LOVELY PROFESSIONAL UNIVERSITY

ORGANISATION BEHAVIOUR

Edited by

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SYLLABUS

Organisation Behaviour

Objectives: To develop the capabilities of understanding, predicting and evaluating human behaviour in organisations at individual, group and organisational level; To inculcate people management skills amongst budding professionals.

ORGANISATION BEHAVIOUR

Sr. No.	Topics
1.	Foundations of Organizational Behaviour: - The nature and determinants of organizational behavior , Roles & Functions of Managers & need for knowledge of OB, contributing disciplines to the field
2.	Individual Behaviour: Biographical characteristics, Ability, Learning: Theories of Learning (Classical Conditioning, Operant Conditioning, Social Learning) Values, attitudes & Job satisfaction
3.	Personality: Determinants, Personality Testing: Myers Briggs Type Indicator, Big Five Model. Emotions, Emotional Intelligence. Perception & Individual Decision Making
4.	Work Motivation : Early Theories (Mc. Gregor's Theory X & Y , Abraham Maslow's Need Hierarchy Theory , Herzberg's Two Factor Theory) & Contemporary Theories (Mc. Clelland's 3 Needs Theory , Alderfer's ERG Theory , Adam's Equity Theory & Vroom's Expectancy Theory, Goal Setting Theory) & Applications of Motivation Theories
5.	Group Behaviour : Types of Groups, Stages of Group Development, Group Decision Making, Group Properties Understanding Teamwork: Types of Teams, Creating Effective teams, Turning individuals in team players.
6.	Current issues in organizational communication: Gender and Cross Cultural issues, Politically correct communications
7.	Leadership: Basic Approaches (Trait Theories, Behavioral Theories & Contingency Theories), Transactional vs. Transformational leaders, Charismatic leaders.
8.	Conflict: Transition in conflict thought, the conflict process, conflict and negotiation: bargaining strategies, transactional analysis as a tool for conflict management Negotiation process, issues in negotiation. Power and Politics.
9.	Organizational Change & Stress Management: Forces for Change, types of change, resistance to change, Lewin's 3 step model for managing planned change, Contemporary change issues
10.	Stress management: Sources of stress, individual differences, stress management techniques

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Unit 1: Foundations of Organisational Behaviour

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Objectives

After studying this unit, you will be able to:

- Define the term organisational behaviour
- Discuss the nature of organisational behaviour
- Describe the role and functions of managers
- State the relevance of need for the knowledge of organisational behaviour
- Have an overview over contributing disciplines to organisational behaviour

Introduction

Why do people behave the way they do? What causes different people to react differently to the same situation? Why are some organisations more successful than others, even though they appear to be managed in the same manner? All of these questions – and more – are the substance of what organisational behaviour is all about.

Definition of Organisational Behaviour

Organisational Behaviour (OB) is the systematic study of the actions and attitudes that people exhibit within organisations. It is individual behaviour and group dynamics in organisations. The study of organisational behaviour is primarily concerned with the psychosocial, interpersonal and behavioural dynamics in organisations. However, organisational variables that affect human behaviour at work are also relevant to the study of organisational behaviour. These organisational variables include job content, job design and organisational structure. Therefore, although individual behaviour and group dynamics are the primary concerns in the study of organisational behaviour, organisational variables are important as the context in which human behaviour occurs.

The term 'organisational behaviour' is defined by Stephen P Robbins as "a field of study that investigates the impact of individuals, groups and structures on behaviour within organisations for the purpose of applying such knowledge towards improving an organisation's effectiveness". According to this definition, organisational behaviour:

1. Is a field of study with a common body of knowledge.
2. Studies three determinants of behaviour in Organisations – those of individuals, groups and structures.
3. Applies the knowledge gained about individuals, groups and the effect of structure on behaviour in order to make Organisations work more effectively.

Task A student with a poor academic record wants to become a doctor, asserting that somehow one day. It will all work out. Why so? What would you do to change his approach?

1.1 Nature and Determinants of Organisational Behaviour

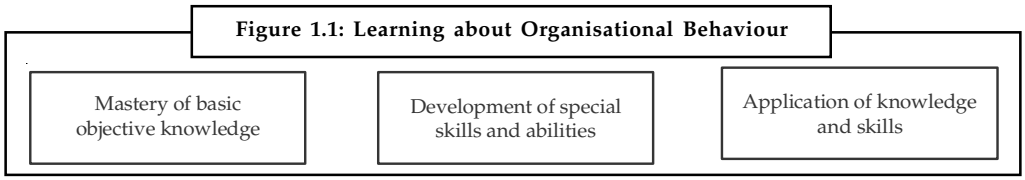
Notes

Nature

Organisational behaviour is not a discipline in the usual sense of the term but rather an eclectic field of study that integrates the behavioural sciences into the study of human behaviour within Organisations. Organisational behaviour is a young field of inquiry, in terms of the use of scientific techniques. To learn that the study of human behaviour in organisations is not an exact science, is in itself a significant realization. One of the failings of the scientific management movement was its belief that human behaviour was easily predicted. So, while the field of Organisational behaviour may be inexact, it is realistic.

Organisational behaviour is neither a purely scientific area of inquiry nor a strictly intellectual endeavour. It involves the study of abstract ideas, such as valance and expectancy in motivation, as well as the study of concrete matters, such as observable behaviours and physiological symptoms of distress at work. Therefore, learning about organisational behaviour is a multidimensional activity as shown in Figure 1.1 below.

Figure 1.1: Learning about Organisational Behaviour



1. ***Mastery of Basic Objective Knowledge:*** Objective knowledge, in any field of study, is developed through basic and applied research. Acquiring objective knowledge requires the cognitive mastery of theories, conceptual models, and research findings.

2. ***Skill Development:*** The study of organisational behaviour requires skill development and the mastery of abilities essential to successful functioning in organisations. The essential skills identified by the US Department of Labour are:

   (a) Resource management skills, such as time management.

   (b) Information management skills, such as data interpretation.

   (c) Personal interaction skills such as team work.

   (d) Systems behaviour and performance skills, such as cause-effect relations.

   (e) Technology utilization skills, such as troubleshooting.

   Many of these skills, such as decision making and information management, are directly related to the study of organisation behaviour. Developing skills is different from acquiring objective knowledge because it requires structured practice and feedback.

3. ***Application of Knowledge and Skills:*** It requires the integration of objective knowledge and skill development in order to apply both appropriately in specific organisational settings.

1.1.1 Organisations as Systems

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

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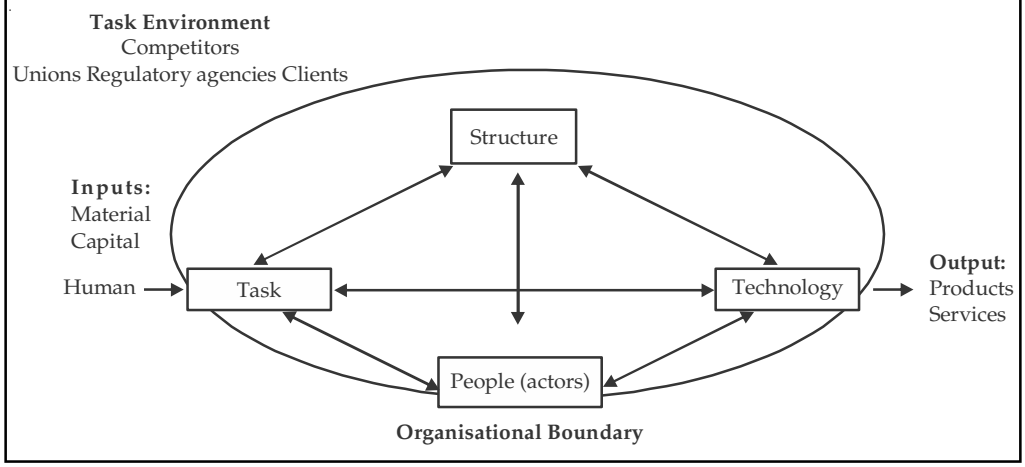
Organisations may manufacture products such as steel or deliver services, such as managing money or providing insurance. To understand how organisations do these things require an understanding of the open system components of the organisation and the components of its task environment. Levitt sets out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

They are

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

Did u know? The organisation system works by taking inputs, converting them into finished products and delivering outputs to its task environment. Inputs consist of human, informational, material and financial resources used by the organisation. The finished products are the materials and resources as they are transformed by the organisation's technology component. Once the transformation is complete, they become outputs for customers, consumers and clients. The actions of suppliers, customers, regulators and other elements of the task environment affect the organisation and the behaviour of people at work. Transforming inputs into high quality outputs is critical to an organisation's success.

Figure 1.2: H J Levitt, "Applied Organisational Change in Industry: Structural, Technological and Humanistic Approaches"



Source: J G March, (ed.,) Handbook of Organisations, Rand McNally (1965) Page 1145.

1.1.2 The Formal and Informal Organisation

The formal organisation is that part of the system that has legitimacy and official recognition. The informal organisation is the unofficial part of the organisation which was first fully appreciated as a result of the Hawthorne studies conducted during the 1920s and 1930s. It was during the interview study, the third of the four Hawthorne studies, that the researchers began

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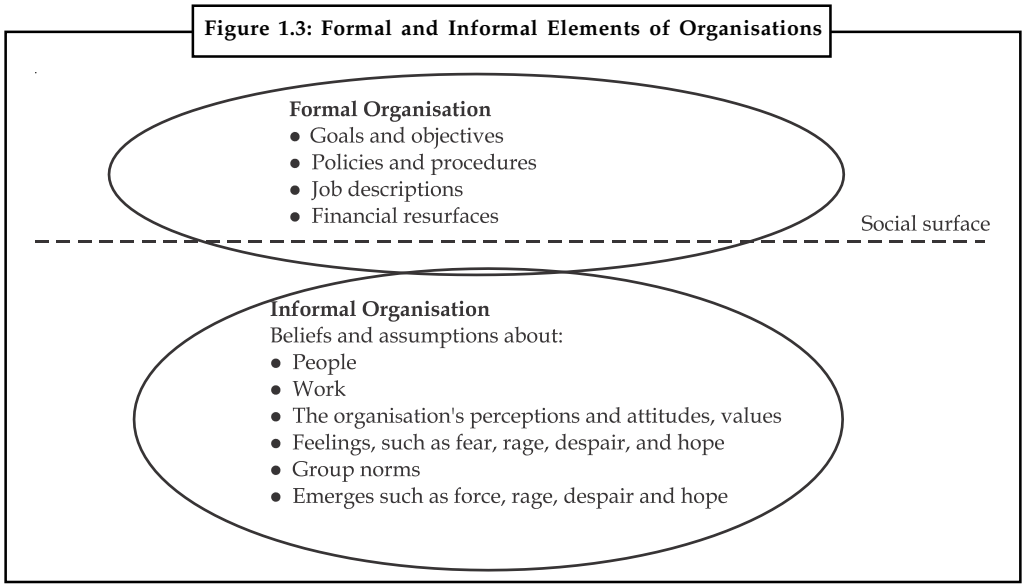
to develop a fuller appreciation for the informal elements of the Hawthorne works as an organisation. The formal and informal elements of the organisation are depicted in Figure 1.3.

Figure 1.3: Formal and Informal Elements of Organisations



Potential conflicts between the formal and informal elements of the organisation make an understanding of both important. The informal organisation is a frequent point of diagnostic and intervention activities in organisation development. The informal organisation is important because people's feelings, thoughts and attitudes about their work do make a difference in their behaviour and performance. Individual behaviour plays out in the context of formal and informal elements of the system, becoming organisational behaviour.

Self Assessment

State whether the following statements are true or false:

1. Organisational Behavior (OB) is the systematic study of the actions and attitudes that people exhibit within Organisations.
2. Organisational variables that affect human behaviour at work are also relevant to the study of Organisational behaviour.
3. Organisational variables include job content, job design and Organisational structure.
4. Organisational behaviour is an old field of inquiry, in terms of the use of scientific techniques
5. Organisations are systems of interacting components which are people, tasks, technology and structure

1.2 Functions and Roles of Managers

Managers play a very important role in the smooth and efficient working of an organisation. Manager assigns the task according to the authority and the job description of the position of the manager. He is expected to do the work according to the capabilities and expectations of the skills and resources available with the organisation in the form of man and machine.

Managers perform various roles in an organisation namely, interpersonal roles which includes leading, liasioning, and symbol or figure head, informational roles covers monitoring, sharing

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information and to act as a spokesperson and decisional roles such as taking initiative, handling disagreement, allocating resources and negotiating. The main functions of managers are:

1.2.1 Management Functions

Henri Fayol proposed that all managers are required to perform five management functions in order to execute their day-to-day activities. They are: planning, organizing, commanding, Leading and controlling.

1. ***Planning:*** The planning function involves the process of defining goals, establishing strategy for achieving those goals, and developing plans to integrate and coordinate activities.
2. ***Organizing:*** It includes the process of determining what tasks are to be done, who is to do them, how the tasks are to be grouped, who reports to whom at what level decisions are made.
3. ***Commanding:*** It is the influencing of people so that they will contribute to organization and group goals.
4. ***Leading*** involves motivating, communicating employees to accomplish goals and objectives of an organization
5. ***Controlling:*** It is the measuring and correcting of activities of subordinates to ensure that events conform to plans. It measure performance against goals and plans, shows negative deviations exit and by putting in motion actions to correct deviation, helps ensure accomplishment of plans.

Planning

It is a process that involves defining the organization's objectives or goals, establishing an overall strategy for achieving those goals, and developing a comprehensive hierarchy of plans to integrate and coordinate activities. It is concerned with both what is to be done (ends) as well as how it is to be done (means). The purposes of the planning are:

1. It establishes coordinated effort. It gives direction to managers and non- managers alike.
2. It reduces uncertainty by forcing managers to look ahead, anticipate change, consider the impact of change and develop appropriate response
3. It reduces overlapping and wasteful activities.
4. It establishes objectives or standards that are used in controlling.

Planning Process

The following four steps of planning process can be adapted to all activities at all organizational levels.

Step 1: Establish a goal or set of goals: Planning begins with decision about what the organization or department wants to achieve. Identifying priorities and being specific about their aims are key factors in planning.

Step 2: Define the present situations: The current state of affairs has to be analyzed considering the availability of resources and the goals to be achieved before drawing up the planning process.

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Step 3: Identify the aids and barriers to the goals: Anticipating internal and external problems and opportunities likely to arise in the future is an essential part of planning.

Step 4: Develop a plan or set of actions for reaching the goals: It involves developing various alternative courses of action for reaching the desired goals, evaluating these alternatives, and choosing from among them the most suitable alternative for reaching the goal.

Major Components of Planning

1. ***Goal:*** A future target or end result that an organization wishes to achieve.
2. ***Plan:*** The means devised for attempting to reach a goal.
3. ***Mission:*** The organizations purpose or fundamental reason for existence.

Types of Planning

Based on the length of the planning horizon, planning may be classified as Strategic Planning, Tactical Planning and Operational Planning.

1. ***Strategic Planning:*** These plans are organization-wide, establish overall objectives, and position an organization in long term of its environment such as (i) Long range issues with broader technological and competitive aspects of the organization as well as allocations of resources (ii) long term actions to be taken to achieve the goals between five and fifteen years. (iii) Developed by top management in consultation with the board of directors and middle level managers.
2. ***Tactical Planning:*** It typically addresses intermediate issues involving periods between two and five years which are relatively specific, concrete and more detailed such as (i) outline the steps for particular departments to achieve the goals (ii) generally developed by middle managers who weigh the pros and cons of several possibilities before settling on one issue. (iii) Important to strategic plan success.
3. ***Operational Planning:*** These plans specify details on how overall objectives are to be achieved. The key aspects of operational planning are (i) Focuses mainly for short-range issues usually developed by lower-level managers in conjunction with middle management. (ii) Identify what must be accomplished over a short period, mostly day-to-day operational activates such as work methods, inventory planning etc.

Organizing

Organizing refers to the way in which work is arranged and allocated among members of the organization so that the goals of the organization can be efficiently achieved. Steps involved in organizing Process:

1. Assign tasks and responsibilities associated with individual jobs.
2. Dividing the total work load into activities that can logically and comfortably be performed by one person or group of individuals.
3. Combining the work of employees into units in a logical and efficient manner.
4. Delegating appropriate authority and power to an individual to discharge his duties.
5. Setting up a mechanism to coordinate the work of employees into a unified, harmonious whole.

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6. Monitoring the effectiveness of the organization and making adjustments to maintain or increase effectiveness.

Key Elements of Organization Structure

1. ***Work Specialization:*** It deals with division of labor. The whole job is not done by one person but instead is broken down into steps and each step is completed by a different persons. Some Key characteristics are:
   (i) It increases employees skill and efficiency at performing a task,
   (ii) Generates higher employee productivity
   (iii) In some jobs employees are likely to get boredom, fatigue, stress, poor quality work, increased absenteeism, higher turnover due to repetitive nature of work.
2. ***Departmentalization:*** It refers to the basis on which jobs are grouped in order to accomplish organizational goals. Some key characteristics are:
   (i) Grouping can be done by the homogeneity of tasks (Functional departmentalization),
   (ii) Grouping jobs by product line (Product departmentalization)
   (iii) Grouping jobs on the basis of territory or geography (Geographic departmentalization)
   (iv) Grouping jobs on the basis of product or customer flow
   (v) Facilitates utilization of common skills, knowledge and orientation together into common units.
3. ***Chain of Command:*** This shows the flow of authority directed from the upper levels of the organization to the lowest levels and delineates who reports to whom. This concept incorporates three key elements:
   (i) *Authority* (right to issue order and expecting the orders to be obeyed),
   (ii) *Responsibility* (obligation to perform assigned duties)
   (iii) *Unity of command* (reporting authority to whom they are responsible)
4. ***Span of Control:*** This deals with how many subordinates one can effectively manage under his/her control. There are two types of span of control.
   (i) Wider span of control which has fewer levels and each level managers are controlling more people
   (ii) Narrow span of control has more levels and in each level managers have limited number of people to supervise.
   (iii) The effectiveness of narrow or wider span of control depends upon task structure, employee's maturity, environmental uncertainty, technology, work culture, etc.
5. ***Centralization and Decentralization:*** The decision making latitude given at the top or lower level determines whether the organization is centralized or decentralized.
   (i) If top management makes key decisions with no input from lower level employees, then the organization is centralized.
   (ii) If lower level employees are provided more input and given more discretion to make decision, it is decentralized.
   (iii) The effectiveness of centralization or decentralization depends upon so many factors such as environment, technology, employees, size of the company, strategies, etc.

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6. ***Formalization:*** This refers to the extent to which the employees are governed by rules, regulations and standardized operating procedures to maintain consistency and uniformity in maintaining the output.
   (i) In a highly formalized organization, there are explicit job descriptions, lots of rules and clearly defined procedures covering work process.
   (ii) This eliminates flexibility, innovativeness and freedom in discharging the duties and responsibilities.

Commanding

It is the process of influencing a group towards the achievement of goals. There are certain characteristics that differentiate leaders from non-leaders. There are three categories of leadership theories which highlight the key determinants of leadership effectiveness. They are Trait Theories, Behavioral Theories and Situational Theories.

Trait Theories

There are six traits associated with effective leadership include drive, the desire to lead, honesty and integrity, self-confidence, intelligence and job-relevant knowledge.

1. ***Drive:*** Leaders exhibit a high effort level. They have a relatively high desire for achievement, they are ambitious, they have a lot of energy, they are tirelessly persistent in their activities and they show initiative.
2. ***Desire to lead:*** Leaders have a strong desire to influence and lead others. They demonstrate the willingness to take responsibility
3. ***Honesty and Integrity:*** Leaders build trusting relationship between themselves and followers by being truthful and non-deceitful and by showing high consistency between word and deed.
4. ***Self-confidence:*** Followers look to leaders for an absence of self-doubt. Leaders therefore need to show self-confidence in order to convince followers of the rightness of goals and decisions.
5. ***Intelligence:*** Leaders need to be intelligent enough to gather synthesize and interpret large amounts of information; and to be able to create vision, solve problems and make correct decision.
6. ***Job-relevant knowledge:*** Effective leaders have a high degree of knowledge about the company, the industry and technical matters. In-depth knowledge allows leaders to make well-informed decision and to understand the implications of those decisions.

Behavioral Theories

They identified behaviors that differentiated effective leaders' from ineffective leaders. Based on these people could be trained to be leaders. The following are three types of behavioral styles of leadership

1. ***Autocratic Style:*** A leader who tended to centralize authority, dictate work methods, make unilateral decision and limit employee participation.
2. ***Democratic Style:*** A leader who tended to involve employees in decision making to delegate authority, to encourage participation in deciding work methods and goals, and to use feedback as an opportunity for coaching employees.

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3. ***Laissez-faire Style:*** A leader who generally gave the group complete freedom to make decision and complete the work in whatever way it saw fit. Research results revealed that employee-oriented leaders were associated with high group productivity and higher job satisfaction. Leaders who exhibited high level of consideration and high level of task orientation achieved high subordinate performance and satisfaction. Some studies reported that democratic style of leadership was most effective, although later studies showed mixed results.

Situational Theories

Situational theories of leadership studies revealed that choosing the appropriate style of leadership depends upon the situation will yield more effective results than following same type of leadership style across all the time. Among various situational theories of leadership Fiedler's contingency model and Hersey and Blanchard's Life Cycle Model outlined the importance of situational factors while choosing the appropriate style of leadership.

Fiedler's model highlighted that task-oriented style of leadership will be more effective in both the extreme situations such as highly favorable and highly unfavorable situations. If the situations are moderately favorable, relationship oriented style will be more effective.

Hersey and Blanchard model reported that if the employees are highly matured psychologically and possess job competency, the enforcing delegating style will be more effective. Similarly if the employees are not adequately possessing job competency and very low in psychological maturity, the enforcing directing style will be more effective.

Controlling

The control process is a three-step process that involves measuring actual performance, comparing actual performance against a standard, and taking managerial action to correct deviations or inadequate standards. Before considering each step in detail, we should be aware that the control process assumes that performance standards already exist. These standards are the specific goals created during the planning against which performance progress can be measured.

Step I – Measuring: This is the first step in the control process. Four common source of information frequently used by managers to measure actual performances are personal observation, statistical reports, oral reports and written reports. Each has particular advantage and drawbacks; however, a combination of information sources increases both the number of input sources and the probability of getting reliable information. It is desirable to use both quantitative and qualitative criteria to measure the actual performance. For instance, a production manager use number of paper cups produced per hour, percentage of rejects retuned by customers, scrap rate etc. Similarly, marketing managers often use measures such as percentage of market held, average dollar per sale, number of customer visits per sales person etc.

Step II – Comparing: The comparing step determines the degree of variation between actual performance and the standard. Some variation in performance can be expected in all activities. It is critical, therefore, to determine the acceptable range of variation. Deviation that exceeds this range become significant and need the manager's attention. In the comparison stage, managers are particularly concerned with the size and direction of the variation.

Step III – Taking Managerial Action: Managers can choose among three possible course of action: (i) they can do nothing, (ii) they can correct the actual performance (iii) they can revise the standards. Correct Actual Performance: If the source of performance variation is unsatisfactory work, the manager will want to take corrective action. Examples of such corrective action might include changing the strategy, the structure, compensation practices or training programs,

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redesigning jobs or firing employees, etc. A manager who decides actual performance has to make another decision: Should immediate or basic corrective action be taken? Immediate corrective action corrects problems at once to get performance back on track. Basic corrective action looks at how and why performance has deviated and then proceeds to correct the source of the deviation. It is not unusual for managers to rationalize that they do not have the time to take basic corrective action and, therefore, musts be content to perpetually 'put out fires' with immediate corrective action. Effective managers analyze deviations and, when the benefits justify it, take the time to pinpoint and correct the causes of variance.

1.2.2 Management Roles

Mintzberg proposed ten managerial roles a typical manager has to perform in discharging his day-to-day activities. Mintzberg's ten managerial roles can be grouped as those concerned with interpersonal relationships, those concerned with transfer of information, and those concerned with decision-making.

Interpersonal Roles

This refers to those types' of managerial roles that involve people and other duties that are ceremonial and symbolic in nature. There are three types of interpersonal roles:

1. ***Figure head Role:*** Manager performs a role as symbolic head and accordingly he is obliged to perform a number of routine duties of a legal or social nature. The typical activities include greeting visitors, signing legal documents etc.
2. ***Leader Role:*** As a leader of the department, manager gives direction to his employees and other subordinates to fulfill the assigned goals and objectives. He is responsible for the motivation and activation of subordinates. Also he response for staffing, training and associated activities. Some of the typical activities include goals setting, providing guidance, review the progress of work etc.
3. ***Liaison Role:*** The manager is required to maintain contact with external sources that provide valuable information. These sources are individual or groups outside the managers unit and may be inside or outside the organization. For this he as to maintain self-developed network of outside contacts and informers who provide favors and information, for example, acknowledging mail, doing external board work etc.

