect the entire system. In any case when there is trouble the entire system gets affected.

Just as a doctor diagnoses the problem with the human system on the basis of the symptoms and analysis of the system using some tests (standard tests like pulse rate, BP etc. as well as special tests) an organisationfacing problems could be diagnosed by an organisational specialist on the basis of noticeable (visible) symptoms and using tests to bring out what is not evident. The only difference is that the human organism normally functions as a whole as it has a single mind. An organisation has several parts each having its own independent minds and they may not always function in a fully unified way. So even when the top management think that there is a problem other systems may not think so or *vice versa*. Organisation has several minds that is what adds to the complexity of the organisation.

14.7 Importance of Organisational Diagnosis

Organisational analysis is very important and serve different purposes. These include:

1) Enhance the general understanding of the functioning of organisations (i.e. educational or research purposes.) :-Such a study may aim at enhancing the understanding of human behaviour througha study of it in organisation, or to enhance the understanding of the society as reflected in organisational life which exerts a significant importance.

2) Important for Planning (growth and diversification) :- An analysis or a diagnostic study may be necessary for planning growth, diversification, expansion etc. Organisational analysis may reveal the strengths that could be used for growth and diversification, weak spots that need to be removed in the newplans, the precautions to be taken, structural dimensions to be kept in mind etc. Several insights may be provided on structure, people, systems, styles, technology etc. that have implications for growth.

3) Improving Organisational Effectiveness or Planning General Improvements :- Organisational Analysis may be used also for improving the general efficiency of an organisation. On the basis of a diagnosis made out of the analysis action steps could be initiated in terms of toning up administration, introducing new management systems and processes, reduction of wasteful expenditure, introduction of time savers, change of personnel policies to enhance employee motivation, restructuring of some parts, training, elimination of unwanted structures and teasers, improvements in general health of the organisation etc.

4) Organisational Problem Solving:-Whenever some subsystems departments, units etc. fall sick or startcreating problems a diagnosis may be undertaken with a view to identify the source of the problem and take corrective action.

14.8 Methods of Organisational diagnosis

There are many ways of analysing and diagnosing organisations and their phenomena. The following arethe most frequently used methods:

1) Questionnaires:- There are a number of fairly standardised Questionnaire for Organisational diagnosis.It is also easy to develop Questionnaire to suit each organisation's requirements. Choice of a questionnaire depends on the purposes of diagnosis and the indications available from a preliminary diagnosis of the dimensions needing in depth study.

2) Interviews :- Interviews have the major advantage of providing an opportunity for face-to-face interaction with the participants of the organisation.. In organisational diagnosis studies, interviews may form the first step as well as the last stage of diagnosis. They could be exploratory interviews, hypothesestesting interviews, change inducing/idea testing interviews. There could be individual interviews or groupinterviews.

3) Observation :- Observation method is also one of the significant method of diagnosis ;the behaviour ofpeople when the work hours begin in the morning, at the time of the close of working hours, the notices displayed, the work organisation, the behaviour of people in meetings, the kind of memos written to each other, tea and lunch breaks, canteen and the way it is organised, behaviour of employees in the organisation etc. could be observed and inferences made.

4) Analysis of records and Secondary data:- Records maintained by organisations can be very useful sources. Now-a-days with easy accessibility of computers most organisations collect and store a lot of data.Absenteeism rates and patterns, grievances, costs, delays, work performance records, attendance at meetings, circulars and other office communications provide ample opportunities for diagnosis. Minutes of meetings, points of view expressed in meetings etc. also offer enough insights. These methodsunfortunately are less frequently used. For example, analysis of performance appraisal reports can give a lot of significant data about the problems and difficulties of employees, their competency gaps and so on.Similarly an analysis of the delays in submitting reports (MIS, budgets, appraisals, reward recommendations), leave applications complaints etc may also provide significant insights.