Informational Roles

This refers to those types of managerial roles that involve receiving, collecting and disseminating information. There are three types of informational roles:

1. ***Monitor:*** Typically, manager is spanning the boundaries of the organization and trying to get information from outside though various sources such as reading magazines, taking with other to learn current developments, movements of competitors planning, program, etc. Manager seeks and receives variety of special information (much of it current) to develop thorough understanding of organization and environment. He emerges as nerve centre of internal and external information about the organization.
2. ***Disseminator:*** Manager acts as conduits of information to organizational members. He is expected to transmit information received from outside or from subordinates to member of the organization. Some information is factual and some may involve interpretation and integrating of diverse value positions of organizational influencers. Some of the typical activities of this role include holding informational meetings, making phone calls to relay information etc.

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3. ***Spokesman:*** Manager represents the organization to outsiders by performing the role as spokesman. In this context, the manager transmits information to outsiders on organization's plans, policies, results, achievements, serves as expert on the chosen field by giving value suggestion to the community etc. As mentioned earlier, he holds board meeting periodically and gives information to the media.

Decisional Roles

This refers to those types of managerial roles that revolve around making decision. There are four types of decisional roles.

1. ***Entrepreneur:*** As entrepreneur, manager initiates and oversees new projects that will improve their organization's performance. He thoroughly analyses the strengths of the organization and the opportunities available in the environment and takes initiative to implement improvement projects to bring about worthwhile changes with in the organization and continuously supervise designing new developmental projects. Some of the typical activities include organizing strategy and review sessions to develop new programs, instrumental in venturing novel projects etc.
2. ***Disturbance Handler:*** As disturbance handler, managers take corrective action in response to unforeseen problems within as well as outside the organization. Whenever any conflicts occur among the subordinates regarding the sharing of resources, allocation of funds, etc., and the manager intervene appropriately and resolve those issues. He is responsible for corrective action when organization faces important, unexpected disturbances.
3. ***Resources Allocator:*** Manager is responsible for the allocation of organizational resources – physical, human, monetary resources of all kind and in effect, the making or approval of all significant organizational decision. In order to perform this activity, he will be schedule meetings, requesting authorization, and performing any activity that involves budgeting and the programming of subordinates work.
4. ***Negotiator:*** Manager also performs as negotiators when they discuss and bargain with other groups to gain advantage for their own units. Manager will negotiate with business partners in case the organization is seeking alliances to venture projects or extend their operation in new marketing.

1.3 Need for Organisational Behaviour

The need for Organisational behaviour can be discussed as follows:

1. ***Explain individual and group behaviour:*** We are pursuing the explanation objective when we want to know why individuals or groups behave the way they do. For example, if the turnover rate in an Organisation is very high, we want to know the reason, so that action can be taken to correct the situation in the future.
2. ***Predict certain behavioural response to change:*** Prediction seeks to determine what outcomes will result from a given action. Having a sound knowledge of OB will help the manager to predict certain behavioural responses to change. In this way, the manager can anticipate which approaches will generate the least degree of employee resistance and use that information in making decisions.
3. ***Control Behaviour:*** The knowledge of OB can be used by managers to control behaviour. Managers frequently see the control objective as the most valuable contribution that OB makes toward their effectiveness on the job.

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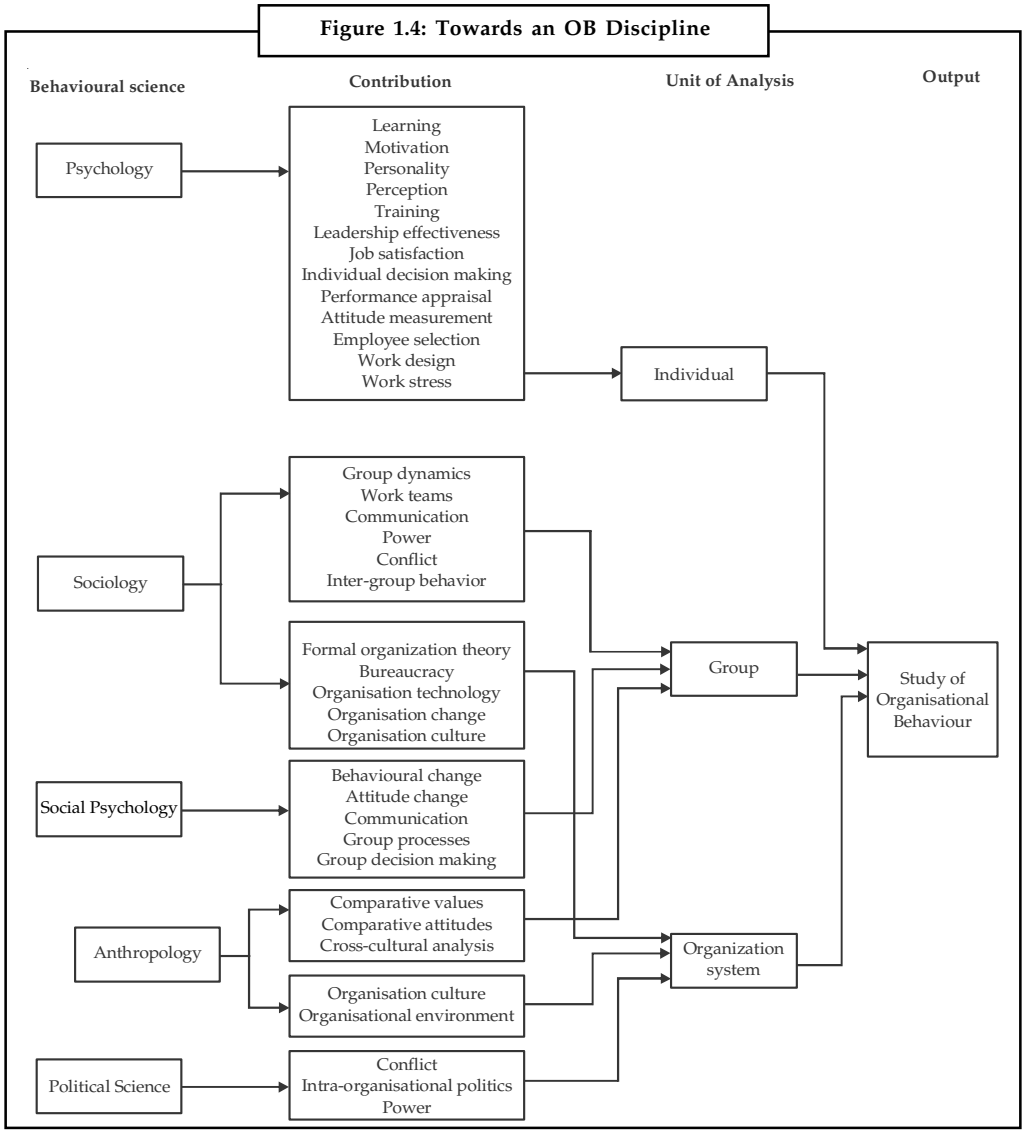
1.4 Contributing Disciplines to the Field

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

Figure 1.4: Towards an OB Discipline



Source: Stephen Robbins P "Organisational Behaviour" (7th Edition) Prentice-Hall, Englewood Cliffs NJ (1996) Page 22.

1. ***Psychology:*** Psychology is the science of human behaviour and dates back to the closing decades of the nineteenth century. Psychology traces its origins to philosophy and the science of physiology. It is the science that seeks to measure, explain and, sometimes, change the behaviour of humans. Psychologists concern themselves with studying and attempting to understand individual behaviour.

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Since its origin, psychology has itself become differentiated into a number of specialized fields, such as clinical, experimental, military, and organisational psychology. The topics in organisational psychology, which include work teams, work motivation, training and development, power and leadership, human resource planning and workplace wellness, are very similar to the topics covered by organisational behaviour.

Those who have contributed and continue to add to the knowledge of OB are learning theorists, personality theorists, counselling psychologists and, most important, industrial and organisational psychologists. Industrial and organisational psychologists concern themselves with problems of fatigue, boredom, perception, learning motivation, job satisfaction, personality, performance appraisals, employee selection, job designing, work stress, etc.

2. ***Sociology:*** Sociology, the science of society, has made important contributions to knowledge about group and inter group dynamics in the study of organisational behaviour. Because sociology takes the society rather than the individual as a point of departure, the sociologist is concerned with the variety of roles within a society or culture, the norms and standards of behaviour that emerge within societies and groups, and the examination of the consequences of compliant and deviant behaviour within social groups.

   Sociologists have made their greatest contributions to organisational behaviour through their study of group behaviour in organisations, particularly formal and complex organisations. Some of the areas within organisational behaviour that have received inputs from sociologists are group dynamics, design of work teams, organisational culture, formal organisations, theory and structure, organisational technology, bureaucracy, communications, power, conflict and inter group behaviour.

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

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

   Cultural anthropology focuses on the origins of culture and the patterns of behaviour as culture is communicated symbolically. Current research in this tradition has examined the effects of efficient cultures on organisation performance and how pathological personalities may lead to dysfunctional organisational cultures. Much of our current understanding of organisational culture, organisational environments, and differences between national cultures is the result of the efforts of anthropologists.

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

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Task A woman who has been angry at her boss at the workplace comes back home and yells at her baby and husband. What is the reason behind it? Discuss technically.

Self Assessment

State whether the following statements are true or false:

6. Organisational behaviors is an applied behavioral science that is built on contributions from a number of behavioral disciplines.
7. Industrial and organisational psychologists concern themselves with problems of fatigue, boredom, perception, learning motivation, job satisfaction, personality, performance appraisals, employee selection, job designing, work stress, etc.
8. Sociology is a branch of psychology which borrows concepts from psychology and social psychology and focuses on the influence of people on one another.
9. Anthropologists study societies to learn about human beings and their activities.

1.5 Hawthorne Studies

The Hawthorne studies were carried out by the Western Electric company at their Hawthorne plant in the 1920's. Initially, the study focused on lighting. Let's first focus on relay room experiments.

Relay Room Experiments

Intrigued with positive changes in productivity, some of the engineers and company officials decided to attempt to determine the causes through further studies. Accordingly, a second set of experiments took place between 1927 and 1933 known as the Relay Room experiments.

The most famous study involved five girls assembling electrical relays in the Relay Assembly Test Room, a special room away from other workers where the researchers could alter work conditions and evaluate the results. During the experiment, the girls were often consulted and sometimes allowed to express themselves about the changes that took place in the experiment. Apparently, the researchers were concerned about possible negative reactions and resistance from the workers who would be included in the experiment. To lessen potential resistance, the researchers changed the usual supervisory arrangement so that there would be no official supervisor; rather, the workers would operate under the general direction of the experimenter. The workers were also given special privileges such as being able to leave their workstation without permission, and they received considerable attention from the experimenters and company officials. In total, they were treated and recognized as individuals with something to contribute.

The study was aimed at exploring the best combination of work and rest periods, but a number of other factors were also varied, such as pay, length of the workday, and provisions for free lunches. Generally, productivity increased over the period of the study, regardless of how the factors under consideration were manipulated.

The results in the relay room were practically identical with those in the illumination experiment. Each test period yielded higher productivity than the previous one. Even when the girls were subjected to the original conditions of the experiment, productivity increased. The conclusion was that the independent variables (rest pauses and so forth) were not, by themselves, causing the change in the dependent variable (output).

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One outcome of the studies was the identification of a famous concept that ultimately came to be known as the Hawthorne effect.

The Hawthorne effect refers to the possibility that individuals singled out for a study may improve their performance simply because of the added attention they receive from the researchers, rather than because of any specific factors being tested in the study. More contemporary investigations now suggest that the Hawthorne effect concept is too simplistic to explain what happened during the Hawthorne studies and that the Hawthorne effect concept itself is defective. In the Hawthorne situation, the workers apparently viewed the altered supervision as an important positive change in their work environment, even though that was not what the researchers intended.

Bank Writing Room Study

Two things emerged from the (First phase) initial studies: (1) the experimenter effect, and (2) a social effect. The experimenter effect was that making changes was interpreted by workers as a sign that management cared, and more generally, it was just provided some mental stimulation that was good for morale and productivity. The social effect was that it seemed that by being separated from the rest and being given special treatment, the experimentees developed a certain bond and camaraderie that also increased productivity.

The second phase (Final phase) of the study, the Bank Wiring Room, was designed to study the social effects. It was started in November, 1931, and lasted until May, 1932. Its primary purpose was to make observational analysis of the informal work group. A group of male workers in the study provided knowledge about informal social relations within groups and about group norms that restrict output when such steps seem advantageous to the group. It also included a massive interviewing programme (1928-1931) that was initially aimed at improving supervision but evolved into a means of learning what workers had on their minds and allowing them to let off steam.

The results in the bank wiring room were essentially opposite to those in the relay room. The output was actually restricted by the wiring technician. By scientific management analysis, a standard of 7312 terminal connections per day had been arrived at. This represented 2½ equipments. The workers had a different brand of rationality. They decided that 2 equipments was a "proper" day's work.

The researchers determined that the informal group norm of 2 equipments represented restriction of output rather than a lack of ability to produce 2½ equipments. The following evidence supports this contention

1. The observer noted that all the men stopped before quitting time.
2. Most of the men admitted to the interviewer that they could easily turn out more work.
3. Tests of dexterity and intelligence indicated no relationship between capacity to perform and actual performance.

1.6 Challenges and Opportunities in OB

There are lot of challenges and opportunities today for managers to OB concepts. Some of which are stated hereunder:

1.6.1 Globalization to Respond

Today's business is mostly market driven; wherever the demands exist irrespective of distance, locations, climatic conditions, the business operations are expanded to gain their market share

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and to remain in the top rank etc. Business operations are no longer restricted to a particular locality or region. Company's products or services are spreading across the nations using mass communication, internet, faster transportation etc. An Australian wine producer now sells more wine through the Internet than through outlets across the country. More than 95% of Nokia hand phones are being sold outside of their home country Finland. Japanese cars are being sold in different parts of globe. Sri Lankan tea is exported to many cities across the globe. Executives of Multinational Corporation are very mobile and move from one subsidiary to another more frequently.

Globalization affects a managerial skills in at least two ways:

1. An Expatriate manager have to manage a workforce that is likely to have very different needs, aspirations and attitudes from the ones that they are used to manage in their home countries.
2. Understanding the culture of local people and how it has shaped them and accordingly learn to adapt ones management style to these differences is very critical for the success of business operations. One of the main personality traits required for expatriate managers is to have sensitivity to understand the individual differences among people and exhibit tolerance to it.

Organizations are no longer constrained by national borders, world become global village.

- ***Increased foreign assignment:*** Transferred to your employer's operating division in another country. Once there, you'll have to manage workforce, aspiration from employees, and attitudes from those you are used to back home
- ***Working with different people:*** Working with bosses, peers and other employees who were born and raised in different culture, to work effectively with them you've to understand how their culture, geographic and religion have shaped them.
- ***Coping with anti-capitalism backlash:*** "soak the rich" means fine should be charged with respect of income you earn. Managers at global companies have come to realize that economic values are not universally transferable, need to modify by managers to reflect economic values in those countries they're working.
- ***Overseeing movement of jobs to countries with low cost labor:*** In a global economy, jobs tend to flow to places where lower cost provide business firms with a comparative advantages
- ***Managing people during the war on terror:*** An understanding of OB topics such as emotions, motivation, communication and leadership can help managers to deal more effectively with their employees' fear about terrorism.

1.6.2 Managing Workforce Diversity

The people in organization are becoming heterogeneous demographically, Workforce diversity= whereas globalization focuses on differences between people from different countries, mix of people in terms of gender, age, race, and sexual orientation. Embracing diversity Changing US demographics Changing management philosophy Recognizing and responding to difference.

This refers to employing different categories of employees who are heterogeneous in terms of gender, race, ethnicity, relation, community, physically disadvantaged, homosexuals, elderly people etc. The primary reason to employ heterogeneous category of employees is to tap the talents and potentialities, harnessing the innovativeness, obtaining synergetic effect among the divorce workforce. In general, employees wanted to retain their individual and cultural identity, values and life styles even though they are working in the same organization with common

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rules and regulations. The major challenge for organizations is to become more accommodating to diverse groups of people by addressing their different life styles, family needs and work styles.

Managers have to shift their philosophy from treating everyone alike to recognizing individual differences and responding to those differences in ways that will ensure employee retention and greater productivity while, at the same time not discriminating. If work force diversity is managed more effectively, the management is likely to acquire more benefits such as creativity and innovation as well as improving decision making skills by providing different perspectives on problems. If diversity is not managed properly and showed biases to favor only a few categories of employees, there is potential for higher turnover, more difficulty in communicating and more interpersonal conflicts.

1.6.3 Improving Quality and Productivity

World added capacity in response to increase demand. Excess capacity translate in increase competition, is forcing managers to reduce costs and, at the same time; improve the organization quality and productivity.

Quality is the extent to which the customers or users believe the product or service surpasses their needs and expectations. For example, a customer who purchases an automobile has certain expectation, one of which is that the automobile engine will start when it is turned on. If the engine fails to start, the customer's expectations will not have been met and the customer will perceive the quality of the car as poor. Deming defined quality as a predictable degree of uniformity and dependability, at low cost and suited to the market. Juran defined it as fitness for use. The key dimensions of quality as follows:

1. ***Performance:*** Primary operating characteristics of a product such as signal coverage, audio quality, display quality etc.
2. ***Features:*** Secondary characteristics, added features, such as calculators, and alarm clock features in hand phone.
3. ***Conformance:*** Meeting specifications or industry standards, workmanship of the degree to which a product's design or operating characteristics match pre established standards.
4. ***Reliability:*** The probability of a product's failing within a specified period of time.
5. ***Durability:*** It is a measure of product's life having both economic and technical dimension.
6. ***Services:*** Resolution of problem and complaints, ease of repair.
7. ***Response:*** Human to human interface, such as the courtesy of the dealer.
8. ***Aesthetics:*** Sensory characteristics such exterior finish.
9. ***Reputations:*** Past performance and other intangibles, such as being ranked first.

More and more managers are confronting to meet the challenges to fulfill the specific requirements of customers. In order to improve quality and productivity, they are implementing programs like total quality management and reengineering programs that require extensive employee involvement.

Total Quality Management (TQM)

It is a philosophy of management that is driven by the constant attainment of customer satisfaction through the continuous improvement of all organizational process.

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The components of TQM are:

(a) intense focus of the customer,

(b) concern for continual improvement

(c) improvement in the quality of everything the organization does

(d) accurate measurement and

(e) empowerment of employees.

Reengineering

This refers to discrete initiatives that are intended to achieve radically redesigned and improved work process in a bounded time frame. Business Process Reengineering employees a structural methodology that reduces work process to their essential composite activist and provides cost performance matrices to facilitate a business case for dramatic improvements. Both functional and cross-functional processes are evaluated through workflow analysis and activity based costing. In many cases, the application of new technology and industries best practices will enable quantum improvement in an organization's cost and performance.

Today's managers understand that any efforts to improve quality and productivity must influence their employees. These employees will not only be a major force in carrying out changes, but increasingly will participate actively in planning those changes. Managers will put maximum effort in meeting the customer's requirements by involving everyone from all the levels and across all functions. Regular communications (both formally and informally) with all the staff at all levels is must.

Two way communications at all levels must be promoted. Identifying training needs and relating them with individual capabilities and requirements is must. Top management's participation and commitment and a culture of continuous improvement must be established.

1.6.4 Improving Customer Service

OB can contribute to improving an organization' performance by showing that how employees' attitude and behavior are associated with customer satisfaction.

1.6.5 Improving People Skills

Designing motivating jobs, how creating effective teams, techniques for improving interpersonal skills. Technological changes, structural changes, environmental changes are accelerated at a faster rate in business field. Unless employees and executives are equipped to possess the required skills to adapt those changes, the achievement of the targeted goals cannot be achieved in time. There two different categories of skills – managerial skills and technical skills. Some of the managerial skills include listening skills, motivating skills, planning and organizing skills, leading skills, problem solving skill, decision making skills, etc.

These skills can be enhanced by organizing a series of training and development programmes, career development programmes, induction and socialization etc. Implications for Managers: Designing an effective performance appraisal system with built-in training facilities will help upgrade the skills of the employees to cope up the demands of the external environment. The lower level cadre in management is required to possess more of technical skills. As they move towards upward direction, their roles will be remarkably changed and expected to have more of human relations and conceptual skills.

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1.6.6 Empowering People

The main issue is delegating more power and responsibility to the lower level cadre of employees and assigning more freedom to make choices about their schedules, operations, procedures and the method of solving their work-related problems. Encouraging the employees to participate in work related decision will sizably enhance their commitment at work. Empowerment is defined as putting employees in charge of what they do by eliciting some sort of ownership in them. Managers are doing considerably further by allowing employees full control of their work. An increasing number of organizations are using self-managed teams, where workers operate largely without boss. Due to the implementation of empowerment concepts across all the levels, the relationship between managers and the employees is reshaped. Managers will act as coaches, advisors, sponsors, facilitators and help their subordinates to do their task with minimal guidance. Implications for Manager: The executive must learn to delegate their tasks to the subordinates and make them more responsible in their work. And in so doing, managers have to learn how to give up control and employees have to learn how to take responsibility for their work and make appropriate decision. If all the employees are empowered, it drastically changes the type of leadership styles, power relationships, the way work is designed and the way organizations are structured.

1.6.7 Stimulating Innovation and Change

Today's successful organizations must foster innovation and be proficient in the art of change; otherwise they will become candidates for extinction in due course of time and vanished from their field of business. Victory will go to those organizations that maintain flexibility, continually improve their quality, and beat the competition to the market place with a constant stream of innovative products and services. For example, Compaq succeeded by creating more powerful personal computers for the same or less money than IBNM or Apple, and by putting their products to market quicker than the bigger competitors. Amazon.com is putting a lot of independent bookstores out of business as it proves you can successfully sell books from an Internet website.

Some of the basic functions of business are being displaced due to the advent of a new systems and procedures. For example, books are being sold only through internet. Internet selling an organization's employees can be the impetus for innovation and change; otherwise they can be a major hindrance. The challenge for managers is to stimulate employee creativity and tolerance for change.

Victory will go the organization the maintain their flexibility, continually improve their quality and beat their competition in market place. An organization's employees can be major block in change, the challenge to the manager to stimulate their creativity and tolerance for change.

1.6.8 Coping with Temporariness

Survival for the organization, is need to move fast and flexible and innovative in their products, jobs are redesigned, task are done by flexibility, trained old employees with new technology, better understanding of change, overcome resistance to change, create organizational culture.

In recent times, the Product life cycles are slimming, the methods of operations are improving, and fashions are changing very fast. In those days, the managers needed to introduce major change programs once or twice a decade. Today, change is an ongoing activity for most managers. The concept of continuous improvement implies constant change. In yesteryears, there used to be a long period of stability and occasionally interrupted by short period of change, but at

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present the change process is an ongoing activity due to competitiveness in developing new products and services with better features. Everyone in the organization faces today is one of permanent temporariness.

The actual jobs that workers perform are in a permanent state of flux. So, workers need to continually update their knowledge and skills to perform new job requirements. Implications for Manager: Managers and employees must learn to cope with temporariness. They have to learn to live with flexibility, spontaneity, and unpredictability. The knowledge of Organizational Behavior will help understand better the current state of a work world of continual change, the methods of overcoming resistance to change process, the ways of creating a better organizational culture that facilitates change process etc.

1.6.9 Emergence of E-Organization

E-commerce

It refers to the business operations involving electronic mode of transactions. It encompasses presenting products on websites and filling order. The vast majority of articles and media attention given to using the Internet in business are directed at on-line shopping. In this process, the marketing and selling of goods and services are being carried out over the Internet. In e-commerce, the following activities are being taken place quite often – the tremendous numbers of people who are shopping on the Internet, business houses are setting up websites where they can sell goods, conducting the following transactions such as getting paid and fulfilling orders. It is a dramatic change in the way a company relates to its customers. At present e-commerce is exploding. Globally, e-commerce spending was increasing at a tremendous rate from US$ 111 billion in 1999 to US$ 1.3 trillion by 2003.

E-business

It refers to the full breadth of activities included in a successful Internet based enterprise. As such, e-commerce is a subset of e-business. E-business includes developing strategies for running Internet-based companies, creating integrated supply chains, collaborating with partners to electronically coordinate design and production, identifying a different kind of leader to run a 'virtual' business, finding skilled people to build and operate intranets and websites, and running the back room or the administrative side . E-business includes the creation of new markets and customers, but it's also concerned with the optimum ways to combine Computers, the Web and Application Software. A sizable number of multinational corporations are selling goods and services via the Internet. Growth rate of e-business: The application of Internet operations are initially covers a small part of the business. At this point, their e-commerce operations are secondary to their traditional business. An increasingly popular application of e-business is merely using the Internet to better manage an ongoing business. Later, there are millions of firms that are now selling anything over the Internet, but they are using e-business applications to improve communications with internal and external stakeholders and to better perform traditional business functions. Some companies are putting maximum effort in improving its internal efficiency and providing support to its wide-reaching dealer network and to on-line sellers by crating a shared and integrated network.

E-organizations

This embraces e-commerce and e-business. State and central governments, municipal corporations are using the Internet for extending all the public utility services more efficiently through internet. Implications for Managers: The employees must acquire skills, knowledge, attitudes in learning new technology, overcoming any resistance.

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1.6.10 Working in Network Organization

Global working through one link i.e. INTERNET, technology changes the people to work together and communicate at thousand miles, people can work from their home and non office locations.

1.6.11 Helping Employees Balance Work-life Conflicts

Flexible Working hours, reporting time, create opportunities for employees, job security, design workplace and jobs.

1.6.12 Creating Positive Work Environment

Human strength, vitality, right person appointed at right place, effort on what good is for organization.

1.6.13 Improving Ethical Behavior

Manager shouldn't place an order on which subordinate don't agree Define clearly the right and wrong conduct Fair policy and appropriate system Increase confidence and trust over organization Have some logic against order you place to employee.

The complexity in business operations is forcing the workforce to face ethical dilemmas, where they are required to define right and wrong conduct in order to complete their assigned activities. For example, Should the employees of chemical company blow the whistle if they uncover the discharging its untreated effluents into the river are polluting its water resources? Do managers give an inflated performance evaluation to an employee they like, knowing that such an evaluation could save that employee's job?

The ground rules governing the constituents of good ethical behavior has not been clearly defined. Differentiating right things from wrong behavior has become more blurred. Following unethical practices have become a common practice such as successful executives who use insider information for personal financial gain, employees in competitor business participating in massive cover-ups of defective products etc.

Managers must evolve code of ethics to guide employees through ethical dilemmas. Organizing seminars, workshops, training programs will help improve ethical behavior of employees. Retaining consultants, lawyers, voluntary service organizations to assist the company in dealing with ethical issues will ensure positive ethical behavior. Managers need to create an ethically healthy climate for his employees where they can do their work productively and confront a minimal degree of ambiguity regarding what constitutes right and wrong behavior.

1.7 Summary

- Organisational Behavior is the study and application of knowledge about how people, individuals, and groups act in organisations.
- It does this by taking a system approach, i.e., it interprets people-organisation relationships in terms of the whole person, whole group, whole organisation, and whole social system.
- Its purpose is to build better relationships by achieving human objectives, organisational objectives, and social objectives.
- Organisational behavior encompasses a wide range of topics, such as human behavior, change, leadership, teams, etc.

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- The human side of work is an important element in the functioning of an organisation.
- OB is the study of human attitudes, behaviour and performance.
- The essential features of OB include: three levels of analysis, distinct field of study, interdisciplinary in nature, use of scientific methods, focus on application, contingency thinking, subset of management, positive and optimistic, integrative in nature.
- OB is important because it uncovers hidden aspects of organisation, explains and predicts behaviour, helps in acquiring people skills and wins the race, assists in formulating informed judgements.
- OB is special because it combines the orientations offered by multifarious social sciences together into a single – very broad and very exciting – field.

1.8 Keywords

Competencies: Through learning and experience, each person has acquired a unique set of skills for dealing with various situations.

Expectancies: Through learning, each person has acquired different expectations of being rewarded or punished for various kinds of behaviour.

Encoding: Each person has a unique way of perceiving and categorizing experience. One person may see a situation as threatening while another sees it as challenging, and the way it is encoded determines the response

Management: The process of getting things done effectively and efficiently through and with other people.

Organisational Behavior (OB): The study of human attitudes, behaviour and performance.

Organisations: Collections of people working together to achieve a common purpose.

1.9 Review Questions

1. How do you analyse the behavioural pattern at the most recent organisation you have been associated with?
2. What do you want to change in the behavioural pattern at the most recent organisation you have been associated with?
3. What do you feel is your greatest asset for an organisation?
4. Do you support the defense mechanisms as proposed by Freud? Why/Why not?
5. Which type of behaviour is a person who wants to be in politics and hence avoids any uncomely behaviour demonstrating and why?
6. Why would a self actualised person resist any conformity to the culture?
7. Do you agree with the statement that Maslow had an optimistic view towards the people's capacities? Discuss your argument with supportive reasons.
8. What might be the reasons behind employee dissatisfaction?
9. A manager needs a conceptual framework and a specific model for attaining the goals of understanding, predicting and controlling the organisational behaviour. Justify the statement.
10. What is the most demanding responsibility of a manager?

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Answers: Self Assessment

1	True	2.	True
3.	True	4.	False
5.	True	6.	True
7.	True	8.	False
9.	True		

1.10 Further Readings

Books

Aquinas PG, *Organisational Behavior*, Excel Books.

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Online links

www.citehr.com

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Unit 2: Individual Differences

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Objectives

After studying this unit, you will be able to:

- Define individual characteristics
- Discuss individual differences

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- State the relevance of significance learning
- Explain the concept of behaviour modification
- Describe cognitive dissonance theory

Introduction

All of us aim to succeed in our lives in general and careers in specific. All the efforts of a manager to win and be cost effective for your organisation boil down to one critical truth: Your success rests on the success of your individual contributors.

Did u know? The researches have proven that individual success is more than just the sum of technical or professional ability.

Organisations world over, have started focusing on developing individual technical capabilities, or "work talents," within a workforce. While clearly necessary, this effort alone neglects most of the capabilities required to be highly effective in a work environment, especially when a global marketplace is considered. What is required are the skills that allow individuals to be personally and socially aware in the workplace-the thinking, feeling, and communication skills necessary to effectively interact with others around the world.

Highly effective individuals understand that in today's scenario, they not only need to be technically proficient, but also need to demonstrate Purposeful Communication – the ability to adapt and share ideas without risking their relationships. They need to demonstrate Inspired Thinking-the ability to see situations from multiple perspectives and cultures. And, they need to experience fulfilled Self – the ability to maintain personal values and principles and take true satisfaction from the work.

All these concepts are critical to the development of highly effective individuals. Together, they grow confidence, courage, tolerance, and versatility in the global work environment and offer the potential for higher performance and longer retention of skilled contributors.

Meaning of Individual Behaviour

Individual behaviour is the ability of an individual to react and interact with others in general or while performing a particular task. It is determined by not just a measure of his practical knowledge or skills in a functional area such as human relations, marketing, or information and communications technologies; but also a reflection of personal experiences, qualities, aptitudes and attitudes.

Employees with good behaviour have high personal effectiveness. It is offered by allowing oneself to make self assessment across a wide range of tasks and activities such as teamwork and presentation skills, and ability to manage stress, to influence others, to plan, to relate to others and to priorities objectives.

To convert one's self-knowledge into action and success, one needs to do three things:

1. Raise the level of awareness
2. Identify one's key development needs
3. Create realistic action plans.

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2.1 Individual Characteristics and Differences

There are many determinants of the individual behaviour. The main factors are as under:

1. ***Personality:*** Personality plays the most important role in determining a person's behaviour. There are various personality types and their behaviour differs according to the differences in the persona. But the personalities can be modified and developed in order to be more effective.

2. ***Perception, attribution and individual decision making:*** The performance of an individual also depends to a great extent on what he thinks is right, doable, worth working for, etc.

   Hence a very important role is played by an individual's perception and attribution about various things. Right kind of perceptions and attributions result in right decision making.

3. ***Attitudes, values and ethics:*** What we are is determined up to a big extent by our values, ethics and the attitudes that we develop over the period of our lives.

   These determinants play a major role in influencing an individual's behaviour.

4. ***Motivation:*** Without motivation, nobody feels like working. Forget about any kind of effectiveness in work. If there is a low motivation to work, it shall definitely show in the quality of the output being produced.

   To have a higher effectiveness, a higher motivation is required. Various motivation techniques help an individual to determine his/her behaviour.

5. ***Stress and well being at work:*** A stressed individual cannot work up to his maximum potential. Thus it is needed by him as well as those working with him to ensure his well being at work. This improves the relationship at the workplace and also the individual behaviour.

6. ***Team skills and leadership skills:*** Since an individual has to work in teams, it is important for him to be a good team player in order to be productive for the organisation.

   Apart from this, an organisation is always looking for personnel who would have leadership qualities so as to lead themselves as well as the others to deliver good quality and quantity of the output.

7. ***Communication:*** Without effective communication, every individual is known as person with weak behaviour. So one should take care of all types of communication and various methods that one uses for communication among teams and across networks.

8. ***Decision making:*** Decision making ability plays a very significant role in determining and show casing the individual behaviour. This is because the decisions taken by an individual determine the course of future actions as well as the consequences of the actions taken.

9. ***Conflict management:*** Every organisation is group of individuals. Wherever there is a diverse group, there are conflicts. If an individual has attributes that can manage conflicts effectively, it will in turn, definitely improve his behaviour as a worker.

2.1.1 Biographical Characteristics

Biographical characteristics for individual behaviour determination include personal characteristics such as age, gender, marital status, and other such characteristics.

Ladies are known to be more emotional and hence show more sensitive side at work places. They get hurt very easily as well.

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Professionals with high ages as compared to the average age of the organisation would feel a little more responsible. In some cases, these people feel a little outcast, in others, such people often discuss about their ages and productivity.

People who are unmarried/singled are more likely to work late hours as compared to those who are married since the latter have to rake care of their dependents (especially kids) back home.

2.1.2 Individual Differences

The people differ from each other is evident. How and why they differ is less clear and is the subject of the study of Individual Differences (IDs). Questions of whether particular groups (e.g., groupings by sex, culture, age, or ethnicity) are more similar within than between groups are also questions of individual differences.

Personality psychology addresses the questions of shared human nature, dimensions of individual differences and unique patterns of individuals. Research in Individual Differences addresses three broad questions:

1. Developing an adequate descriptive taxonomy of how people differ;
2. Applying differences in one situation to predict differences in other situations; and
3. Testing theoretical explanations of the structure and dynamics of individual differences.

The test theory developed to account for sampling differences within domains can be generalized to account for differences between domains. Just as different samples of words will yield somewhat different estimates of vocabulary, different cognitive tasks (e.g., vocabulary and arithmetic performance) will yield different estimates of performance.

Personality and Ability

Although to some the term personality refers to all aspects of a person's individuality, typical usage divides the field into studies of ability and personality. Tests of ability are viewed as maximal performance measures. Ability is construed as the best one can do on a particular measure in a limited time (speed test) or with unlimited time. Personality measures are estimates of average performance and typically include reports of preferences and estimates of what one normally does and how one perceives oneself and is perceived by others.

Measures of ability and personality reflect observations aggregated across time and occasion and require inferences about stable latent traits thought to account for the variety of observed behaviors. However there are other individual differences that are readily apparent to outside observers and require little or no inference about latent traits. The most obvious of such variables include sex, age, height, and weight. Differences that require some knowledge and inference are differences in ethnicity and social economic status. These obvious group differences are sometimes analyzed in terms of the more subtle measures of personality and ability or of real life outcomes.

Individual differences are important only to the extent that they make a difference. The non-cognitive measures of individual differences also predict important real life criteria.

Notes

Case Study

The Computer Professional in the HR Department

Arun was a BE (Computers) degree holder and worked in the company's computer lab for 5 years. He was a very social person and had the knack of getting along with people in the lab. Arun was very popular in his department and solved many personnel related problems in the department. Therefore, when a job in the HR department opened up, his boss suggested that he should try for it. Arun had never thought of going into HR work but decided it would be a new challenge and he did like working with people.

When Arun was shifted to the HR department, he was shocked at the way the HR department tackled their problems. No attempt was made to use accepted scientific methodology in solving personnel problems. They had no idea whether the results of the performance evaluation programme should be told to the workers. The HR department did not properly instruct the supervisors and hence it was left to the discretion of individual supervisors whether they informed their workers about the performance evaluation or not. Arun asked his boss the Manager, Human Resource about this situation.

The boss tossed the question back to Arun. "Well Arun, how would you go about solving the problem"?

Questions:

1. If you were Arun, how would you answer the manager, human resources?
2. What contribution can knowledge of the behavioral sciences make to solve the problems in the HR department?

Self Assessment

State whether the following statements are true or false:

1. The performance of an individual does not depends to a great extent on what he thinks is right, doable, worth working for, etc.
2. Personality plays the most important role in determining a person's behaviour.
3. Employees with poor behaviour have high personal effectiveness.
4. Biographical characteristics for individual behaviour determination include personal characteristics such as age, gender, marital status, and other such characteristics.
5. Personality psychology addresses the questions of shared human nature, dimensions of individual differences and unique patterns of individuals.

2.2 Significant Learning

Learning is a term frequently used by a great number of people in a wide variety of contexts. Learning can be defined as a relatively permanent change in behaviour or potential behaviour as a result of direct or indirect experience. Learning is thus a change in behaviour as a result of experience. Different psychologists and behavioural scientists have defined learning differently

It must be understood that the learning itself is not observable, but only change in behaviour is observable which is the result of the process of learning. This change in behaviour must be differentiated from changes in behaviour from other causes. The causes of such changes including

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aging, such as being stronger or improvement in memory in the early formative years, instinctive response tendencies such as a timid person being brave at the time of a crisis.

2.2.1 Meaning of Learning

There are two primary elements in this definition:

1. The change must be relatively permanent. This means that after "learning" our behaviour must be different, either better or worse as compared to our behaviour prior to this learning experience. For example you "learn" to drive a car or have learned how to use a computer.
2. This change must occur due to some kind of experience or practice. This learning is not caused by biological maturation. For example a child does not learn to walk, it is a natural biological phenomenon. We do not learn to eat or drink.

   Learning is thus a change in behaviour as a result of experience. Different psychologists and behavioural scientists have defined learning differently. Given below are a few important definitions of learning:

"Learning is any relatively permanent change in behaviour that occurs as a result of experience".

Stephen P. Robbins

"Learning is the process of having one's behaviour modified, more or less permanently, by what he does and the consequences of his action, or by what he observes".

Munn N.L.

"Learning can be defined as relatively permanent change in behaviour potentially that results from reinforced practice or experience".

Steers and Porter

Accordingly, as a unique determinant of behaviour, learning cannot take place unless the learner actually experiences what has to be learned.

2.2.2 The Learning Process

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

1. Readiness
2. Exercise
3. Effect
4. Primacy
5. Intensity
6. Recency

Let us understand each of them one by one.

1. ***Readiness:*** Individuals learn best when they are ready to learn, and they do not learn well if they see no reason for learning. Getting students ready to learn is usually the instructor's responsibility. If students have a strong purpose, a clear objective, and a definite reason for learning something, they make more progress than if they lack motivation. Readiness

implies a degree of single-mindedness and eagerness. When students are ready to learn, they meet the instructor at least halfway, and this simplifies the instructor's job.

2. ***Exercise:*** The principle of exercise states that those things most often repeated are best remembered. It is the basis of drill and practice. The human memory is fallible. The mind can rarely retain, evaluate, and apply new concepts or practices after a single exposure.

3. ***Effect:*** The principle of effect is based on the emotional reaction of the student. It states that learning is strengthened when accompanied by a pleasant or satisfying feeling, and that learning is weakened when associated with an unpleasant feeling.

4. ***Primacy:*** Primacy, the state of being first, often creates a strong, almost unshakable, impression. For the instructor, this means that what is taught must be right the first time. For the student, it means that learning must be right. Unteaching is more difficult than teaching.

5. ***Intensity:*** The principle of intensity implies that a student will learn more from the real thing than from a substitute. In contrast to flight instruction and shop instruction, the classroom imposes limitations on the amount of realism that can be brought into teaching.

6. ***Recency:*** The principle of recency states that things most recently learned are best remembered.

Self Assessment

Fill in the blanks:

6. Learning is a change in behaviour as a result of .....

7. ..... learners learn better by doing.

8. The learning process involves: Readiness, Exercise, Effect, Primacy, Intensity, and .....

9. ..... can be defined as a relatively permanent change in behaviour or potential behaviour as a result of direct or indirect experience

2.3 Theories Involved in Learning

The most basic purpose of learning theory like any other is to better explain how learning occurs. Attempts have been made by the psychologists and behavioural scientists to develop theories of learning.

How do we learn? Three theories have been offered to explain the process by which we acquire patterns of behaviour:

1. Classical conditioning theory;

2. Operant conditioning theory;

3. Social learning theory.

2.3.1 Classical Conditioning

Classical conditioning is one of the simplest forms of learning yet it has a powerful effect on our attitudes, likes and dislikes, and emotional responses. We have all learned to respond in specific ways to a variety of words and symbols. Our lives are profoundly influenced by associations we learn through classical conditioning. Ivan Pavlov whose research on the conditioned reflex in dogs revealed much of what we know about the principles of classical conditioning.

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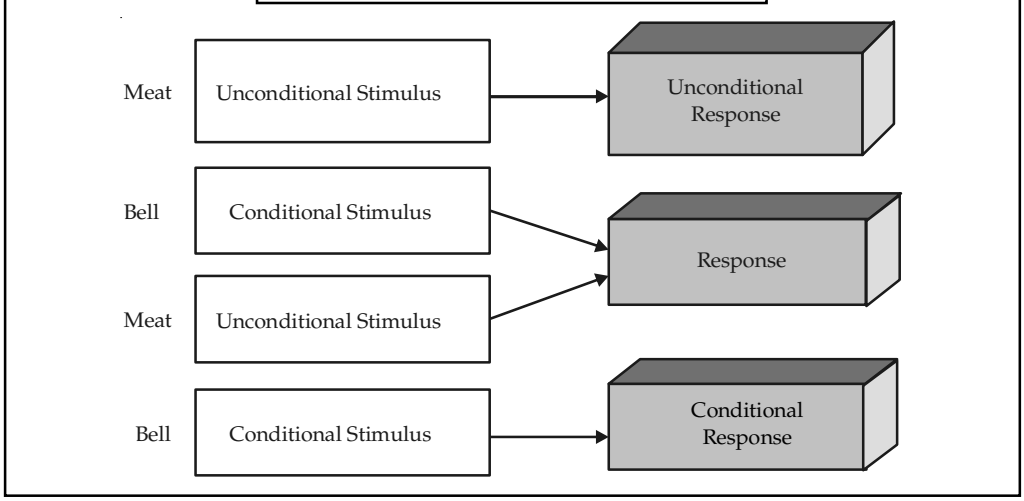
Pavlov's Experiment

Ivan Pavlov (1849-1936) organised and directed research in physiology at the Institute of Experimental Medicine in St. Petersburg, Russia from 1891 until his death in 1936. His book "Conditioned Reflexes" is one of the classic works in psychology.

Figure 2.1: Classical Conditioning Theory



Classical conditioning is modifying behaviour so that a conditioned stimulus is paired with an unconditioned stimulus and elicits an unconditioned behaviour. Ivan Pavlov, a Russian psychologist developed classical conditioning theory based on his experiments to teach 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 link the meat and the ringing of the 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.

Classical conditioning introduces a simple cause-and-effect relationship between one stimulus and response. It also makes the response reflective or involuntary after the stimulus-response relationship has been established. This leaves no ground for making choice, which differences human beings from dogs. Under certain situations classical conditioning does explain human behaviour. For example, if a student is always reprimanded by his Principal when he is summoned to the principal's office he may become nervous whenever asked to come to the principal's office because of this association.

Elements and Processes in Classical Conditioning

Reflex: A reflex is an involuntary response to a particular stimulus. There are two kinds of reflexes:

1. ***Conditioned Reflex*:** This is a "learned" reflex rather than a naturally occurring one.
2. ***Unconditioned Reflex:*** This is a "unlearned" reflex. Example, Salivation in response to food. Unconditioned reflex are built into the nervous system.

Conditioned and Unconditioned Stimulus and Response: Pavlov continued to investigate the circumstances under which a conditioned reflex is formed. Dogs do not need to be conditioned

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to salivate to food, so salivation of food is an unlearned or unconditioned response (UR). Any stimulus (such as food) that without learning will automatically elicit (bring forth) an unconditioned response is called an unconditioned stimulus (US).

A reflex is made up of both a stimulus and response. Following is a list of some common unconditioned reflexes, showing their two components – the unconditioned stimulus and unconditioned response.

Table 2.1: Unconditioned Reflexes

Unconditioned Stimulus (US)		Unconditioned Response (UR)
Food	⇨	Salivation
Onion Juice	⇨	Tears
Heat	⇨	Sweating
Loud Noise	⇨	Startle
Light in Eye	⇨	Contraction of Pupil
Puff of air in eye	⇨	Blink.
Touching hot stove	⇨	Hand withdrawal

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 conditioning.

1. 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.
2. The intensity of the unconditioned stimulus. If a conditioned stimulus is paired with a very strong unconditioned stimulus, the conditioned response will be stronger and will be acquired more rapidly than if it is paired with a weaker unconditioned stimulus.
3. The most important factor is how reliably the conditioned stimulus predicts the unconditioned stimulus. Research has shown that classical conditioning does not occur automatically just because a neutral stimulus is repeatedly paired with an unconditioned stimulus. The neutral stimulus must also reliably predict the occurrence of 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.
4. 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. It takes place more slowly or not at all when the two stimuli occur at the same time. Conditioning rarely takes place when the conditioned stimulus follows 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:

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

Notes

2. The behavioural environment in organisations is also complex.
3. 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 organisational setting.

2.3.2 Operant Conditioning

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 in contrast to reflexive or unlearned behaviour. The tendency to repeat such behaviour is influenced by the reinforcement or lack of reinforcement brought about by the consequences of the behaviour. Reinforcement therefore strengthens behaviour and increases the likelihood it will be repeated.

What Pavlov did for classical conditioning, the Harvard psychologist B.F. Skinner did for operant conditioning.

Operant conditioning induces a voluntary change in behaviour and learning occurs as a "consequence" of such change. It is also known as reinforcement theory and it suggests that behaviour is a function of its consequences. It is based upon the premise that behaviour or job performance is not a function of inner thoughts, feelings, emotions or perceptions but is keyed to the nature of the outcome of such behaviour. The consequences of a given behaviour would determine whether the same behaviour is likely to occur with future or not. Based upon this direct relationship between the consequences and behaviour, the management can study and identify this relationship and try to modify and control behaviour. Thus, the behaviour can be controlled by manipulating its consequences.

This relationship is built around two principles:

1. The behaviour that results in positive rewards tend to be repeated and behaviour with negative consequences tend not to be repeated.
2. Based upon such consequences, the behaviour can be predicted and controlled.

Hence, certain types of consequences can be used to increase the occurrence of a desired behaviour and other types of consequences can be used to decrease the occurrence of undesired behaviour. The consequences of behaviour are used to influence, or shape, behaviour through three strategies: reinforcement, punishment and extinction. Thus, operant conditioning is the process of modifying behaviour through the use of positive or negative consequences following specific behaviours.

From an organisational 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

Several factors affect response rate, resistance to extinction and how quickly a response is acquired.

1. The first factor is the 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.

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Research indicates that level of performance is also influenced by the relationship between the amount of reinforcement expected and what is actually received. For example, your job performance would undoubtedly be affected if your salary were suddenly cut by half. Also, it might dramatically improve if your employer doubled your pay.

2. The second factor affecting operant conditioning is the 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.

3. The third factor influencing conditioning is the 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. Skinner found that when food is the rein forcer, a hungry animal would learn faster than an animal with a full stomach.

Table 2.2: Classical and Operant Conditioning Compared

CLASSICAL CONDITIONING	OPERANT CONDITIONING
1. A change in stimulus elicits a particular response	1. Stimulus serves as a cue for a person to emit the response
2. The strength and frequency of classically conditioned behaviours are determined mainly the frequency of eliciting stimulus.	2. The strength and frequency of operantly conditioned behaviours are determined mainly by the consequences.
3. The stimulus serving as reward is present every time.	3. The reward is presented only if the organism gives the correct response.
4. Responses are fixed to stimulus	4. Responses are variable both in type and degree.

CLASSICAL CONDITIONING

(S) **Stimulus**	(R) **Response**
The individual is stuck by a pin	Finches
The individual is shocked by an electric current	Jumps and Screams

OPERANT CONDITIONING

(R) **Response**	(S)
Works	
The individual enters a library	**Stimulus**
Works hard	is paid
	receives praise and promotion

Adapted from: Fred Luthans "Organizational Behaviour" McGraw Hill Inc., New Delhi (Seventh Edition) 1995 page 200

Characteristics	Classical conditioning	Operant conditioning
Type of association	Between two stimuli	Between a response and its consequence
State of the subject	Passive	Active
Focus of Attention	On what precedes response	On what follows response
Type of response typically involved	Involuntary or reflexive response	Voluntary response
Bodily response typically involved	Internal Responses: Emotional and glandular reactions	External Responses: Muscular and skeletal movement and verbal responses.
Range of Responses	Relatively simple	Simple to highly complex
Responses learned	Emotional Reactions: fear, likes, dislikes	Goal-oriented responses

Notes

2.3.3 Social Learning

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. The person who demonstrates behaviour or whose behaviour is imitated is called models. Parents, movie stars and sports personalities are often powerful models. The effectiveness of a model is related to his or her status, competence and power. Other important factors are the age, sex, attractiveness, and ethnicity of the model.