5) Task forces :- A task force is a group of employees of an organisation constituted by the top management and charged with the responsibility of working on a specific task/assignment in addition theirformally assigned job specific roles. In India many organisations use internal task forces for organisationalchange.

6) Workshops :- Workshop methodology could be used under the following conditions:

□ If the problem/issue to be discussed is believed to be amenable for improvements, solution.

□ The decision-makers or the top management of the organisation are committed to bring aboutchange/improvements in the situation and are willing to invest some resources for it.

□ The organisation values participative processes and there is some amount of openness or willingness toparticipate and share organisational concerns.

□ Involvement of employees becomes important for solving the problem

7) **Recording and examining critical incidents, events:** Recording of the events and analysing which iscritical to the organisation is unavoidable to do accurate organisational diagnosis.

14.9 NEED FOR ORGANISATIONAL DIAGNOSIS

While it is understood that defining the problem itself is solving the problem partly, effective diagnosis lies in determining what change initiatives are needed in a given context. A well carried out diagnosis guides the development of objectives and strategy for organizational change and therefore its growth and improvement .An effective organizational diagnosis would enable managers to:

a. Understand the current performance levels of organizational subsystems and processes and how theycould be improved.

b. Study the perceptions and social psyche of the individuals and groups in the organization.

c. Break away from tried and tested practices that may have served well in past but may not hold good inthe current context.

d. Plan strategically for the perceived organizational challenges.

e. avoid pitfalls that often accompany unsystematic implementation of change initiatives, and benefit fromexperiential learning of managing change.

Self-Check Questions

A) It is the process of understanding how the organizations is currently functioning
   a) Evaluation
   b) Organizational development
   c) Diagnosis
   d) None of the above

B) It is the broadest systems perspective in diagnostic activities
   a) Individual level analysis
   b) Group level analysis
   c) Organization level analysis
   d) None of the above

C) To diagnose an organisation, OD practitioners and organisation members need to have an idea about what information to collect and to analyze.
   a) True
   b) False

14.10 SUMMARY

Creating a stress free environment requires diagnosing and analysing the stressors. It aims at changing theattitude of the employees. However, it should be remembered that practice of stress management is not assound as theoretical management techniques. This is because most of the techniques require sacrifice of personal comfort. However, stress must be managed in a proper manner. Further in this unit we understoodthat organisational diagnosis is a method which analyses an organisation, its structures, subsystems and processes, in order to identify their strengths and weaknesses and to improve the effectiveness of the organisation.

14.11 Keywords

Stress : An internal experience, which creates physiological and psychological disorders.

Social Networks : Informal groups that provide social support to share feelings, emotions and distastefulexperiences.

Eustress : Good form of stress is called as eustress.

14.12 Short answer type questions

1. Give the definitions of work stress.
2. Explain three causes of work stress.
3. What do you mean by organizational diagnosis?

14.13 Long answer type questions

1). What is work stress? What are the causes and consequences of work stress?

2)How can work stress be managed? Discuss individual and organizational approaches for managingstress.

3) Explain what is organisational analysis and organisational diagnosis. Why are they necessary?

4) What are the different methods of an organisational analysis? Discuss

14.14 Suggested Readings

— N.S.Gupta, Organization: Theory and Behaviour, Himalaya Publishing House, New Delhi.

— Moorhead and Griffin, Organizational Behavior, A.I.T.B.S. Publisher and Distributor, Delhi.

— Fred Luthans, Organizational Behavior, McGraw Hill Company, New York.

— P.N. Khandwala. (1977) *The Design of Organisations,* Harcourt Brace Jovanovich Inc., New York.

— Burke, W. Warner (1994). Organization Development: A Process of Learning and Changing, 2ndEdition. Reading, MA: Addison-Wesley Publishing.

14.15 Self- check Questions (Answer-key)

14.5.1

A. D All of the above

B. D all of the above

14.9.1

A. C. Diagnosis

B. B. Group level analysis

C. A. True