Whether learned behaviours are actually performed depends largely on whether the person expects to be rewarded for the behaviour.

Social learning 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. It also emphasises that people acquire new behaviours by observing or imitating others in a social setting. In addition, learning can also be gained by discipline and self-control and an inner desire to acquire knowledge or skills irrespective of the external rewards or consequences. This process of self-control is also partially a reflection of societal and cultural influences on the development and growth of human beings.

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

1. ***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.
2. ***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.
3. ***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.
4. ***Reinforcement Process:*** Individuals become motivated to display the modelled action if incentive and rewards are provided to them.

In addition to observing others as role models, human beings have the capacity of self-regulation. By simply thinking about their behaviour, they can change their behaviours towards betterment and in accordance with the norms of social and organisational living.

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. Individuals with high self-efficacy believe that they have the ability to get things done, that they are capable of putting forth the effort to accomplish the task, and that they can overcome any obstacles to their success. People with high self-efficacy are more effective at learning than are those with low levels of self-efficacy.

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

1. Performance accomplishments (just do it!)
2. Vicarious experiences (watch someone else do it)
3. Verbal persuasion (be convinced by someone else to do it) or
4. Emotional arousal (get excited about doing it)

Notes

Task Explain a recent mistake. What did you learn from it and in what areas can you utilize that knowledge in the future?

Self Assessment

Multiple Choice Questions:

10. Classical conditioning introduces a simple ..... relationship between one stimulus and response.

    (a) cause-and-cause (b) effect-and-effect

    (c) cause-and-effect (d) effect-and-cause

11. ..... Reflex is a "learned" reflex rather than a naturally occurring one.

    (a) Conditioned (b) Air conditioned

    (c) Constitutional (d) Institutional

12. ..... 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.

    (a) Operant (b) Classic

    (c) None (d) Social

2.4 Behaviour Modification

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

Steps in Designing an OB Mod Programmer

The typical OB Mod programme follows the following steps:

1. ***Identification of performance-related behaviours:*** The manager must decide what specific behaviour is to be eliminated or stimulated. Everything an employee does on his or her job is not equally important in terms of performance outcomes.

2. ***Specify the behaviour in observable, measurable terms:*** The next step in Ob Mod, is to identify the critical behaviours that make a significant impact on the employee's job performance. The manager must define what is to be changed and how it is to be measured. This is obtained by determining the number of times the identified behaviour is occurring under present conditions.

3. ***Identify the reinforces:*** The manager must examine those reinforces that appear to be common to most people, as well as individual reinforces.

4. ***Identification of behavioural contingencies:*** The next step is to perform a functional analysis to identify the behavioural contingencies or consequences of performance. The manager must design the system, which allows the desired reinforcements to be made contingent

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upon the desired behaviour being emitted. This tells the manager the antecedent cues that emit the behaviour and the consequences currently maintaining it.

5. ***Insure that there is a method for applying the contingency relationship:*** The manager is ready to develop and implement an intervention strategy to strengthen desirable performance behaviours and weaken undesirable behaviours. If the manager has specified a contingency relationship between behaviours and rewards, then there must be some means of making sure that when the desired behaviour is emitted, the reward will follow. For example, if a professor wishes to reward students specifically for coming to class, then there must be a system of marking attendance.

6. ***Feedback to the Employee:*** In this step the manager must outline specifically what the employee is doing right and wrong, what the rewards are and how they will be applied, and the nature of the contingency relationship.

7. ***Apply the system fairly and consistently:*** Once the system is established, it should be maintained in a consistent manner. A good example of this is rate cutting in piecework systems. It is frustrating to employees to have the rules changed on them midway through the system. It is for this reason that many piecework incentive systems are ineffective.

Application of OB Mod

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

1. ***Every Manager uses OB Mod:*** Any manager who exerts influence over subordinates is already using rewards and punishments. It is hoped that by studying the principles of OB Mod, managers can gain a better understanding of how their behaviour (applying rewards and punishment) is affecting the behaviour of employees.

2. ***Action Speak Louder than Words:*** People respond to the events that actually affect them, not to what they are told. A manager who tells employees one thing but whose behaviour reflects something different will find that employees react to the behaviour and not the words.

3. ***Doing Nothing has Reinforcing Consequences:*** Employees who are behaving properly may cease to exhibit desirable behaviours in order to get their manager's attention. Managers must constantly keep in mind that desirable behaviour must be positively reinforced to maximize the chances that it will be continually exhibited.

4. ***Reinforces are Individual in Nature:*** There can be important individual differences in reinforcements, although some reinforcers such as pay may be common to most people, it may be a much stronger reinforcer for some people than for others.

5. ***Reinforcers must be Oriented toward Specific Behaviours:*** OB Mod techniques can only be effective if applied to a specific, observable act of behaviour. To use OB Mod effectively, the employee must know specifically which behaviour the manager finds desirable and which are undesirable. Not knowing would only result in a very frustrated employee and a disappointed manager.

6. ***Reinforcements must be "Real":*** Application of positive reinforcements cannot be treated as a gimmick to get employees to do things they would not normally do.

7. ***Reinforcements must be Fair:*** If people do not see the rewards as being commensurate with the required behaviour, then the reinforcement system will be ineffective.

8. ***Reinforcements must be relatively Quick:*** To be successful, reinforcement plans must provide relatively quick rewards to the employee that can be specifically identified with productive behaviour. For example, an incentive system that rewards employees weekly is superior to one that pays off once every six months.

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9. ***Employees must be given Feedback on their Performance:*** It is difficult for employees to change their behaviour if they do not know what they are doing wrong. Many managers find the feedback process to be an uncomfortable one and therefore avoid it. Unfortunately, this can cause additional problems as the managers becomes increasingly frustrated with the lack of performance and the employees become frustrated trying to figure out what it is the manager wants.

Notes

Is Behaviour Modification Really Different from other Theories?

In any discussion of the various approaches to understanding motivation theories, the theories of Maslow, Herzberg, McClelland, and expectancy theory usually are in the forefront. Most people tend to think of behavior modification as a "different" approach. Yet, on closer examination, behavior modification is not really inconsistent with any of the other approaches.

Take Maslow, for example. In his hierarchy of needs it is proposed that people gradually progress to higher and higher levels of need satisfaction and it is unsatisfied needs that motivate people. In behavior modification terminology, we need only say that the satisfactions are reinforcers: thus, if people are "motivated" by ego needs, we can also say that they will find events, which increase their ego satisfaction to be reinforcing. Or, alternatively, if one wants to reinforce someone, one need only discover what level of need satisfaction is salient and apply the proper reinforcement.

Herzberg maintains that there is a difference between hygienes and motivators. Motivators, in Herzberg's terms, are really nothing more than specific reinforcers. Hygienes are reinforcers that have been saturated. The reader should recall that one of the shortcomings of Herzberg's theory is that hygienes and motivators have not been found to be consistent with all people; this can be explained by behavior modification, since we know that people find different things to be reinforcing. To say that a hygiene factor can also be a motivator recognizes that some people find hygiene items to be reinforcing. Why? Because their experiences have conditioned them to respond to hygienes.

A similar analysis can be applied to McClelland. McClelland notes that the needs of achievement, power, and affiliation determine our behavior. High achievers are people who have been conditioned to respond to achieving situations; people who have a strong need for power are those who have been conditioned to respond to influence, and so on. It is no accident that McClelland's method of inducing the need to achieve is through behavior modification techniques. Subjects are shown how high achievers behave and are then conditioned to imitate that behavior.

Expectancy theory refers to "outcomes," which is simply another term for reinforcement. Expectancy theory tells us that in order to motivate an employee, we have to match the employee's outcomes (reinforcements) with those of the organisation, so that the parties are in a mutually reinforcing situation.

In sum, behavior modification can explain why other approaches to motivation work and also account for why they don't work.

Source: Jerry L Gray and Frederick A Starke "Organisational Behaviour - Concepts and Application" (3rd edition), Charles E. Merrill Publishing Company, Columbus (1984), Page 162.

Notes

Self Assessment

State whether the following statements are true or false:

13. OB Mod" is a programme where managers identify performance-related employee behaviours and then implement an intervention strategy to strengthen desirable performance behaviours and weaken undesirable behaviour.
14. OB Mod techniques can only be effective if applied to a specific, observable act of behaviour.

2.5 Values

Another source of individual differences is values. Values exist at a deeper level than attitudes and are more general and basic in nature. We use them to evaluate our own behaviour and that of others. Value is an enduring belief that a specific mode of conduct or end state of existence is personally and socially preferable to the alternative modes of conduct or end states of existence. Once it is internalized, it becomes consciously or unconsciously, a standard or criterion for guiding action, for developing and maintaining attitudes toward relevant objects and situation, for justifying one's own and others' actions and attitudes for morally judging oneself and others, and for comparing oneself with others. Value, therefore, is a standard or yardstick to guide actions, attitudes, evaluations and justifications of the self and others.

Ronald D White and David A Bednar have defined value as a "concept of the desirable, an internalized criterion or standard of evaluation a person possesses. Such concepts and standards are relatively few and determine or guide an individual's evaluations of the many objects encountered in everyday life".

Values are tinged with moral flavour, involving an individual's judgement of what is right, good or desirable. Thus values:

1. Provide standards of competence and morality.
2. Are fewer in number than attitudes.
3. Transcend specific objects, situations or persons.
4. Are relatively permanent and resistant to change, and
5. Are more central to the core of a person.

Individuals learn values as they grow and mature. They may change over the life span of an individual develops a sense of self. Cultures, societies, and organisations shape values.

2.5.1 Importance of Values

Values are important because they lay the foundation for the understanding of attitudes and motivation and because they influence our perceptions. Individuals enter an organisation with preconceived notions of what "ought" and what "ought not' to be. For example, if Jeevan enters IG Ferns and Curtains with a view that salary on piece-rate system is right and on time-rate basis is wrong, he is likely to be disappointed if the company allocates salary on time-rate basis. His disappointment is likely to breed job dissatisfaction. This will, in turn, adversely affect his performance, his attitude and in turn, his behaviour towards the work environment, which would have been different had his values turned out to be aligned with the company's reward/ pay policy.

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2.5.2 Types of Values

Values are learned and acquired primarily through experiences with people and institutions. Parents, for example, will have substantial influence on their children's values. A parent's reaction to everyday events demonstrates what is good and bad, acceptable and unacceptable and important and unimportant. Values are also taught and reinforced in schools, religious organisations, and social groups. As we grow and develop, each source of influence contributes to our definition of what is important in life. Cultural mores have influence on the formation of values. Basic convictions of what is good or bad are derived from one's own culture.

Allport and his associates categorized values into six types:

1. ***Theoretical:*** Interested in the discovery of truth through reasoning and systematic thinking.
2. ***Economic:*** Interest in usefulness and practicality, including the accumulation of wealth.
3. ***Aesthetic:*** Interest in beauty, form and artistic harmony.
4. ***Social:*** Interest in people and love as a human relationship.
5. ***Political:*** Interest in graining power and influencing people.
6. ***Religious:*** Interest in unity and understanding the cosmos as a whole.

Tasks Discuss an incident when you had a clash of choice between an action against your values and gaining, and action in consonance with your values and loosing. What did you choose and why?

2.5.3 Instrumental and Terminal Values

Rokeach distinguishes between two types of values: Instrumental and Terminal.

1. ***Instrumental Value:*** Instrumental values reflect the means to achieving goals; that is, they represent the acceptable behaviour to be used in achieving some end state. Instrumental values identified by Rokeach include ambition, honesty, self-sufficiency and courageousness.

   Instrumental value refers to a single belief that always takes the form: I believe that such and such a mode of conduct (example honesty, courage, etc.) is personally and socially preferable in all situations with respect to all objects. An instrumental value is a tool or means for acquiring a terminal value.

2. ***Terminal Value:*** Terminal values, in contrast, represent the goals to be achieved, or the end states of existence. Rokeach identified happiness, love, pleasure, self-respect, and freedom among the terminal values.

   Terminal value takes a comparable form: I believe that such and such an end state of existence (example, salvation, or world at peace, etc.) is personally and socially worth striving for. A terminal value is an ultimate goal in a desired status or outcome.

A complete list of instrumental and terminal values is presented in the Table 2.3.

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Table 2.3: Classical Conditioning Theory

Instrumental Value	Terminal Value
Ambitious (hardworking, aspiring)	A comfortable life (a prosperous life)
Broad-minded (open-minded)	An exciting life (a stimulating, active life)
Capable (competent, effective)	A sense of accomplishment (lasting contribution)
Cheerful (light-hearted, joyful)	A world of peace (free of war and conflict)
Clean (neat, tidy)	A world of beauty (beauty of nature and the arts)
Courageous (standing up for your beliefs)	Equality (brotherhood, equal opportunity for all)
Forgiving (willing to pardon others)	Family security (taking care of loved ones)
Helpful (working for the welfare of others)	Freedom (independence, free choice)
Honest (sincere, truthful)	Happiness (contentedness)
Imaginative (daring, creative)	Inner harmony (freedom from inner conflict)
Independent (self-reliant, self-sufficient)	Mature love (sexual and spiritual intimacy)
Intellectual (intelligent, reflective)	National security (protection from attack)
Logical (consistent, rational)	Pleasure (an enjoyable, leisurely life)
Loving (affectionate, tender)	Salvation (saved, eternal life)
Obedient (dutiful, respectful)	Self-respect (self-esteem)
Polite (courteous, well mannered)	Social recognition (respect, admiration)
Responsible (dependable, reliable)	True friendship (close companionship)
Self-controlled (restrained, self-disciplined)	Wisdom (a mature understanding of life)

Source: M Rokeach "The Nature of Human Values", New York: Free Press (1973).

Work Values: Work values are important because they affect how individuals behave on their jobs in terms of what is right and wrong. The work values most relevant to individuals are:

1. ***Achievement:*** Achievement is a concern for the advancement of one's career. This is shown in such behaviours as working hard and seeking opportunities to develop new skills.
2. ***Concern for Others:*** Concern for others reflects caring, compassionate behaviour such as encouraging other employees or helping others work on difficult tasks. These behaviours constitute organisational citizenship.
3. ***Honesty:*** Honesty is accurately providing information and refusing to mislead others for personal gain.
4. ***Fairness:*** Fairness emphasizes impartiality and recognizes different points of view.

Although individuals vary in their value systems, when they share similar values at work, the results are positive. This means that organisations recruiting job candidates should pay careful attention to an individual's values.

2.6 Attitudes

Attitudes are individuals' general affective, cognitive and intentional responses toward objects, other people, themselves, or social issues. Attitudes are evaluative statements – either favourable or unfavourable – concerning objects, people or events. They reflect how one feels about something. As individuals, we respond favourably or unfavourably towards many things: co-workers, bosses, our own appearances, etc. The importance of attitudes lies in their link to behaviour. When an employee says, "I like my job", he or she is expressing his or her attitude about work.

Attitude is defined as a more or less stable set of predisposition of opinion, interest or purpose involving expectancy of a certain kind of experience and readiness with an appropriate response. Attitudes are also known as "frames of reference". They provide the background against which

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facts and events are viewed. It becomes necessary to know the attitudes of members of an organisation because they have to perceive specific aspects like pay, hours of work, promotion etc., of their job life in the wider context of their generalized attitudes.

An attitude is also a cognitive element; it always remains inside a person. Everyone's psychological world is limited and thus everyone has a limited number of attitudes. In business organisations, employees have attitudes relating to world environment, job security, etc. The individual's attitudes towards these factors are indicative of his apathy or enthusiasm towards the activities and objectives of the organisation.

2.6.1 Characteristics of Attitudes

Attitudes have following characteristics:

1. An attitude is the predisposition of the individual to evaluate some objects in a favourable or an unfavourable manner.
2. 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.
3. Attitudes are different from values. Values are the ideals, whereas attitudes are narrow, they are our feelings, thoughts and behavioural tendencies toward a specific object or situation.
4. Attitude is a predisposition to respond to a certain set of facts.
5. Attitudes are evaluative statements – either favourable or unfavourable concerning the objects, people or events.

An attitude is "a mental state of readiness, organised 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.

2.6.2 Functions of Attitude

Attitudes are known to serve at least four important functions in an organisation setting:

1. ***Attitudes determine meaning:*** Much of what is seen in the environment and in other people's behaviour is determined by attitudes. If one has a overall favourable attitude towards a person, one tends to judge his activities as "good" or "superior". On the other hand, negative attitudes or prejudices generally prompt disagreement with the individual concerned or failure to appreciate the good work done by him.
2. ***Attitudes reconcile contradictions:*** It is not uncommon to come across people who hold contradictory opinions. With the proper attitude as a background, intelligent people can reconcile or rationalise the same actions, which to others are obvious contradictions. For example, when a worker takes a little rest, a superior considers it "idling".
3. ***Attitudes organise facts:*** As already seen, objective events can be differently perceived by different people because of different attitudes. Meanings can be concocted and falsely communicated to others by changing the attitudes of the recipients towards wider social issues.

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4. ***Attitudes select facts:*** From the plethora of environmental facts and stimuli, one tends to select those which are in consonance with one's cherished beliefs and attitudes. Attitudes, thus, act as a screen or filter.

2.6.3 Sources and Types of Attitudes

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

1. ***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 both a humane and high performance workplace, researchers continue to search for definite answers about the causes and consequences of job satisfaction.

2. ***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.

3. ***Organisational Commitment:*** Organisational 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 organisational commitment means identifying with one's employing organisation.

2.6.4 Attitude Formation

Attitudes are learned. Individuals acquire attitudes from several sources but the point to be stressed is that the attitudes are acquired but not inherited. Our responses to people and issues evolve over time. Two major influences on attitudes are direct experience and social learning.

1. ***Direct Experience:*** Attitudes can develop from a personally rewarding or punishing experience with an object. Direct experience with an object or person is a powerful influence on attitudes. Research has shown that attitudes that are derived from direct experience are stronger, are held more confidently and are more resistant to change than are attitudes formed through indirect experience. One reason attitudes derived from direct experience are so powerful is because of their availability. This means that the attitudes are easily accessed and are active in our cognitive processes. When attitudes are available, we can call them quickly into consciousness. Attitudes that are not learned from direct experience are not as available, and therefore we do not recall them easily.

   (a) *Classical Conditioning:* One of the basic processes underlying attitude formation can be explained on the basis of learning principles. People develop associations between various objects and the emotional reactions that accompany them.

   (b) *Operant Conditioning:* Attitudes that are reinforced, either verbally or non-verbally, tend to be maintained. Conversely, a person who states an attitude that elicits ridicule from others may modify or abandon the attitude.

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(c) *Vicarious Learning:* In which a person learns something through the observance of others can also account for attitude development, particularly when the individual has no direct experience with the object about which the attitude is held. It is through vicarious learning processes that children pick up the prejudices of their parents.

2. ***Social Learning:*** In social learning, the family, peer groups and culture shape an individual's attitudes in an indirect manner. Substantial social learning occurs through modelling, in which individuals acquire attitudes by merely observing others. For an individual to learn from observing a model, four processes must take place:

   (a) The learner must focus attention on the model.

   (b) The learner must retain what was observed from the model.

   (c) Behavioural reproduction must occur; that is, the learner must practice the behaviour.

   (d) The learner must be motivated to learn from the model.

   Social learning can take place through the following ways:

   (a) *The Family:* A person may learn attitudes through imitation of parents. If parents have a positive attitude towards an object and the child admires his parents, he is likely to adopt a similar attitude, even without being told about the object, and even without having direct experience. Children also learn to adopt certain attitudes by the reinforcement they are given by their parents when they display behaviours that reflect an appropriate attitude.

   (b) *Peer Groups:* Peer pressure moulds attitudes through group acceptance of individuals who express popular attitudes and through sanctions, such as exclusion from the group, placed on individuals who espouse (promote) unpopular attitudes.

   (c) *Modelling:* Substantial social learning occurs through modelling, in which individuals acquire attitudes by merely observing others. The observer overhears other individuals expressing an opinion or watches them engaging in a behaviour that reflects an attitude, and the observer adopts this attitude.

Did u know? **Similarities and dissimilarities between Values and Attitudes?**

The similarities between values and attitudes are:

1. Both are learned or acquired from the same sources – experience with people, objects and events.
2. Both affect cognitive process and behaviour of people.
3. Both are durable, deep rooted and difficult to change.
4. Both influence each other and more often than not, are used interchangeably.

The dissimilarities in the attitudes and values are:

Attitudes

1. They exhibit predisposition to respond.
2. They refer to several beliefs relating to a specific object or situation
3. Attitudes are the offshoot of one's personal experiences.

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Values

1. They exhibit judgemental ideas in relation to what is right.
2. They refer to single beliefs focussed on objects or situations.
3. They are derived from social and cultural mores.

Case Study

Corporation Bank

The 1990' were a watershed for the Indian Banking Industry, and particularly for nationalized banks which hitherto had a monopoly in the industry. Following the deregulation of the financial sector, the bank has faced increased competition from other financial institutions like Can Fin. Homes Ltd., LIC Housing Corporation and foreign private sector banks. These specialized financial institutions were giving a tough competition for corporation bank resulting in an intense squeeze on profit margins and the need to make considerable efforts to retain its clientele. Under such pressure, Corp Bank introduced new technology, new financial products and new reward system for bank managers and staff. Information and communication technologies (ICTs) enabled the band to process much larger volumes of business and just as importantly, the new ICTs themselves facilitated the development of new, technically based products and services (such as home banking, smart cards and debit cards) which Corp Bank started to market to its customers.

Running parallel with these technical changes was the dismantling of the paternalistic Human Resource Management system. In essence, Corp Bank's bureaucratic, culture and its associated belief system for managers and staff of appropriate behaviour being rewarded by steady promotion through the ranks was swept aside.

The new culture in the fast-changing environment, emphasized customer service and the importance of measuring and rewarding staff according to their performance. The new performance-related reward system was introduced at the board meeting held in June 2002. Mr. N. K. Singh, Chairman and Managing Director of the bank said that the proposed reward system would be a key strategy to 'maintain our reputation and market share'. He outlined that in future; the salary of bank managers would be tied to their leadership skills and the quality of customer service. Accordingly, the reward system would link manager's pay to behaviour traits that relate to leadership and customer service. The variable pay for both managers and staff would be based on what is accomplished because customer service is central to Corp Banks' strategic plan, a three category rating system that involves 'not meeting' customer expectations, 'meeting' them or 'far exceeding them is the essence of the new reward system.

Question:

Outline the merits and limitations of Corp Bank's proposed reward system for the managers and staff.

2.7 Cognitive Dissonance Theory

Leon Festinger, in 1957, proposed the theory of cognitive dissonance. According to this theory, people want their beliefs to be consistent with one another and want their behaviours to be consistent with their beliefs. When people become aware of inconsistency among their beliefs

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or between their attitudes and their behaviour, they experience "cognitive dissonance", an unpleasant state of arousal that motivates them to re-establish consistency by changing one of their attitudes or by changing their behaviours. Thus, if a person behaves in a way that runs counter to his or her attitude, cognitive dissonance is created in that person. He or she then attempts to reduce the dissonance by changing either the attitude or the behaviour.

Cognitive dissonance refers to any incompatibility that an individual might perceive between two or more of his or her attitudes or between his or her behaviour and attitudes. Festinger argues that any form of inconsistency is uncomfortable and that individuals will attempt to reduce the dissonance and hence, the discomfort. Therefore, individuals will seek a stable state where there is a minimum of dissonance.

Coping with Dissonance

No individual can completely avoid dissonance. So how do people cope with dissonance? According to Festinger, the desire to reduce dissonance would be determined by the importance of the elements creating the dissonance; the degree of influence the individual believes he or she has over the elements and the rewards that may be involved in dissonance.

1. ***Importance of the Elements:*** If the elements creating the dissonance are relatively unimportant, the pressure to correct this imbalance will be low.
2. ***Degree of Influence:*** The degree of influence that individuals believe they have over the elements will have an impact on how they will react to the dissonance. If they perceive the dissonance to be an uncontrollable, they are less likely to be receptive to attitude change.
3. ***Rewards:*** Rewards also influence the degree to which individuals are motivated to reduce dissonance. High rewards accompanying high dissonance tend to reduce the tension inherent in the dissonance.

These moderating factors suggest that just because individuals experience dissonance, they will not necessarily move directly toward consistency, that is, toward reduction of this dissonance. If the issues underlying the dissonance are of minimal importance, if an individual perceives that the dissonance is externally imposed and is substantially uncontrollable by him or her, or if rewards are significant enough to offset the dissonance, the individual will not be under great tension to reduce the dissonance.

Attitudes and Behaviour: Attitude-behaviour correspondence depends on five things:

1. ***Attitude Specificity:*** Individuals possess both general and specific attitudes. Specific attitude provides a stronger link to behaviour.
2. ***Attitude Relevance:*** Another factor that affects the attitude-behaviour link is relevance. Attitudes that address an issue in which we have some self-interest are more relevant for us, and our subsequent behaviour is consistent with our expressed attitude.
3. ***Timing of Measurement:*** The timing of the measurement also affects attitude-behaviour correspondence. The shorter the time between the attitude measurement and the observed behaviour, the stronger the relationship.
4. ***Personality Factors:*** Personality factors also influence the attitude-behaviour link. One personality disposition that affects the consistency between attitudes and behaviour is self-monitoring. Low self-monitors display greater correspondence between their attitudes and behaviours. High self-monitors display little correspondence between their attitudes and behaviours because they behave according to signals from others and from the environment.

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5. ***Social Constraints:*** Social constraints affect the relationship between attitudes and behaviour. The social context provides information about acceptable attitudes and behaviours.

2.8 Summary

- Highly effective individuals understand that in today's scenario, they not only need to be technically proficient, but also need to demonstrate
- Individual behaviour is the ability of an individual to react and interact with others in general or while performing a particular task.
- It is determined by not just a measure of his practical knowledge or skills in a functional area such as human relations, marketing, or information and communications technologies; but also a reflection of personal experiences, qualities, aptitudes and attitudes.
- Attitudes and values of an individual determine where he/she wants to go in life in general and career in particular.
- It is these two things again that determine how much job satisfaction one can derive.
- Learning is a term frequently used by a great number of people in a wide variety of contexts.
- Learning can be defined as a relatively permanent change in behaviour or potential behaviour as a result of direct or indirect experience.
- Most learning experts agree that reinforcement is the single most important principle of learning.
- Learning is considered vital for understanding human behaviour at work in organisations.

2.9 Keywords

Auditory Learners: Auditory learners learn primarily through listening.

Classical Conditioning: Classical conditioning introduces a simple cause-and-effect relationship between one stimulus and response.

Individual Behaviour: Individual behaviour is the ability of an individual to react and interact with others in general or while performing a particular task.

Kinesthetic Learners: Kinesthetic learners learn better by doing.

Learning: Learning is any relatively permanent change in behaviour that occurs as a result of experience.

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

Recency: The principle of recency states that things most recently learned are best remembered.

Reflex: A reflex is an involuntary response to a particular stimulus.

Social Learning: Social learning 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.

Visual Learners: Visual learners learn primarily through the written word.

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2.10 Review Questions

1. When was the last time that you volunteered to expand your knowledge at work, as opposed to being directed to do so?
2. When did you last acquire effective knowledge in your own time and how can you apply this towards your career?
3. In which specific areas of your work are you really interested in expanding your knowledge of? How do you intend to achieve this?
4. When was the last occasion you asked for direct feedback from a superior or a customer? How did you then use this knowledge to improve your personal performance?
5. If time did not permit a training period on a new job, how would you go about learning the things expected or required of you?
6. What kind of supervisor do you enjoy working for most and least?
7. Do you think you have learned as much as you are experienced? What are the reasons for your shortcomings?
8. It is a well known fact that individuals learn their best when they are ready to learn. You being the team leader, if are provided with a team in which people are not ready to learn especially from you, how would you make them unrivaled performers?
9. What do you think is more important to ensure for a trainer – primacy/intensity/recency, in the training and why?
10. How much importance would you give to make the trainees exercise the concepts you made them learn. What would be your thrust on?
11. What do you think as the main factors behind classical conditioning? Can they be altered?
12. Most of us develop conditioned reflexes to the seniors at our workplaces. Do you think this attitude should be done away with? Support your answer with well defined reasons.
13. Do you think that employee behaviour is a function of its consequences? Give reasons for your answer.
14. Recall a time when you had to make an uncertain decision, and there was a possibility of an adverse public reaction. How did you manage the situation?
15. Have you ever faced a situation when you had to take a longer way of doing something in order to adhere to proper professional standards? If yes, elucidate.
16. What would you do if you a saw a valued customer behaving in an unwarranted manner?
17. What functions do you think the attitudes perform in an organisational setting?
18. What do you consider to be more important for you – job involvement or organisational commitment and why?
19. What do you analyse as the main components of attitudes and why?
20. How do the family and peer group of a person determines his/her social behaviour?
21. Why does an individual suffer from cognitive dissonance? How can it be coped with?
22. Examine the role of values as a determinant of individual difference.
23. Is seeking inner harmony a terminal or instrumental value? Substantiate your argument with reasons.

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Answers: Self Assessment

1.	False	2.	True
3.	False	4.	True
5.	True	6.	experience
7.	Kinesthetic	8.	Recency
9.	Learning	10.	(c)
11.	(a)	12.	(a)
13.	True	14.	True

2.11 Further Readings

Books

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Unit 3: Personality

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Objectives

After studying this unit, you will be able to:

- Define the term Personality
- Discuss determinants of personality
- State the relevance of Trait Theory
- Explain the concept of MBTI, Big Five model and emotions
- Describe emotional intelligence

Introduction

When we talk of personality, we don't mean a person who has charm, a positive attitude toward life, a smiling face, or who has won the "miss world" contest. When psychologists talk of personality, they mean a dynamic concept describing the growth and development of a person's whole psychological system. The word 'personality' has interesting etymological origins. It can

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

1. Eternal appearances and behaviour
2. The inner awareness of self as a permanent organising force, and
3. The particular organisation of measurable traits, both inner and outer.

Did u know? Personality is an individual difference that lends consistency to a person's behaviour.

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

Definition of Personality

Through psychologists and social scientists unanimously agree to the importance of personality, they are unable to come up with a unanimous definition. Many authorities on the subject have defined personality in different ways. Some of the definitions are reproduced below:

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

"the human personality includes:

1. External appearance and behaviour or social stimulus value.
2. Inner awareness of self as a permanent organising force.
3. The particular pattern or organisation of measurable traits, both "inner and "outer"."

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

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

According to *Gluck* – "Personality is a pattern of stable states and characteristics of a person that influences his or her behaviour toward goal achievement. Each person has unique ways of protecting these states".

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

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From the above definitions we can say that personality is a very diverse and complex psychological concept. It is concerned with external appearance and behaviour, self, measurable traits, and situational interactions. The words of Clyde Kleeckholn and H.A. Murray can be used to sum up the meaning of this complex term personality, when they said, "to some extent, a person's personality is like all other people's, like some other people's, like no other people's."

3.1 Major Determinants of Personality

What determines personality? Of all the complexities and unanswered questions in the study of human behaviour, this question may be the most difficult. People are enormously complex; their abilities and interests and attitudes are diverse. An early argument in personality research was whether an individual's personality was the result of heredity or environment. Was the personality predetermined at birth, or was it the result of the individual's interaction with his or her environment? Personality appears to be a result of both influences. Additionally, today we recognize another factor – the situation. The problem lies in the fact that cognitive and psychological processes, plus many other variables, all contribute to personality. The problem lies in the fact that the cognitive and psychological processes, plus many other variables, all contribute to personality. The determinants of personality can perhaps best be grouped in five broad categories: biological, cultural, family, social and situational.

1. ***Biological Factors:*** The study of the biological contributions to personality may be studied:

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

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

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

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

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Notes If personality characteristics were completely dictated by heredity, they would be fixed at birth and no amount of experience could alter them. But personality characteristics are not completely dictated by heredity. There are other factors also which influence personality.

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

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

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

   (a) Identification can be viewed as the similarity of behaviour including feelings and attitudes between child and model.

   (b) Identification can be looked at as the child's motives or desires to be like the model.

   (c) It can be viewed as the process through which the child actually takes on the attributes of the model.

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

4. ***Social Factors:*** There is increasing recognition given to the role of other relevant persons, groups and especially organisations, which greatly influence an individual's personality. This is commonly called the socialization process. Socialization involves the process by which a person acquires, from the enormously wide range of behavioural potentialities that are open to him or her, those that are ultimately synthesized and absorbed. Socialization starts with the initial contact between a mother and her new infant. After

infancy, other members of the immediate family – father, brothers, sisters and close relatives or friends, then the social group: peers, school friends and members of the work group – play influential roles

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

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

Self Assessment

State whether the following statements are true or false:

1. When psychologists talk of personality, they mean a dynamic concept describing the growth and development of a person's whole psychological system.
2. The word 'personality' has interesting etymological origins.
3. Personality is defined as a non-relatively unstable set of characteristics that influence an individual's behaviour.
4. Research on animals has showed that both physical and psychological characteristics can be transmitted through heredity
5. An individual's personality, while generally stable and consistent, does change in different situations.

3.2 Theories of Personality

Over time, researchers have developed a number of personality theories and no theory is complete in itself. The theories can be conveniently grouped under following heads:

3.2.1 Carl Jung's Extrovert-introvert Theory

The way to type personality is in terms of behaviour or psychological factors. Jung's introvert and extrovert types are an example. However, as Jung himself pointed out, the introvert-extrovert typology turns out to be more in the nature of a continuum than discrete, separate types. Carl Jung proposed his own two-part theory of personality. These two types are:

(a) ***Extrovert:*** They are optimistic, outgoing, gregarious and sociable. Extroverts are basically objective, reality-oriented individuals who are more doers than thinkers.

(b) ***Introverts:*** By contrast, introverts are more inward-directed people. They are less sociable, withdrawn and absorbed in inner life. They tend to be guided by their own ideas and philosophy.

Notes

Few people are complete introverts or extroverts, but the mixture of these two ingredients determines the kind of overall personality of an individual.

At the base of Jung's theory, lies the explanation that the personality has four dimensions:

(a) ***Thinking:*** It includes logical reasoning (rational, analytic)

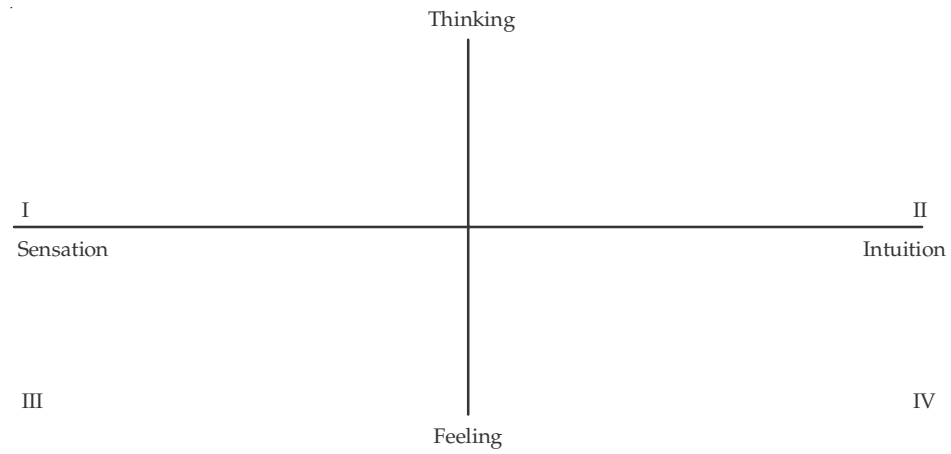
(b) ***Feeling:*** It refers to the interpretation of a thing or event on a subjective scale (emotional, effect)

(c) ***Sensation:*** It deals with perception of things in a general sense (factual and concrete)

(d) ***Intuition:*** It is based on unconscious inner perception of the potentialities of events or things (associative or gestalt)

Carl Jung's functions can be thought of as sitting at the ends of orthogonal axes as depicted in the following Figure 3.1.

Figure 3.1: Carl Jung's Extrovert-introvert Theory



Source: Carl Jung "Analytical Psychology" in Psychology of Personality: Readings in Theory (ed.), William S Sahakian, Chicago, Rand McNally 1965.

Type I: Person is a sensation – thinking individual, is basically analytic, oriented toward the present. He/she is primarily interested in facts, and extremely practical in outlook and approach.

Type II: Persons are intuition – thinking. He/she is rational, analytic, takes a broad view, and is sociable.

Type III:Person is sensation – feeling. He/she is factual, wishes to grasp tangible things, but is emotional and

Type IV: Persons are intuition – feeling. He/she is emotional, sociable, takes a broad view, and is more prone than others to hypothesizing.

3.2.2 Trait Theories

Some early personality researchers believed that to understand individuals, we must break down behaviour patterns into a series of observable traits. According to trait theory, combining these traits into a group forms an individual's personality. A personality trait can be defined as an "enduring attribute of a person that appears consistently in a variety of situations". In combination, such traits distinguish one personality from another.

Notes

A trait is a personal characteristic that is used to describe and explain personality. It is a list of relatively stable and consistent personal characteristics. Trait theories are attempts to explain personality and differences between people in terms of their personal characteristics.

1. ***Gordon Allport's Personality Traits:*** Claims that personality traits are real entities, physically located somewhere in the brain. We each inherit our own unique set of raw material for given traits, which are then shaped by our experiences. Traits describe the particular way we respond to the environment and the consistency of that response. If we are shy, we respond to strangers differently than if we are friendly; if we are self-confident, we approach tasks differently than if we feel inferior. Recent research in behavioural genetics supports the notion that the genes influence certain personality characteristics.

   Allport identified two main categories of traits:

   (a) *Common Traits:* Common traits are those we share or hold in common with most others in our own culture.

   (b) *Individual Traits:* According to Allport, there are three individual traits: cardinal, central and secondary traits.

      (i) Cardinal Traits: A cardinal trait is "so pervasive and outstanding in a life that almost every act seems traceable to its influence". It is so strong a part of a person's personality that he may become identified with or known for that trait.

      (ii) Central Traits: According to Allport, are those that we would "mention in writing a careful letter of recommendation".

      (iii) Secondary Traits: The secondary traits are less obvious, less consistent and not as critical in defining our personality as the cardinal and central traits. We have many more secondary traits than cardinal or central traits. Examples of secondary traits are food and music preferences.

2. ***Raymond Cattell's 16 Personality Factors:*** Raymond Cattell considered personality to be a pattern of traits providing the key to understanding and predicting a person's behaviour. Cattell identified two types:

   (a) *Surface Traits:* Observable qualities of a person like honest, helpful, kind, generous etc., Cattell called these "surface traits".

   (b) *Source Traits:* Make up the most basic personality structure and, according to Cattell, actually cause behaviour. Even though we all possess the same source traits, we do not all possess them in the same degree. Intelligence is a source trait, and every person has a certain amount of it but, obviously not exactly the same amount or the same kind.

Cattel found 23 source traits in normal individuals, 16 of which he studied in great detail. Cattell's sixteen-personality factors questionnaire, commonly called the "16 P.F. Test", yields a personality profile. The Cattell personality profile can be used to provide a better understanding of a single individual or to compare an individual's personality profile with that of others.

The trait approach has been the subject of considerable criticism. Some theorists argue that simply identifying traits is not enough; instead, personality is dynamic and not completely static. Further, trait theorists tended to ignore the influence of situations.

Notes

3.2.3 Self-Theory

The psychoanalytic, type and trait theories represent the more traditional approach to explaining the complex human personality. Of the many other theories, the two that have received the most recent emphasis and that are probably most relevant to the study of organisational behaviour are the self and social theories of personality.

Self-theory rejects both psychoanalytic and behaviouristic conceptions of human nature as too mechanistic, portraying people as creatures helplessly buffeted about by internal instincts or external stimuli.

Carl Rogers is most closely associated with his approach of self-theory. Rogers and his associates have developed this personality theory that places emphasis on the individual as an initiating, creating, influential determinant of behaviour within the environmental framework.

Carl Rogers developed his theory of personality through insights gained from his patients in therapy sessions. Rogers viewed human nature as basically good. If left to develop naturally, he thought, people would be happy and psychologically healthy.

According to Rogers, we each live in our own subjective reality, which he called the phenomenological field. It is in this personal, subjective field that we act and think and feel. In other words, the way we see is the way it is – for us. Gradually, a part of the phenomenological field becomes differentiated as the self. The self-concept emerges as a result of repeated experiences involving such terms as "I", "me" and "myself". With the emerging self comes the need for positive regard. We need such things as warmth, love, acceptance, sympathy and respect from the people who are significant in our lives. But there are usually strings attached to positive regard from others.

Conditions of Worth: Our parents do not view us positively regardless of our behaviour. They set up conditions of worth – conditions on which their positive regard hinges. Conditions of worth force us to live and act according to someone else's values rather than our own. In our effort to gain positive regard, we deny our true self by inhibiting some of our behaviour, denying, distorting some of our perceptions and closing ourselves to parts of our experience. In doing so, we experience stress and anxiety and our whole self-structure may be threatened.

Unconditional Positive Regard: According to Rogers, a major goal of psychotherapy is to enable people to open themselves up to experiences and begin to live according to their own values rather than the values of others in order to gain positive regard. He calls his therapy "person-centered therapy". Rogers believes that the therapist must give the client unconditional positive regard, that is, positive regard no matter what the client says, does, has done, or is thinking of doing. Unconditional positive regard is designed to reduce threat, eliminate conditions of worth, and bring the person back in tune with his true self.

3.2.4 Social Learning Theory

The main focus of social learning approach is on the patterns of behaviour the individuals learn in coping with environment. Some behaviour patterns are learned or acquired through direct experience. Responses can also be acquired or learned without direct reinforcement. Individuals can also learn by observing what happens to other people and just by being told about something, as well as direct experiences. So, for example, much of what we have learned comes from watching models – parents, teachers, peers, bosses, etc. This view – that we can learn through both observation and direct experience – has been called social-learning theory.

Social-learning theory acknowledges the existence of observational learning and the importance of perception in learning. People respond to how they perceive and define consequences, not to

Notes

the objective consequences themselves. The influence of models is central to the social-learning process. Four processes have been found to determine the influence that a model will have on an individual. They are:

1. ***Attentional Processes:*** People tend to be most influenced by models that are attractive and important to us. As the model influences them they learn from the model by paying close attention to the model.
2. ***Retention Processes:*** A model's influence will depend on how well the individual remembers the model's actions and behaviours after the model is no longer available.
3. ***Motor reproduction processes:*** After a person has seen a new behaviour by observing the model, the watching must be converted to doing. This process then demonstrates that the individual can perform the modelled activities.
4. ***Reinforcement Processes:*** Individuals will be motivated to exhibit the modelled behaviour if positive incentives or rewards are provided. Behaviours that are reinforced will be given more attention, learned better, and performed more often. Reinforcement that controls the expression of learned behaviour may be

   (a) *Direct:* It refers to the social approval or disapproval or alleviation of aversive conditions, and other tangible rewards.

   (b) *Vicarious:* It refers to observation of someone else receiving reward or punishment for similar behaviour.

   (c) *Self-administered:* It refers to evaluation of one's own performance with self-praise.

   Of all these, self-administered reinforcement theory plays a vital role in social learning theory.

Self Assessment

Fill in the blanks:

6. ..... proposed a new conception of the personality, one that contains three systems - the id, the ego, and the superego.
7. The ..... is the logical, rational, realistic part of the personality.
8. When the child is age 5 or 6 the ..... -the moral component of the personality – is formed.
9. ..... allows us to avoid acknowledging our unacceptable traits and thereby to maintain our self-esteem, but it seriously distorts our perception of the external world.
10. A ..... is a personal characteristic that is used to describe and explain personality.

3.3 Personality Characteristics in Organisations

Managers should learn as much as possible about personality in order to understand their employees. Hundreds of personality characteristics have been identified. We have selected eight characteristics because of their particular influences on individual behaviour in organisations. They are:

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

Notes

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

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

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

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

2. ***Machiavellianism:*** Machiavellianism then is a personality characteristic indicating one's willingness to do whatever it takes to get one's way. An individual high in Machiavellianism is pragmatic, maintains emotional distance and believes that ends can justify means. "If it works, use it", is consistent with a high-Mach perspective.

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

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

(a) When they interact fact-to-face with others rather than indirectly.

(b) When the situation has a minimum number of rules and regulations, thus allowing latitude for improvisation, and

(c) When emotional involvement with details irrelevant to winning distracts low-Machs.

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

Notes

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

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

   (a) *High-SEs:* People with High SEs

      (i) Believe they possess more of the ability they need in order to succeed at work.

      (ii) Individuals with high SE will take more risks in job selection and are more likely to choose unconventional jobs.

      (iii) They are more satisfied with their jobs.

   (b) *Low-SEs:* People with low SEs

      (i) Are more susceptible to external influence.

      (ii) They depend on the receipt of positive evaluations from others.

      (iii) They tend to be concerned with pleasing others and therefore, are less likely to take unpopular stands.

      (iv) They are less satisfied with their jobs.

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

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

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

   (a) Prior experiences

   (b) Behaviour models – witnessing the success of others

   (c) Persuasion from other people and

   (d) Assessment of current physical and emotional capabilities.

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

Notes

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

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

6. ***Positive/Negative Affect:*** Individuals who focus on the positive aspects of themselves, other people, and the world in general are said to have positive affect. In contrast, those who accentuate the negative in themselves, others, and the world are said to possess negative affect. Employees with positive affect are absent from work less often. Individuals with negative affect report more work stress. Negative individual affect produces negative group affect and this leads to less cooperative behaviour in the work group. Managers can do several things to promote positive affect, including allowing participative decision making and providing pleasant working conditions.

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

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

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

   Type B Personality: The alternative to the Type A behaviour pattern is the Type B behaviour pattern. People with Type B personalities are relatively free of the Type A behaviours and characteristics. Type B personalties are "rarely harried by the desire to obtain a wildly increasing number of things or participate in an endless growing series of events in an ever decreasing amount of time".

Table 3.1 : Type A vs Type B forms of Personality

	Type A Personality	Type B Personality
1.	Type A individuals are described as ambitious, aggressive, business-like, controlling, highly competitive, impatient, preoccupied with his or her status, time-conscious, and tightly-wound	Type B individuals are described as perfect contrast to those with Type A personalities.

Contd...

Notes

2.	People with Type A personalities are often high-achieving "workaholics" who multi-task, push themselves with deadlines, and hate both delays and ambivalence.	People with Type B personalities are generally patient, relaxed, easy-going, and at times lacking an overriding sense of urgency. These individuals tend to be sensitive of other people's feelings.
3.	Type A behavior is expressed in three major symptoms: free-floating hostility, which can be triggered by even minor incidents; time urgency and impatience, which causes irritation and exasperation usually described as being "short-fused"; and a competitive drive, which causes stress and an achievement-driven mentality. The first of these symptoms is believed to be covert and therefore less observable, while the other two are more overt.	Type B individuals are often described as apathetic and disengaged by individuals with Type A or other personality types

Self Assessment

Multiple Choice Questions:

11. An individual's generalized belief about internal (self) versus external (situation or others) control is called .....

    (a) Locus (b) Trait

    (c) Focus (d) locus of control.

12. ..... are those individuals who believe that what happens to them is controlled by outside forces such as luck or chance.

    (a) Internals (b) Externals

    (c) Central (d) None

13. ..... refers to an individual's belief that he or she is capable of performing a task.

    (a) Self-efficacy (b) Self respect

    (c) Self ego (d) Superego

3.4 Myers-Briggs Type Indicator (MBTI)

The purpose of the Myers-Briggs Type Indicator® (MBTI) personality inventory is to make the theory of psychological types described by C. G. Jung understandable and useful in people's lives. The essence of the theory is that much seemingly random variation in the behavior is actually quite orderly and consistent, being due to basic differences in the ways individuals prefer to use their perception and judgment.

"Perception involves all the ways of becoming aware of things, people, happenings, or ideas. Judgment involves all the ways of coming to conclusions about what has been perceived. If people differ systematically in what they perceive and in how they reach conclusions, then it is only reasonable for them to differ correspondingly in their interests, reactions, values, motivations, and skills."

In developing the Myers-Briggs Type Indicator [instrument], the aim of Isabel Briggs Myers, and her mother, Katharine Briggs, was to make the insights of type theory accessible to individuals and groups.

Notes

They addressed the two related goals in the developments and application of the MBTI instrument:

1. The identification of basic preferences of each of the four dichotomies (Extraversion or Introversion, Sensing or Intuition, Thinking or Feeling, Judging or Perceiving) specified or implicit in Jung's theory.
2. The identification and description of the 16 distinctive personality types (which can be expressed as a code with four letters) that result from the interactions among the preferences.

The 16 personality types of the Myers-Briggs Type Indicator® instrument are listed here as they are often shown in what is called a "type table." A type table is shown in Table 3.2.

Table 3.2: Type Table

ISTJ	ISFJ	INFJ	INTJ
ISTP	ISFP	INFP	INTP
ESTP	ESFP	ENFP	ENTP
ESTJ	ESFJ	ENFJ	ENTJ

Applications of MBTI to Organizations

The Myers Briggs Type Indicator instrument and knowledge of personality type are used by many organizations, large and small. "Since type provides a framework for understanding individual differences, and provides a dynamic model of individual development, it has found wide application in the many functions that compose an organization. "They can be introduced into an organization to support many different functions and situations including:

- managing others
- development of leadership skills
- organizing tasks
- creation and management of teams
- training for management and staff
- conflict resolution
- motivation
- executive coaching
- diversity
- recognition and rewards, and
- change management.

Task Choose any five people of your choice and classify their personalities according to MBTI.

Notes

Self Assessment

Fill in the blanks:

14. The purpose of the MBTI personality inventory is to make the theory of ..... types described by C. G. Jung understandable and useful in people's lives.

15. ..... signifies Quiet, friendly, sensitive, and kind.

3.5 Big Five Model

The five factor model of personality focuses upon those behaviors that you express while dealing with people, changing circumstances and your environment. The two remaining behavioral dimensions relate to work and depression situations. The five big personality tests measure intensity of your behaviors in these five areas.

Descriptions of these factors shall help you to understand why different careers are related with different degrees of your behaviors. Why selection of certain options in paper pencil test can qualify you for certain jobs and disqualify for the others. This page shall also help you to understand nexus between big five factors.

Factor 1: Agreeableness (A)

How do you react to others' opinions? When you agree to them easily, you are considered agreeable. However, your strong reactions qualify you as challenger in the words of Howard and Howard (2001). There are some other correlated traits for agreeableness.

A Higher Degree in 'A'

The five factor model of personality considers you as good natured, sympathetic and forgiving. You are considered as tolerant, agreeable and courteous. You prove an excellent team member. You strive to bring harmony amongst your mates. You are friendlier, approachable and appeasing. You can ignore your own needs for others'.

However, you are not a good leader. You prefer to work in background. You keep your opinions to yourself to avoid conflict. You are easily influenced. But you are a born social reformer. You can prove an excellent teacher. The psychology is one of the best fields for you.

A Lower Degree in 'A'

Five factor model of personality considers you as critical, analytical and tough. You are expressive in your opinions. You don't hide your reactions. You want your efforts and achievements to be acknowledged. You can challenge. You are a born leader.

However, you may not prove a good team leader. Extreme degrees qualify you as a rude, callous and self-centered person. You are viewed as hostile. You are not considered cooperative. Your love for power can lead you to be an autocrat.

You are considered suitable for those careers where you are given freedom to exercise your will. Military leadership, public administration and management are the best career dimensions for you.

Factor 2: Openness to Change (O)

Five facto model of personality considers you open for change when you accept new thoughts, ideas and changes.

Notes

However, you are considered close to change when you avoid new experiments and follow rules and regulations very strictly. The other correlated personality traits with different degrees are mentioned below.

A Higher Degree in 'O'

You qualify to be counted as original, creative and curious. You believe that change is more than essential for social evolution. You love revolutions. You enjoy complexities of things and strive to find out their solutions. You can handle new systems, technologies and tools with great ease. You always build a big picture but tend to ignore vital details.

You are considered suitable for the careers where a lot of creativity, novelty and originality is involved.

A Lower Degree in 'O'

The five factor model of personality qualifies you as a resistant to change. You are traditional. You love peaceful environment, secure jobs and serene family life. You spend a lot of time on details. You can execute plans very well.

However, you are not a good planner. Your focus on details may cause you to ignore big picture. You accept change only when there is no way out. The careers where rules and regulations are to be followed very strictly are considered suitable for you. You can prove a good judge, accountant and auditor. No one can be better financial manager than you.

Factor 3: Extraversion (E)

Do you love gatherings?

Or you prefer solitude?

Five factor model of personality considers your preferred way to handle your environment very important. Different criteria are adopted when you apply for a job of cricket commentator and for a position of a script writer. You can identify what level of degree you require to go for your dream job.

A Higher Degree in 'E'

The five factor model considers you social, friendlier and talkative. You are often assertive and energetic. You can do many tasks successfully at a time. You prefer to lead others. You are charismatic. However, you rely upon others without knowing them very well. You are considered fit for politics, sales and public related careers.

A Lower Degree in 'E'

You are considered private, serious and skeptic. You don't rely on others easily. You keep your secrets to your self. You are often quiet. You prefer environment where you can work alone. Production management, natural sciences and art related careers are considered suitable for you.

Factor 4: Conscientiousness (C)

How do you take your work?

Notes

A Higher Degree in 'C'

The five factor model of personality considers you an organised, focused and timely achiever of your goals. You plan things and follow that route strictly. You are not easy to be distracted. However, you tend to be workaholic. You are self-disciplined. You are considered confident, dutiful and reliable. You often prove a strong executive in any organisation.

A Lower Degree in 'C'

The five factor model of personality considers you careless, relaxed and unorganised. You don't plan things and pursue your goals with a flexible approach. Some day you work a lot and other day you go on vacations. You are spontaneous. However, you are not considered good for projects where deadlines are to be followed.

Factor 5: Neuroticism (N)

How do you handle depression?

A Higher Degree in 'N'

The five factor model considers you nervous, unstable and vulnerable to negative emotionality. You are never satisfied with your life. You are inflamed easily. You are reactive and often fail to recover from depression shock easily. You always feel a need for stability. In extreme cases, you may be advised clinical treatment. You have optimistic approach to life.

Self Assessment

Fill in the blanks:

16. The five factor model of personality considers you as good natured, sympathetic and .....
17. Factor 5 of theory of personality relates to ..... which signifies-how do you handle depression?

3.6 Emotion

An emotion is a mental and physiological state associated with a wide variety of feelings, thoughts, and behavior. Emotions are subjective experiences, or experienced from an individual point of view. It is often associated with mood, temperament, personality, and disposition.

Theories about emotions stretch back at least as far as the Ancient Greek Stoics, as well as Plato and Aristotle. We also see sophisticated theories in the works of philosophers such as Descartes, Spinoza and David Hume. Later theories of emotions tend to be informed by advances in empirical research. Often theories are not mutually exclusive and many researchers incorporate multiple perspectives in their work.

3.6.1 Theories of Emotions

Let us have a brief exposure to various theories of emotions.

Somatic theories: Somatic theories of emotion claim that bodily responses rather than judgements are essential to emotions.

Notes

James-Lange theory: William James, in the article 'What is an Emotion?', argued that emotional experience is largely due to the experience of bodily changes. The Danish psychologist Carl Lange also proposed a similar theory at around the same time, so this position is known as the James-Lange theory. This theory and its derivatives state that a changed situation leads to a changed bodily state. As James state that we feel sad because we cry, angry because we strike, afraid because we tremble, and neither we cry, strike, nor tremble because we are sorry, angry, or fearful, as the case may be.

Neurobiological theories: Based on discoveries made through neural mapping of the limbic system, the neurobiological explanation of human emotion is that emotion is a pleasant or unpleasant mental state organised in the limbic system of the mammalian brain.

Emotions are thought to be related to activity in brain areas that direct our attention, motivate our behavior, and determine the significance of what is going on around us.

Cognitive theories: There are some theories on emotions arguing that cognitive activity in the form of judgements, evaluations, or thoughts is necessary in order for an emotion to occur. Such cognitive activity may be conscious or unconscious and may or may not take the form of conceptual processing. It has also been suggested that emotions (affect heuristics, feelings and gut-feeling reactions) are often used as shortcuts to process information and influence behaviour.

Out of various cognitive theories like Perceptual theory, Affective Events Theory, Cannon-Bard theory, Two-factor theory and Component process model, the most important is Affective Events Theory. Let us understand it.

3.6.2 Affective Events Theory

Affective Events Theory (AET) is a model developed by organisational psychologists Howard M. Weiss and Russell Cropanzano to identify how emotions and moods influence job performance and job satisfaction. According to the AET, environmental exigencies generate "affective events" that cause emotional reactions in organisational members which, in turn, determine members' attitudes and behaviours. The model increases understanding of links between employees and their emotional reaction to things that happen to them at work.

Work events model includes hassles, tasks, autonomy, job demands, emotional labor and uplifting actions. These work events affect employees positively or negatively. Employee mood predisposes the intensity of their reaction. This emotional response intensity therefore affects job performance and satisfaction. Furthermore, other employment variables like effort, leaving, deviance, commitment, and citizenship, are affected.

AET shows that the individual behaviour in organisations is not always a controlled, deliberate, purely cognitive process, as it is often described. Rather, we contend that the moods and emotions that managers experience in response to positive and negative workplace events have a significant affect on strategic decision-making processes and ultimately, organisational-level outcomes.

3.6.3 Emotional Intelligence

Emotional Intelligence (EI), often measured as an Emotional Intelligence Quotient (EQ), is a term that describes the ability, capacity, skill or (in the case of the trait EI model) a self-perceived ability, to identify, assess, and manage the emotions of one's self, of others, and of groups. Different models have been proposed for the definition of EI and disagreement exists as to how the term should be used.

Notes

What is Emotional Intelligence?

Emotional intelligence (EI) is the ability to identify, assess, and control the emotions of oneself, of others, and of groups.

What is IQ?

An intelligence quotient, or IQ, is a score derived from one of several different standardized tests designed to assess intelligence.

EI vs IQ

By definition Emotional Intelligence is "The ability to perceive emotion, integrate emotion to facilitate thought, understand emotions, and to regulate emotions to promote personal growth."

The ability based model of Peter Salovy views emotions as useful sources of information that help one to make sense of and navigate the social environment. The model proposes that individuals vary in their ability to process information of an emotional nature and in their ability to relate emotional processing to a wider cognition. This ability is seen to manifest itself in certain adaptive behaviors. The model proposes that EI includes 4 types of abilities:

1. ***Perceiving emotions*** - The ability to detect and decipher emotions in faces, pictures, voices, and cultural artifacts- including the ability to identify one's own emotions. Perceiving emotions represents a basic aspect of emotional intelligence, as it makes all other processing of emotional information possible.
2. ***Using emotions*** - The ability to harness emotions to facilitate various cognitive activities, such as thinking and problem solving. The emotionally intelligent person can capitalize fully upon his or her changing moods in order to best fit the task at hand.
3. ***Understanding emotions*** - The ability to comprehend emotion language and to appreciate complicated relationships among emotions. For example, understanding emotions encompasses the ability to be sensitive to slight variations between emotions, and the ability to recognize and describe how emotions evolve over time.
4. ***Managing emotions*** - The ability to regulate emotions in both ourselves and in others. Therefore, the emotionally intelligent person can harness emotions, even negative ones, and manage them to achieve intended goals.

Comparison

Emotional Quotient is more appropriate than Emotional Intelligence.

If we see emotional as an adjective and intelligence as a noun, it means a cognitive understanding of emotions, while the literature usually refers to the identifying, feeling and using emotions.

A person who has a high ability to recognize, identify and feel emotions in him/herself and others (high EQ) will become a more successful salesperson.

People with high EQ will have more friends and mentors in companies and thus advance faster than a person of equal (or perhaps greater) IQ..

People with high EQ will be better liked and more appreciated in the community or in politics and be able to solicit more backers for their proposals.

People with a higher EQ enjoyed more success. IQ set a floor or threshold for entry into the career, but that once that threshold was met, EQ determined the eventual success.

The benefit, if EQ a greater indicator of life success than IQ, is that EQ can be modified through a program of directed learning.

Notes

Regardless of individual IQ or current level of success, one can increase his/her EQ and thus increase his/her life success.

How EI helps create proactive employees-better teamwork?

Emotional intelligence is often touted as vital for a good team leader to possess, but a level of emotional intelligence is also necessary among team members for them to carry out their team roles in a cooperative and collaborative manner. Emotional intelligence is considered synonymous with self-awareness and emotional empathy but actually, a whole range of feelings and behaviour come under the umbrella of emotional intelligence. One of the most accurate definitions of emotional intelligence is that it is 'the cognitive appraisal of emotional information'.

Some key factors that collectively explain the scope of emotional intelligence are given below:

Sense Moods and Emotions: Awareness of one's own emotions, the ability to put oneself in another person's shoes whilst understanding their emotions and the ability to gauge other's moods and respond accordingly.

Respond Appropriately to Various Situations: The ability to feel and express genuine emotions such as happiness, sadness, fear or even anger as the situation warrants.

Regulate Emotions: Able to gain control over one's emotions and manage one's moods better.

Social Adeptness: Being courteous and considerate, able to communicate effectively and not rub people the wrong way.

Emotional intelligence can facilitate better work place relationships. Many experts involved in research in this area of human psychology, find that those individuals with a high level of emotional intelligence tend to be more positive, affable and friendly. They are able to adapt to different situations and cope with stress better. High emotional intelligence is also associated with a better work approach that is goal directed and achievement oriented. All these characteristics are certainly desirable in teams and pave the way for effective teamwork.

Well developed emotional intelligence can help team members immensely in carrying out their team responsibilities better. It can have a minimizing effect on conflicts and can create a more cohesive and cooperative team environment. There are formal testing methods that can actually provide scores on the level of emotional intelligence of each individual. It is certainly worth assessing your teams on their emotional intelligence levels and if found lacking, there are workshops and seminars that can help your teams redirect their thinking patterns and behaviour and change for the better

3.6.4 EI and Job Performance

Researches on the relationship between EI and job performance have only shown mixed results: a positive relation has been found in some of the studies, in others there was no relation or an inconsistent one. This led researchers to offer a compensatory model between EI and IQ, that posits that the association between EI and job performance becomes more positive as cognitive intelligence decreases, an idea first proposed in the context of academic performance. The results of the former study supported the compensatory model: employees with low IQ get higher task performance and organisational citizenship behavior directed at the organisation, the higher their EI.

Notes

Self Assessment

State whether the following statements are true or false:

18. Emotions are non subjective experiences, or experienced from an non-individual point of view.

19. Affective Events Theory (AET) is a model developed by organisational psychologists Howard M. Weiss and Russell Cropanzano.

20. Intelligence Quotient (EQ), is a term that describes the ability, capacity, skill or (in the case of the trait EI model) a self-perceived ability, to identify, assess, and manage the emotions of one's self, of others, and of groups.

Case Study

Sushma's Quandary as a Leader?

Sushma Gupta worked as the Assistant Manager (AM) of Operations for Mega Shopping Arena (MSA). MSA, a popular store, sold everything from food, clothes, and shoes to stationery, furniture, household items, electronics, and toys. The store advertised itself as a one-stop shop where the customer could find everything he or she needed. Sushma was happy that she was working with such a reputed, well-established store.

Sushma loved her job and had worked hard to get to the position of AM.

Her life revolved around her work, so much so that she had to be forced to take leave or a vacation. Her seniors were happy with her work, and Sushma was looking forward to the performance appraisals in March.

She was sure that she would be promoted. She had excelled at her work in the four years she had been at the store, and she felt that she definitely deserved to become Manager.

In March, as she had expected, Sushma was promoted and made Manager. Her job profile now was different – she was no longer required to do the day-to-day administrative tasks that she had been doing till then.

Neither was she required to deal with customers. Her new role involved managing the supply chain, and taking care of the advertising and marketing plans of the store.

In her new role, Sushma had a team of four AMs, who were each required to present a daily report to her at the end of each day. The AMs were required to handle the administrative duties, including dealing with counter staff, as well as to handle customer complaints.

However, Sushma being the perfectionist that she was, insisted on taking all the decisions herself, even when they had to be made at the AM level. She did not understand of CI, GI or DI types of participation theory. Because of this, the AMs did not have a sense of ownership. They shied away from taking decisions, leaving them to Sushma, besides asking for her guidance even on small issues.

One day, Sonal Kapoor, a regular customer, came to return a pair of wrinkle-free trousers that she had bought a week earlier. Mrs. Kapoor, a member of the store's loyalty program, was quite upset because the trousers had shrunk in just one wash, and she wished to return them.

Contd...

Notes

She produced the original bill, and asked for a full refund, pointing to the notice hung on the wall which clearly stated the store's return policy of giving full refund if the customer returned the product within a week along with the original bill.

At this point, Sushma was not in office, as she was attending an off-site meeting. Rajeev, the AM handling the matter, refused to take a decision as he was not sure how to ascertain the number of days from the day of purchase – whether he should include the day of purchase or not! He asked Mrs. Kapoor to come back the next day to meet Sushma. Mrs. Kapoor first tried to argue and then said she would agree to an exchange.

However, Rajeev refused to commit himself and kept asking her to meet Sushma. An irritated Mrs. Kapoor then raised her voice, drawing the attention of other shoppers.

She said she was surprised that there wasn't a single competent person who could help her out. Rajeev tried to calm her down but this only annoyed her further. She dashed to the exit, flinging both the pair of trousers and the loyalty card to the floor, vowing never to come back to the store. Rajeev knew the store had lost a loyal and valuable customer, but at the same time did not want to take any decisions without consulting Sushma first. He felt frustrated and helpless.

Ever since Sushma had been promoted, she had been working late, sometimes till midnight. However, most of the work that she was doing was something that she should have delegated to her juniors. She preferred to do the work herself as she did not have enough trust in her juniors.

So in actual fact, only her title had changed - her attitude and focus had not. She was still doing the same work that she had been doing before her promotion! All this additional work, however, left her with very little time to attend to her own responsibilities.

On another occasion, when Sushma heard a customer complaining about the quality of fruit and vegetables at the store, she immediately went to the woman to sort out the issue, forgetting that she had an appointment with a senior official from Techtron Electronics who wanted to discuss his company's plans of running a promotional event in association with MSA.

It was a great opportunity for Sushma to get additional business. The marketing manager of Techtron, Vishal Anand, waited about 45 minutes for Sushma, but she was busy pacifying the woman who had come to complain. Sushma could not perform well on the task consideration of situational theory of leadership. Anand ultimately grew tired of waiting and left; he then went to Stop&Shop, MSA's prime competitor.

In the evening, Aravind Sinha, Director, MSA, came to know that Techtron had gone to their rivals. So he called up Anand to know why he had changed his mind and tied up with MSA's rival.

Anand then told him, "Your store was our first choice, but it seems your Manager was too busy to see me. I thought I should go elsewhere where they would appreciate my time." Sinha was taken aback.

On learning what had happened, Sushma was worried that she had disappointed Sinha. From being a star performer and everyone's favourite employee, Sushma had suddenly become the one person no one wanted to work with.

Her juniors thought she interfered too much, while her seniors thought that she was not focused enough. Sushma was confused. She liked to think of herself as indispensable, and thought she was working her way toward becoming exactly that for her organisation.

Contd...

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The way she saw it, she was being helpful to everyone, working harder and longer than ever, and doing more than she was expected to do! What then, was she doing wrong?

Questions:

1. What in your opinion was Sushma doing wrong? What do you suggest she do now in order to rectify the situation?
2. Should the company have trained Sushma for her new role? What should Sinha do now?
3. Quantify Sushma's personality traits, if any.

Source: www.icmrindia.org

3.7 Summary

- Personality is defined as a relatively stable set of characteristics that influence an individual's behaviour.
- One should think of personality as the sum total of ways in which an individual reacts and interacts with others.
- This is most often described in terms of measurable personality traits that a person exhibits.
- Personality plays the most important role in determining the level of individual effectiveness.
- Various determinants and theories have proven that the individual personality can be developed in order to develop one's effectiveness.
- The personality not only develops but also changes according to various situations.
- An emotion is a mental and physiological state associated with a wide variety of feelings, thoughts, and behavior.
- Emotions are subjective experiences, or experienced from an individual point of view.
- It is often associated with mood, temperament, personality, and disposition.
- Theories about emotions stretch back at least as far as the Ancient Greek Stoics, as well as Plato and Aristotle.
- We also see sophisticated theories in the works of philosophers such as Descartes, Spinoza and David Hume.
- Later theories of emotions tend to be informed by advances in empirical research.
- Often theories are not mutually exclusive and many researchers incorporate multiple perspectives in their work

3.8 Keywords

Conscience: The behaviours for which we have been punished and about which we feel guilty.

Ectomorph: According to Sheldon's Physiognomy Theory, he has thin, long and poorly developed body.

Intuition: It is based on unconscious inner perception of the potentialities of events or things.

Mesomorph: According to Sheldon's Physiognomy Theory, he has a strong, athletic and tough body type.

Notes

3.9 Review Questions

1. Define personality.
2. Why is the study of "personality" important for a manager?
3. Describe five theories of personality and what each contributes to our knowledge of personality.
4. What is the comprehensive definition of personality? Give brief examples of each of the major elements.
5. What are the various factors in the biological contributions to personality?
6. Elaborately discuss various theories of personality.
7. Explain the meaning of "self-concept".
8. What are the major elements of the self-concept? How can this analysis contribute to a better understanding of organisational behaviour?
9. What constrains the power of personality traits to precisely predict behaviour?
10. What is the Myers-Briggs Type Indicator?
11. What is affective event theory?
12. Discuss various theories of emotions.
13. Discuss the concept of EI and performance.
14. Personality is a pattern of stable states and characteristics of a person that influences his or her behaviour toward goal achievement. Comment.
15. As a manager HR, how would you deal with a person who has an independent and aggressive work attitude due to his cultural background and is a better performer than the rest of the employees who do their work with full grit but lack that enthusiasm?
16. Illustrate through examples how is human personality influenced by situational factors?

Answers: Self Assessment

1.	True	2.	True
3.	False	4.	True
5.	True	6.	Freud
7.	ego	8.	Superego
9.	Projection	10.	Trait
11.	(d)	12	(b)
13.	(a)	14.	Psychological
15.	ISFP	16.	Forgiving
17.	Neuroticism (N):	18.	False
19.	True	20.	True

3.10 Further Readings

Notes

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Unit 4: Perception

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Objectives

After studying this unit, you will be able to:

- Define the term perception
- Discuss Perceptual process
- State the relevance of Frequently used shortcuts in judging others
- Explain the concept of Individual Decision Making
- Know about Perceptual errors

Introduction

Perception involves the way we view the world around us. It adds meaning to information gathered via the five senses of touch, smell, hearing, vision and taste. Perception is the primary vehicle through which we come to understand our surroundings and ourselves. Perception can be defined as a process by which individuals organise and interpret their sensory impressions in order to give meaning to their environment

Did u know? **Why is perception important in the study of OB?**

Simply because people's behaviour is based on their perception of what reality is, not on reality itself.

Notes

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

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

4.1 Factors Influencing Perception

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

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

   (a) *Attitudes:* The perceiver's attitudes affect perception. For example, suppose Mr. X is interviewing candidates for a very important position in his organisation – a position that requires negotiating contracts with suppliers, most of whom are male. Mr X may feel that women are not capable of holding their own in tough negotiations. This attitude will doubtless affect his perceptions of the female candidates he interviews.

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

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

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

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

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

(g) *Expectations:* Finally, expectations can distort your perceptions in that you will see what you expect to see. The research findings of the study conducted by Sheldon S Zalkind and Timothy W Costello on some specific characteristics of the perceiver reveal:

(i) Knowing oneself makes it easier to see others accurately.

(ii) One's own characteristics affect the characteristics one is likely to see in others.

(iii) People who accept themselves are more likely to be able to see favourable aspects of other people.

(iv) Accuracy in perceiving others is not a single skill.

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

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

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

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

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

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

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

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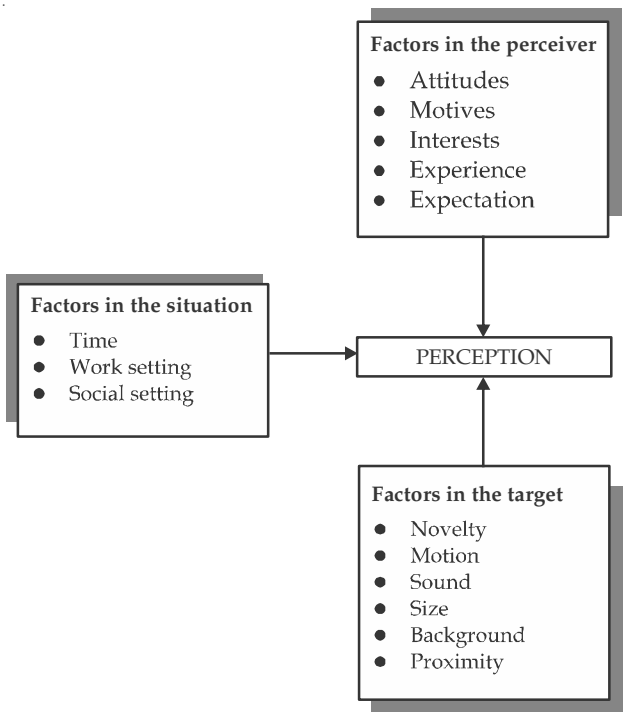
Did u know? People, objects or events that are similar to each other also tend to be grouped together. The greater the similarity, the greater the probability we will tend to perceive them as a group.

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

The strength of the situational cues also affects social perception. Some situations provide strong cues as to appropriate behaviour. In these situations, we assume that the individual's behaviour can be accounted for by the situation, and that it may not reflect the individual's disposition. This is the discounting principle in social perception. For example, you may encounter an automobile salesperson who has a warm and personable manner, asks you about your work and hobbies, and seems genuinely interested in your taste in cars. Can you assume that this behaviour reflects the salesperson's personality? You probably cannot, because of the influence of the situation. This person is trying to sell you a car, and in this particular situation, he probably treats all customers in this manner. The Figure 4.1 below summarizes the factors influencing perception.

Figure 4.1: Factors that Influence Perception



Source: Stephen P Robbins "Organisational Behavior-concepts, controversies, applications", (seventh edition), Prentice Hall Englewood Cliffs NJ 07632 (1996) page 135.

Notes

Self Assessment

State whether the following statements are true or false:

1. Perception is the secondary vehicle through which we come to understand our surroundings and ourselves.
2. Social perception is the process of interpreting information about another person.
3. Social perception is indirectly concerned with how one individual perceives other individuals.
4. An individual with a positive self-concept tends to notice positive attributes in another person.
5. Cognitive complexity allows a person to perceive multiple characteristics of another person rather than attending to just a few traits.

4.2 Perceptual Process

Perception is the process of interpreting and understanding one's environment. It is a complex psychological process, but it can be boiled down to four steps: observation, selection, organisation and interpretation. First we observe information (sensory data) from the environment through our senses: sight, hearing, touch, taste and smell. Next, our mind screens the data and will select only the items we will process further. Finally, we organise the selected data into meaningful patterns for interpretation and response. The key elements in the perceptual process are selection and organisation.

Selection

Every second of every day, individuals are bombarded by countless stimuli through the human senses of sight, hearing, touch, smell and taste. We attend to only a small portion of these stimuli (Certo and Certo). Since we are not in a position to digest all that we observe, we engage in selectivity. We collect bits and pieces of information from environment—depending on our interests, background, experiences etc. Also, we tend to see only what we want to see. Out of a hundred children playing in a park, 'X' often would look at what his own kids are doing. Thus, people perceive what is most important for them in a particular situation. While in a bus, for example, an employee who is already late for his office is quite likely to look at his watch time again and again rather than two lovers sitting in front of him.

Perceptual Selection, thus, is the tendency to filter out information that is discomforting, that seems irrelevant, or that contradicts one's beliefs. Perceptual selection depends on several factors, some of which are in the environment and some of which are internal to the perceiver.

Organisation

Once people have selected the sensory data to be perceived, they begin grouping the data into recognizable patterns. Perceptual organisation is the process by which people categorize stimuli according to their frame of reference, based on their past learning and experiences. While organising the incoming information into a meaningful whole, people generally depend on the following principles:

Figure Ground Principle: In the perceptual field, certain factors are considered significant and give a meaning to the person, and certain others which are rather unimportant for a person or cannot be studied are left as insignificant. The meaningful and significant portion is called the

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'figure and the insignificant or meaningless portion is labelled as 'ground'. For instance, the printed words on this page are the 'figure' and the white space is the 'ground'. The information we classify as figure is assigned more importance than that which we view simply as background. The employee's psychological storage and subsequent interpretation of information will be affected by whether he classified the information as figure or ground.

For instance, when we enter a dark movie theatre, we do not immediately consider what is going on the screen; rather we focus on the seat. Once we find a seat, the seat becomes ground and movie switches from ground to figure. When there is no figure-ground pattern to organise information, we have to live with lot of ambiguity.

Self Assessment

Fill in the blanks:

6. ..... is the process of interpreting and understanding one's environment.
7. ..... is the tendency to filter out information that is discomforting, that seems irrelevant, or that contradicts one's beliefs

4.3 Attribution

As human beings, we are innately curious. We are not content merely to observe the behaviour of others; we want to know why they behave the way they do. We also seek to understand and explain our own behaviour. Attribution simply refers to how a person explains the cause of another's or his or her own behaviour. Attribution thus is the most relevant application of perception concepts to organisation behaviour – the issue of person perception. The attributions or inferred causes we provide for behaviour have important implications in organisations. In explaining the causes of employee performance, good or bad, we are asked to explain the behaviour that was the basis for the performance.

Our perceptions of people differ from our perceptions of inanimate objects like machines or buildings. Non-living objects are subject to the laws of nature; they have no beliefs, motives or intentions. 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 judgement of a person's actions, therefore, will be significantly influenced by the assumptions we make about the person's internal state. We explore Harold Kelly's attribution model, which is based on the pioneering work of Fritz Heider, the founder of attribution theory.

4.3.1 Internal and External Attributions

Attribution theory has been proposed to develop explanations of the ways in which we judge people differently, depending on what meaning we attribute to a given behaviour. Basically, the theory suggests that when we observe an individual's behaviour, we attempt to determine whether it was internally or externally caused.

1. ***Internal attributions:*** Attributions can be made to an internal source of responsibility. That means something within the individual's control. For example, suppose you perform well in your MBA examination, you might say you did well because you are smart or because you studied hard. If you attribute your success to ability or effort, you are citing an internal source.
2. ***External Attributions:*** Attributions can be made to an external source of responsibility. That means something outside the individuals' control. For example, suppose you perform well in your MBA examination you might say the examination was easy or that you had

Notes

good luck. In this case, you are attributing your performance to sources beyond your control or external attributions.

Case Study

Managers Explain What has Helped and Hindered their Advancement

Industry Week magazine surveyed 1,300 middle mangers in medium-sized and large companies with at least 500 employees on a number of issues. Two questions were particularly relevant because they address attribution issues: To what do you attribute your success to date? And what do you think has most hampered your advancement to even higher levels in your company?

Most managers attributed their advancement to their knowledge and on-the-job accomplishments. More than 80 per cent of these middle managers ranked these as being the biggest factors in their promotion into management.

When asked what most hindered their advancement to even higher levels of management, 56 percent of the managers said it was because they hadn't built relationships with the "right" people. This was followed by 23 percent saying that they were most hindered by insufficient education, intelligence, or knowledge of their business area.

These results are exactly what you'd expect based on attribution theory.

Specifically, consistent with the self-serving bias, these managers attributed their success to internal factors (their knowledge and on-the-job accomplishments) and placed the blame for their failures on external factors (the implied politics in knowing the right people).

Questions:

1. What do you analyze as the main reasons to attribute to higher growth in an organisation?
2. Do you think that your relationship with "right people" determines how far you have to go in your career or is it your performance?

Source: D.R. Altany, "Torn Between Halo and Horns," Industry Week (March 15, 1993), page 19.

4.3.1 Attribution Theory

Attribution theory has been proposed to develop explanations of the ways in which we judge people differently, depending on what meaning we attribute to a given behaviour. Attribution is a perceptual process. The way we explain success of failure – whether our own or that of another person – affects our feelings and our subsequent behaviour. Harold Kelley extended attribution theory by trying to identify the antecedents of internal and external attributions. Kelley proposed that individuals make attributions based on information gathered in the form of three informational cues:

1. ***Consensus:*** Consensus is the extent to which peers in the same situation behave the same way. In other words, if everyone who is faced with a similar situation responds in the same way, we can say the behaviour shows consensus. If everybody in the same circumstance behaves in the same way, you would be given an external attribution, whereas if a single employee behaves in a particular way, your conclusion would be internal.

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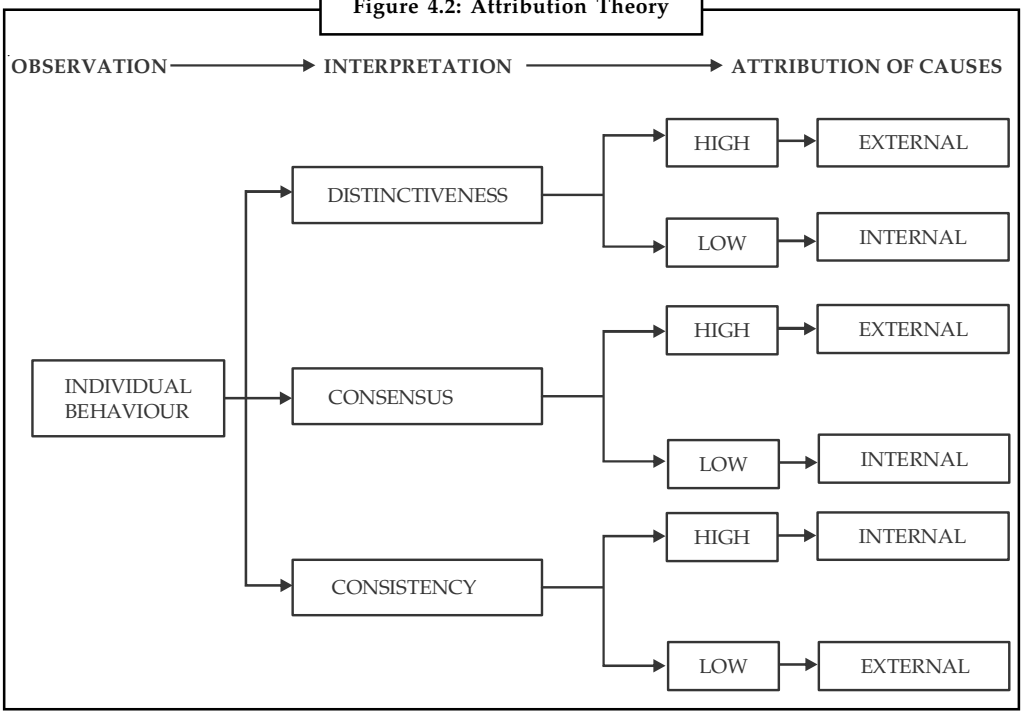
2. ***Distinctiveness:*** Distinctiveness is the degree to which the person behaves the same way in other situations. What we want to know is, if this behaviour is unusual or not. If it is, the observer is likely to give the behaviour an external attribution. If this action is not unusual, it will probably be judged as internal.

3. ***Consistency:*** Consistency refers to the frequency of a particular behaviour over time. An observer looks for consistency in a person's action. The more consistent the behaviour, the more the observer is inclined to attribute it to internal causes. The Figure 4.2 below summarizes the key elements in attribution theory.

Figure 4.2: Attribution Theory



Source: Stephen P Robbins "Organisational Behaviour – Concepts, Controversies and Application" (7th Edition) Prentice Hall Englewood Cliffs NJ07632 page 136.

Did u know? Consensus, distinctiveness and consistency are the cues used to determine whether the cause of behaviour is internal or external. The process of determining the cause of behaviour may not be simple and clear-cut, because of some biases that occur in forming attributions.

Self Assessment

Multiple Choice Questions:

8. In ..... principles, the meaningful and significant portion is called the 'figure and the insignificant or meaningless portion is labeled as 'ground'

   (a) Figure (b) Ground

   (c) Figure ground (d) Figure round

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9. When there is no figure-ground pattern to organise information, we have to live with lot of .....

   (a) Anxiety (b) Excitement

   (c) Ambiguity (d) None

4.4 Frequently used Shortcuts in Judging Others

Perceiving and interpreting what others do is burdensome. As a result, individuals develop techniques for making the task more manageable. These techniques are not foolproof. Several factors lead us to form inaccurate impressions of others. These barriers to perception are inaccurate impressions of others. These barriers to perception are:

1. ***Selective Perception:*** We receive a vast amount of information. Therefore, it is impossible for us to assimilate everything we see – only certain stimuli can be taken note of. That is why, the boss may reprimand some employees for doing something that – when done by another employee goes unnoticed. Since we can't observe everything going on about us, we engage in selective perception.

   Selective perception is also our tendency to choose information that supports our viewpoints; individuals often ignore information that makes them feel uncomfortable or threatens their viewpoints.

   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. Our perception tends to be influenced more by an individual's attitudes, interests, and background than by the stimulus itself.

2. ***Stereotype:*** A stereotype is a generalization about a group of people. 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. Stereotypes reduce information about other people to a workable level, and they are efficient for compiling and using information. It is a means of simplifying a complex world and it permits us to maintain consistency. It is less difficult to deal with an unmanageable number of stimuli if we use stereotypes. Stereotypes can be accurate, and when they are accurate, they can be useful perceptual guidelines. However, most of the time, stereotypes are inaccurate.

   Attractiveness is a powerful stereotype. We assume that attractive individuals are also warm, kind, sensitive, poised, sociable, outgoing, independent, and strong. Are attractive people always warm, kind, intelligent, sociable, outgoing, independent, and strong? Are attractive people really like this? Certainly all of them are not.

   In organisations, we frequently hear comments that represent stereotypes based on gender, age, nationality, etc. From a perceptual standpoint, if people expect to see this stereotype, that is what they will perceive, whether it's accurate or not.

3. ***Contrast Effect:*** Stimuli that contrast with the surrounding environment are more likely to be selected for attention than stimuli that blend in. A contrasting effect can be caused by colour, size or any other factor that is unusual (any factor that distinguishes one stimulus from others at present). For example, a man walking down the street with a pair of crutches is more attention grabbing than the usual variety of pedestrian. A contrast effect is the evaluation of a person's characteristics that are affected by comparisons with other people recently encountered that rank higher or lower on the same characteristics. The "contrast" principle essentially states that external stimuli that stand out against the background or which are not what are expecting, will receive their attention. The contrast

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effect also explains why a male student stands out in a crowd of female students. There is nothing unusual about the male student but, when surrounded by females, he stands out.

An illustration of how contrast effects operate is an interview situation in which one sees a pool of job applicants. Distortions in any given candidate's evaluation can occur as a result of his or her place in the interview schedule. The candidate is likely to receive a more favourable evaluation if preceded by mediocre applicants, and a less favourable evaluation if preceded by strong applicants.

4. ***Projection:*** It is easy to judge others if we assume they are similar to us. This tendency to attribute one's own characteristics to other people is called projection. Projection can distort perceptions made about others. People who engage in projection tend to perceive others according to what they are like, rather than according to what the person being observed is really like. 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.

5. ***Implicit Personality Theories:*** We tend to have our own mini-theories about how people look and behave. These theories help us organise our perceptions and take shortcuts instead of integrating new information all the time. Implicit-personality theory is opinions formed about other people that are based on our own mini-theories about how people behave. For example, we believe that girls dressed in fashionable clothes will like modern music and girls dressed in traditional dress, like a saree, will like Indian classical music. These implicit personality theories are barriers because they limit out ability to take in new information when it is available.

6. ***Self-fulfilling Prophecies:*** Self-fulfilling prophecies are situations in which our expectations about people affect our interaction with them in such a way that our expectations are fulfilled. Self-fulfilling prophecy is also known as the Pygmalion effect, named after a sculptor in Greek mythology who carved a statue of a girl that came to life when he prayed for this boon and it was granted.

   The Pygmalion effect has been observed in work organisations as well. A manager's expectations of an individual affect both the manager's behaviour toward the individual and the individual's response. For example, suppose a manager has an initial impression of an employee as having the potential to move up within the organisation. Chances are that the manager will spend a great deal of time coaching and counselling the employee, providing challenging assignments and grooming the individual for success.

4.5 Individual Decision-making and Perceptual Errors

4.5.1 Decision-making Process

Managers have to make decisions, whether they are simple or extremely complex. Making a good decision is a difficult exercise. It is the product of deliberation, evaluation and thought. To make good decisions, managers should invariably follow a sequential set of steps. Decision-making is a process involving a series of steps as shown in the Figure 4.3.

First Step: The first step is recognition of the problem. The manager must become aware that a problem exists and that it is important enough for managerial action. Identification of the real problem is important; otherwise, the manager may be reacting to symptoms and fire fighting rather than dealing with the root cause of the problem. In order to monitor the problem situation (decision-making environment), managers may have to look into management reports, check progress against budgets, compare the results against industry competitors, and assess factors

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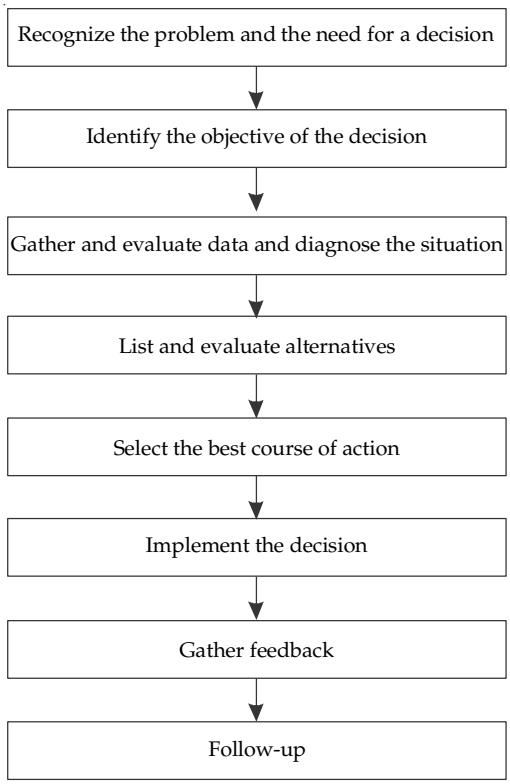
contributing to employee efficiency or inefficiency, etc. They have to use judgement and experience in order to identify the exact nature of the problem. In other words, the manager must determine what is to be accomplished by the decision.

Second Step: The second step in the decision-making process is gathering information relevant to the problem. A successful manager must have the ability to weed out the wheat from the chaff before deciding on a specific course of action. Once aware of a problem, he must state the real problem. He must try to solve the problem, not the symptoms. The manager must pull together sufficient information about why the problem occurred. This involves conducting a thorough diagnosis of the situation and going on a fact-finding mission.

Third Step: The third step is listing and evaluating alternative courses of action. Developing alternative solutions (to the problem) guarantees adequate focus and attention on the problem. It helps managers to fully test the soundness of every proposal before it is finally translated into action. During this step, a thorough "what if" analysis should also be conducted to determine the various factors that could influence the outcome. It is important to generate a wide range of options and creative solutions in order to be able to move on to the next step. Therefore, managers should encourage people to develop different solutions for the same problem. The ability to develop alternatives is as important as making a right decision among alternatives. The development of alternatives is a creative, innovative activity. It calls for divergent thinking; it calls for "systems thinking". In other words, managers should try to seek solutions outside the present realm of their knowledge; they are forced to look into all the relevant factors before coming up with a novel solution.

Figure 4.3: Decision-making Process



Source: Debra L Nelson, James C Quick "Organisational Behavior – Foundations, Realities, and Challenges" (second edition) West Publishing Company Minneapolis. Page 283.

Fourth Step: Next, the manager selects the alternative that best meets the decision objective. If the problem has been diagnosed correctly and sufficient alternatives have been identified, this step is much easier. Peter Drucker has offered the following four criteria for making the right choice among available alternatives:

(i) The manager has to weigh the risks of each course of action against the expected gains.

(ii) The alternative that will give the greatest output for the least inputs in terms of material and human resources is obviously the best one to be selected.

(iii) If the situation has great urgency, the best alternative is one that dramatizes the decision and serves notice on the organisation that something important is happening. On the other hand, if consistent effort is needed, a slow start that gathers momentum may be preferable.

(iv) Physical, financial and human resources impose a limitation on the choice of selection. Of these, the most important resources whose limitations have to be considered are the human beings who will carry out the decision.

Final Step: Finally, the solution is implemented. The manager must seek feedback regarding the effectiveness of the implanted solutions. Feedback allows managers to become aware of the recent problems associated with the solution. It permits managers to monitor the effects of their acts to gauge their success. They can evaluate their own decision-making abilities. Consistent monitoring and periodic feedback is an essential part of the follow-up process.

Perceptual Errors

1. ***Halo Effect:*** The halo error in perception is very similar to stereotyping. Whereas in stereotyping the person is perceived according to a single category, under the halo effect the person is perceived on the basis of one trait.

   When we draw a general impression about an individual based on a single characteristic, such as intelligence, sociability or appearance, a halo effect is operating. The propensity for the halo effect to operate is not random. Research suggests it is likely to be most extreme when the traits to be perceived are ambiguous in behavioural terms, when the traits have moral overtones, and when the perceiver is judging traits with which he or she has limited experience. Example of halo effect is the extremely attractive secretary who is perceived by her male boss as being intelligent, and a good performer, when, in fact, she is a poor typist.

2. ***First-impression error:*** Individuals place a good deal of importance on first impressions. First impressions are lasting impressions. We tend to remember what we perceive first about a person, and sometimes we are quite reluctant to change our initial impressions. First-impression error means the tendency to form lasting opinions about an individual based on initial perceptions. Primacy effects can be particularly dangerous in interviews, given that we form first impressions quickly and that these impressions may be the basis for long-term employment relationships.

Task How will you check the loyalty of an employee who questions a top decision?

Notes

Self Assessment

Multiple Choice Questions:

10. The word "decision" is derived from the Latin words "de ciso" which means, "cutting away" or to come to a conclusion

    (a) Cutting away (b) Come to a conclusion

    (c) Both a and b (d) None

11. An extremely attractive secretary who is perceived by her male boss as being intelligent, and a good performer, when, in fact, she is a poor typist, is an example of:

    (a) Helllo effect (b) Pleasing effect

    (c) Halo effect (d) Charming effect

Case Study

Seasickness as Self-fulfilling Prophecy

Virtually no one is immune to seasickness, especially those in the Navy who must perform their jobs on rough seas. While there are drugs for the problem, some of the side effects are the very symptoms that the drugs are intended to prevent: drowsiness, blurred vision, and dryness of the mouth. Naval and aviation medicine continue to try to solve the challenge of motion sickness.

The authors of one study devised an experiment to see whether self-fulfilling prophecy could help. They assigned twenty-five naval cadets in the Israeli Defence Forces to experimental and control conditions. Before their first cruise, the cadets in the experimental group were told that they were unlikely to experience seasickness and that, if they did, it was unlikely to affect their performance at sea. Cadets in the control group were told about research on seasickness and its prevention. At the end of the five-day cruise, cadets in the experimental group reported less seasickness and were rated as better performers by their training officers. These cadets also had higher self-efficacy; that is, they believed they could perform well at sea despite seasickness.

The pills and patches that physicians often prescribe for seasickness are unpleasant to the point of deterring their use, are of short-term effectiveness, and have undesirable side effects. Self-fulfilling prophecy has none of these problems, and it appears to work in combating seasickness.

Questions:

1. After analyzing the above case, what do you have to say about the pre conceived notions of employees?
2. Do you think that the treatment by medical practitioners is correct to handle the perceptual issues of naval merchants?

Sources: D. Eden and Y. Zuk, "Seasickness as a Self-Fulfilling Prophecy: Raising Self-efficacy to Boost Performance at Sea, "Journal of Applied Psychology" 80 (1995) page 628–635.

Notes

4.6 Summary

- Perception is the primary vehicle through which we come to understand our surroundings and ourselves.
- Perception can be defined as a process by which individuals organise and interpret their sensory impressions in order to give meaning to their environment.
- Perception is the primary vehicle through which we come to understand our surroundings and ourselves.
- Social perception is the process of interpreting information about another person.
- Social perception is directly concerned with how one individual perceives other individuals.
- The perceiver's attitudes affect perception.
- Perception is the process of interpreting and understanding one's environment.
- It is a complex psychological process.
- It can be boiled down to four steps: observation, selection, organisation and interpretation
- The major characteristics of the perceiver influencing perception are:
    - Attitudes
    - Moods
    - Motives
    - Self-Concept
    - Interest
    - Cognitive Structure
    - Expectations
- Attribution simply refers to how a person explains the cause of another's or his or her own behaviour.
- Decision-making is almost universally defined as choosing between alternatives.
- Decision-making is a critical activity in the lives of managers

4.7 Keywords

Extraversion (E): To focus on the outer world

Feeling (F): To first look at the people and special circumstances

Introversion (I): To focus on inner world

Intuition (N): To interpret and add meaning

Judging (J): To get things decided

Perceiving (P): To stay open to new information and options

Sensing (S): To focus on the basic information you take in

Thinking (T): To first look at logic and consistency

Notes

4.8 Review Questions

1. Define Perception.
2. How does selectivity affect perception?
3. What is attribution theory? What are its implications for explaining organisational behaviour?
4. What factors do you think might create the fundamental attribution error?
5. What is Stereotyping?
6. What does stereotyping mean? Why is it considered to be a perceptual problem?
7. What is the optimizing decision-making model? Under what conditions is it applicable?
8. Explain the satisficing model. How widely applicable do you think this model is?
9. Define "Decision-making".
10. Contrast the implicit favourite model to the satisficing model.
11. Explain the decision-making process in organisations.
12. What effect can the perceptual process have on organisational behaviour?
13. Mood happens to be a strong factor influencing our perception about somebody. Can we come over it? If yes, how? If no, how do we ensure then that we do not end making wrong perceptions about people?
14. Examine how the perceiver, who observes the target's behaviour, infers the intentions of the target.
15. Illustrate though examples how the strength of the situational cues affects social perceptions.
16. Why would a boss reprimand some employees for doing something that – when done by another employee goes unnoticed?
17. Suggest measures to correct the halo effect.
18. Is it the right approach to be judgemental about others at workplace? If not, what should be the right approach?
19. What are your opinions about the Pygmalion effect? Is it beneficial or not for the subordinates of a highly demanding boss?

Answers: Self Assessment

1.	False	2.	True
3.	False	4.	True
5.	True	6.	Perceptions
7.	Perceptual Selection	8.	(c)
9.	(c)	10.	(c)
11.	(c)		

4.9 Further Readings

Notes

Books

Ashwathappa K, *Organisation Behaviour*, Himalaya Publishers, New Delhi, 2007

Luthans F, *Organisational Behaviour*, McGraw Hill, New Delhi, 2007.

Robbins S P, Timothy A. Judge & Sanghi Seema, *Organisational Behaviour*, Pearson Education, New Delhi, 2009

Online links

www.myersbriggs.org

Notes

Unit 5: Work Motivation

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Objectives

After studying this unit, you will be able to:

- Define the term motivation
- Discuss Mc. Gregor's Theory X & Y of motivation
- State the relevance of Abraham Maslow's Need Hierarchy Theory
- Explain the concept of Herzberg's Two Factor Theory

Introduction

Motivation is the process of rousing and sustaining goal-directed behaviour. Motivation is one of the more complex topics in organisational behaviour. Motivation comes from the Latin word "movere" which means, "to move". Because motivation is an internal force, we cannot measure the motivation of others directly. Instead, we typically infer whether or not other individuals are motivated by watching their behaviour. For example, we might conclude that our manager Mr. Arun who works late every evening, goes to the office on weekends and incessantly reads the latest management journals is highly motivated to do well. Conversely, we might suspect that Mr. Manoj who is working in the accounts department is usually the first one to go out of the door at quitting time, rarely puts in extra hours and generally spends little time reading up on new developments in the field, is not very motivated to excel.

What makes people work? Why do some people perform better than others? Why does the same person act differently at different times? Perhaps one of the biggest questions confronting organisations today is the "people" question. A manager must stimulate people to action to accomplish the desired goals; he must fuse the varied individual human capacities and powers of the many people employed into a smoothly working team with high productivity. How do we get people to perform at a higher than "normal" percent of their physical and mental capacities and also maintain satisfaction? This is the challenge of motivation.

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5.1 What is Motivation?

Some of the widely quoted definitions are given below:

Gray Starke, "Motivation is the result of processes, internal or external to the individual, that arouse enthusiasm and persistence to pursue a certain course of action."

Stephen P Robbins, "We define motivation as the willingness to exert high levels of effort toward organisational goals, conditioned by the effort's ability to satisfy some individual needs."

S. Zedeck and M. Blood, "Motivation is a predisposition to act in a specific goal-directed way."

Atkinson J.W, "(Motivation is) the immediate influences on the direction, vigour and persistence of action."

S.W Gellerman, "(Motivation is) steering one's actions toward certain goals and committing a certain part of one's energies to reach them."

M.R. Jones, "(Motivation is) how behaviour gets started, is energized, is sustained, is directed, is stopped and what kind of subjective reaction is present in the organism while all these are going on."

All these definitions contain three common aspects of the motivation process:

1. What energizes human behaviour?
2. What directs or channels such behaviour?
3. How is this behaviour maintained or sustained?

Motivation has certain underlying properties:

1. ***It is an individual phenomenon*** – Each individual is unique, and this fact must be recognized in motivation research.
2. ***Motivation is intentional*** – When an employee does something, it is because he or she has chosen to do it.
3. ***Motivation has many facets*** – Researchers have analyzed various aspects of motivation, including how it is aroused, how it is directed, what influences its persistence, and how it is stopped.
4. ***The purpose of motivation theories is to predict behaviour*** – The distinction must be made between motivation, behaviour and performance. Motivation is what causes behaviour; if the behaviour is effective, high performance will result.

Motivation is the underlying process that initiates, directs and sustains behaviour in order to satisfy physiological and psychological needs. At any given time, one might explain behaviour as a combination of motives – needs or desires that energize and direct behaviour toward a goal.

Did u know? The intensity of our motivation, which depends on the number and the strength of the motives involved, has a bearing on the effort and the persistence with which we pursue our goals.

Sometimes we pursue an activity as an end in itself simply because it is enjoyable, not because any external reward is attached to it. This type of motivation is known as intrinsic motivation. On the other hand, when we engage in activities not because they are enjoyable, but in order to gain some external reward or to avoid some undesirable consequence, we are pulled by extrinsic motivation. Table 5.1 gives examples of intrinsic and extrinsic motivation.

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Table 5.1: Intrinsic and Extrinsic Motivation

	Description	Examples
Intrinsic Motivation	An activity is pursued as an end in itself because it is enjoyable and rewarding.	A person anonymously donates a large sum of money to a university to fund a scholarship for deserving students. A child reads several books each week because reading is fun.
Extrinsic Motivation	An activity is pursued to gain an external reward or to avoid an undesirable consequence.	A person agrees to donate a large sum of money to a university for the construction of a building, provided it will bear the family name. A child reads two books each week to avoid losing television privileges.

Source: Samuel E. Wood and Ellen Green Wood, "The World of Psychology", Allyn and Bacon, Boston (2nd Edition) 1996, page 36.

Self Assessment

State whether the following statements are true or false:

1. Motivation is the process of rousing and sustaining goal-directed behaviour.
2. Motivation is the underlying process that initiates, directs and sustains behaviour in order to satisfy physiological and psychological needs.
3. Sometimes we pursue an activity as an end in itself simply because it is enjoyable, not because any external reward is attached to it. This type of motivation is known as intrinsic motivation.
4. When we engage in activities not because they are enjoyable, but in order to gain some external reward or to avoid some undesirable consequence, we are pulled by extrinsic motivation.
5. According to *Stephen P Robbins,* "Motivation is the result of processes, internal or external to the individual, that arouse enthusiasm and persistence to pursue a certain course of action."
6. According to *Gray Starke,* "We define motivation as the willingness to exert high levels of effort toward organisational goals, conditioned by the effort's ability to satisfy some individual needs."
7. According to *S. Zedeck and M. Blood,* "Motivation is a predisposition to act in a specific goal-directed way."
8. According to *Atkinson J.W,* "(Motivation is) the immediate influences on the direction, vigour and persistence of action."
9. *According to S.W Gellerman,* "(Motivation is) steering one's actions toward certain goals and committing a certain part of one's energies to reach them."
10. According to *M.R. Jones,* "(Motivation is) how behaviour gets started, is energized, is sustained, is directed, is stopped and what kind of subjective reaction is present in the organism while all these are going on."

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5.2 Early Theories

The study of motivation can be traced back to the writings of the ancient Greek philosophers. They presented hedonism as an explanation of human motivation. The concept of hedonism says that a person seeks out comfort and pleasure and avoids discomfort and pain. Many centuries later, hedonism was still a basic assumption in the prevailing economic and social philosophies of economists like Adam Smith and J.S. Mill. They explained motivation in terms of people trying to maximize pleasure and avoid pain.

Early psychological thought was also influenced by the idea of hedonism. Psychologists in the 1800s and even in the early 1900s assumed that humans consciously and rationally strive for (a hedonistic approach to) pursuit of pleasure and avoidance of pain.

In organisations, one of the first individuals to address worker motivation explicitly was Fredrick Taylor, who did so through his writings on scientific management between 1900 and 1915. Because Taylor believed that people are motivated mainly by economic factors, he advocated a wage incentive system to encourage workers to excel at doing the job exactly as specified by management. However, the routine and specialized nature of the work, the tendency of managers to reduce wage incentives as production rose, and worker concerns that higher production would lead to job cutbacks led to worker resistance. Money, especially when it was curbed as production rose, did not seem to have the desired effects.

The apparent limitations of money as the sole motivational tool piqued the curiosity of researchers in the human relations school. On the basis of investigations such as, the Hawthorne studies, these researchers argued for devoting greater attention to the social aspects of the job. According to their prescription, managers should make workers feel important, increase vertical communication, allow some decision making on very routine matters related to the job, and pay greater attention to work group dynamics and group incentives. Still, like the scientific management advocates, the human relations school emphasized gaining strict compliance with managerial directives in carrying out extremely routine, specialized jobs. As a result, these efforts met with only limited success in motivating workers' behaviour.

By demonstrating the inadequacy of viewing workers as robot-like appendages that can be manipulated into compliance, these early efforts laid the groundwork for a more sophisticated approach and a better understanding of the motivation process.

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

5.2.1 McGregor's Theory X & Y

McGregor proposed two alternative sets of assumptions about people at work, based upon which set of needs were the active motivators. He labelled these sets of assumptions – one basically negative as – Theory X and the other basically positive – as Theory Y. After viewing the way in which managers dealt with employees, McGregor concluded that a manager's view of the nature of human beings is based on a certain grouping of assumptions and that he or she tends to mould his or her behaviour toward subordinates according to these assumptions.

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Table 5.2: Lists the assumptions that McGregor makes about people, resolving them in his now famous theory X and theory Y

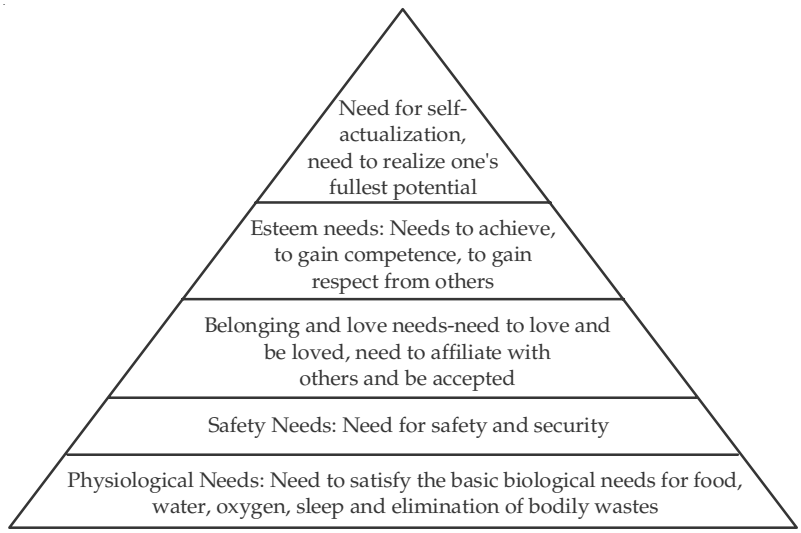
Theory X	Theory Y
• People are by nature indolent. That is, they work as little as possible. • People lack ambition, dislike responsibility, and prefer to be led. • People are inherently self-centred and indifferent to organizational needs. • People are by nature resistant to change • People are gullible and not very bright, the ready dupes of the charlatan and the demagogue.	• People are not by nature passive or resistant to organizational needs. They have become so as a result of experience in organizations. • The motivation, the potential for development, the capacity for assuming responsibility, and the readiness to direct behaviour toward organizational goals are all present in people. Management does not put them there. It is a responsibility of management to make it possible for people to recognize and develop these human characteristics for themselves. • The essential task of management is to arrange conditions and methods of operation so that people can achieve their own goals best by directing their own efforts toward organizational objectives.

Source: D.M. McGregor, "The Human Side of Enterprise", Management Review, November 1957: Page 22-28, 88-92.

5.2.2 Abraham Maslow's Need Hierarchy Theory

Abraham Maslow was a psychologist who proposed a theory of human motivation for understanding behaviour based primarily upon a hierarchy of five need categories. He recognized that there were factors other than one's needs (for example, culture) that were determinants of behaviour. However, he focused his theoretical attention on specifying people's internal needs. Maslow labelled the five hierarchical categories as physiological needs, safety and security needs, love (social) needs, esteem needs and the need for self-actualization.

Figure 5.1: Maslow's Hierarchy of Needs



Humans have a variety of needs or motives. Clearly, some needs are more critical to sustaining life than others. We could live without self-esteem, but obviously we could not live long without air to breathe, water to drink, or food to eat.

Abraham Maslow (1970) proposed a 'hierarchy of needs' to account for the range of human motivation. He placed physiological needs such as food and water at the base of the hierarchy, stating that these needs must be adequately satisfied before higher ones can be considered.

Notes

If our physiological needs (for water, food, sleep, sex and shelter) are adequately met, then the motives at the next higher level (the safety and security needs) will come into play. When these needs are satisfied, we climb another level to satisfy our needs to belong, and to love and be loved. Maslow believed that failure to meet the belonging and love needs deprives individuals of acceptance, affection and intimacy and is the most prominent factor in human adjustment problems. Still higher in the hierarchy are the needs for self-esteem and the esteem of others. These needs involve our sense of worth and competence, our need to achieve and be recognized for it, and our need to be respected.

At the top of Maslow's hierarchy is the need for self-actualization the need to actualize or realize our full potential. People may reach self-actualization through achievement in virtually any area of life's work. But the surest path of self-actualization is one in which a person finds significant and consistent ways to serve and contribute to the well being of humankind.

Maslow conceptually derived the five need categories from the early thoughts of William James and John Dewey, coupled with the psychodynamic thinking of Sigmund Freud and Alfred Adler. One distinguishing feature of Maslow's need hierarchy is the following progression hypothesis. Although some later research has challenged some of Maslow's assumptions, the theory insists that only ungratified needs motivate behaviour. Further, it is the lowest level of ungratified needs that motivate behaviour. As a lower level of need is met, a person progresses to the next higher level of need as a source of motivation. Hence, people progress up the hierarchy as they successively gratify each level of need. Some possible work-related means of fulfilling the various needs in the hierarchy are shown in Table 5.3 below:

Table 5.3: Maslow's Hierarchy of Needs and Potential Means of Fulfillment at Work

Needs Hierarchy		Potential Means of Fulfilment at work
	Self-Actualization Needs	Challenging projects, opportunities for innovation and creativity, training
	Esteem Needs	Important projects, recognition, prestigious office location
	Belongingness Needs	Good co-workers, peers, superiors, customers
	Safety Needs	Job security; benefits, like life insurance; safety regulations
	Physiological Needs	Basic pay, work space, heat, water, company cafeteria

Maslow recognized that a need might not have to be completely fulfilled before we start directing out attention to the next level in the hierarchy. At the same time, he argued that once we have essentially fulfilled a need, that need ceases to be a motivator and we begin to feel tension to fulfil needs at the next level. While Maslow's hierarchy has stimulated thinking about the various needs that individuals have, it has some serious shortcomings. Research suggests that needs may cluster into two or three categories rather than five. Also, the hierarchy of needs may not be the same for everyone. For instance, entrepreneurs frequently pursue their dreams for years despite the relative deprivation of lower level needs. Finally, individuals often seem to work on satisfying several needs at once, even though some needs may be more important than others at a given point of time.

Tasks Discuss how will you motivate a colleague to increase his/her productivity at workplace when he is bogged down by work-life balance?

Notes

5.2.3 Herzberg Two Factor Theory

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

Hygiene Factors

In the concept developed by Frederick Herzberg, factors that do not motivate employees, but are essential to maintain satisfaction. These include a satisfactory salary and related employee benefits, considerate human relations skills, and satisfactory working conditions. The absence of any of these hygiene factors will cause employee dissatisfaction. These are also called maintenance factors.

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

Motivating Factors

These are the Motivators (e.g., challenging work, recognition, responsibility) that give positive satisfaction, arising from intrinsic conditions of the job itself, such as recognition, achievement, or personal growth,

According to Herzberg, building motivation factors into a job produces job satisfaction. This process is known as job enrichment. In the original research, the motivation factors were identified as responsibility, achievement, recognition, advancement and the work itself. These factors relate to the content of the job and what the employee actually does on the job. When these factors are present, they lead to superior performance and effort on the part of job incumbents. Motivation factors lead to positive mental health and challenge people to grow, contribute to the work environment, and invest themselves in the organization. The motivation factors are the most important of the two sets of factors, because they directly affect a person's motivational drive to do a good job. When they are absent, the person will be de-motivated to perform well and achieve excellence.

Comparison

Notes

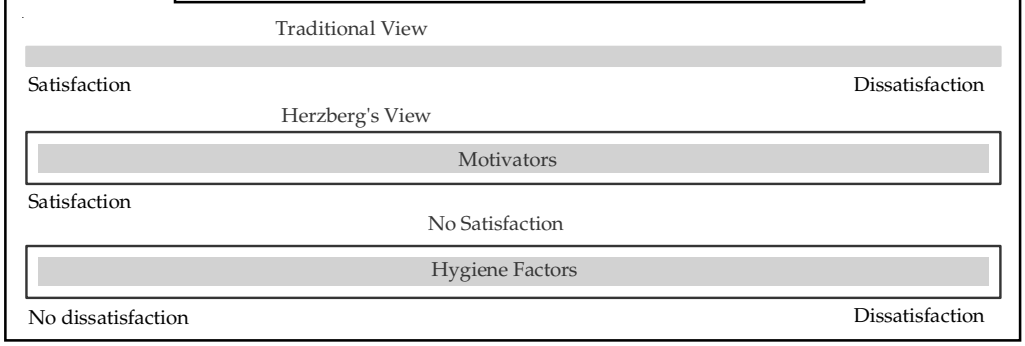
Hygiene factors are the factors which should provide to any employee and they are the primary ones in order to fulfill their needs. They are very necessary so that the employee is able to obtain the other needs in his or her being. These are the factors which can be also regarded to as those of physiological needs in Abraham Maslow's hierarchy of needs.

On the other hand, motivational factors are those factors which now follow after the hygiene also called primary need factors are fulfilled. Someone is not able to meet his or her needs if at all he or she was not able to meet the hygiene needs.

Therefore hygiene needs are referred to the primary factors in the other words while motivational factors are those factors which need fulfillment of the hygiene factors so that they can exist.

These two views of job satisfaction are shown in Figure 5.2.

Figure 5.2: Contrasting Views of Satisfaction and Dissatisfaction

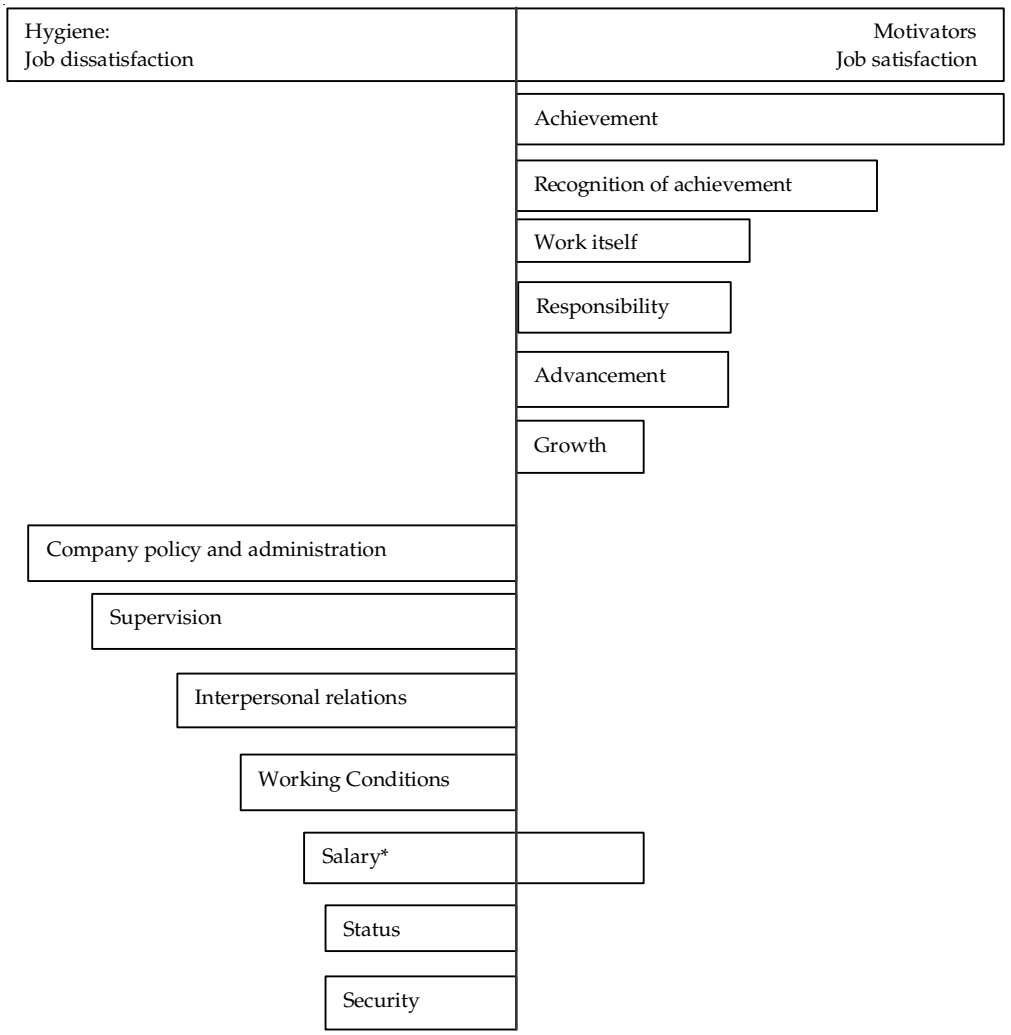


Source: Stephen P Robbins "Organisation Behaviour – Concepts, Controversies, Applications" (Seventh Edition) 1996 page 217.

Work conditions related to satisfaction of the need for psychological growth were labelled motivation factors. Work conditions related to dissatisfaction caused by discomfort or pain was labelled 'hygiene factors'. Each set of factors related to one aspect of what Herzberg identified as the human-being's dual nature regarding the work environment. Thus, motivation factors relate to job satisfaction, and hygiene factors relate to job dissatisfaction. These two independent factors are depicted in Figure 5.3.

Notes

Figure 5.3: Hygiene and Motivating Factors



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

Source: Frederick Herzberg, The Managerial Choice: To Be Efficient is to be Human – Salt Lake City: Olympus, 1982.

Case Study

Employee Motivation

Rohit Narang joined Apex Computers (Apex) in November after a successful stint at Zen Computers (Zen), where he had worked as an assistant programmer. Rohit felt that Apex offered better career prospects, as it was growing much faster than Zen, which was a relatively small company. Although Rohit had enjoyed working there, he realized that to grow further in his field, he would have to join a bigger company, and

Contd...

Notes

preferably one that handled international projects. He was sure he would excel in his new position at Apex, just as he had done in his old job at Zen. Rohit joined as a Senior Programmer at Apex, with a handsome pay hike. Apex had international operations and there was more than a slim chance that he would be sent to USA or the UK on a project. Knowing that this would give him a lot of exposure, besides looking good on his resume, Rohit was quite excited about his new job.

Rohit joined Aparna Mehta's five-member team at Apex. He had met Aparna during the orientation sessions, and was looking forward to working under her. His team members seemed warm and friendly, and comfortable with their work. He introduced himself to the team members and got to know more about each of them.

Wanting to know more about his boss, he casually asked Dipti, one of the team members, about Aparna. Dipti said, "Aparna does not interfere with our work. In fact, you could even say that she tries to ignore us as much as she can."

Rohit was surprised by the comment but decided that Aparna was probably leaving them alone to do their work without any guidance, in order to allow them to realize their full potential.

At Zen, Rohit had worked under Suresh Reddy and had looked up to him as a guide and mentor – always guiding, but never interfering. Suresh had let Rohit make his own mistakes and learn from them. He had always encouraged individual ideas, and let the team discover the flaws, if any, through discussion and experience.

He rarely held an individual member of his team responsible if the team as a whole failed to deliver – for him the responsibility for any failure was collective. Rohit remembered telling his colleagues at Zen that the ideal boss would be someone who did not interfere with his/her subordinate's work.

Rohit wanted to believe that Aparna too was the non-interfering type. If that was the case, surely her non-interference would only help him to grow.

In his first week at work, Rohit found the atmosphere at the office a bit dull. However, he was quite excited. His team had been assigned a new project and was facing a few glitches with the new software. He had thought about the problem till late in the night and had come up with several possible solutions.

He could not wait to discuss them with his team and Aparna. He smiled to himself when he thought of how Aparna would react when he told her that he had come up with several possible solutions to the problem. He was sure she would be happy with his having put in so much effort into the project, right from day one.

He was daydreaming about all the praise that he was going to get when Aparna walked into the office. Rohit waited for her to go into her cabin, and after five minutes, called her up, asking to see her.

She asked him to come in after ten minutes. When he went in, she looked at him blankly and asked, "Yes?" Not sure whether she had recognized him, Rohit introduced himself. She said, "Ok, but why did you want to meet me?"

Rohit started to tell her about the problems they were having with the software. But before he could even finish, she told him that she was busy with other things, and that she would send an email with the solution to all the members of the team by the end of the day, and that they could then implement it immediately.

Contd...

Notes

Rohit was somewhat taken a back. However, ever the optimist, he thought that she had perhaps already discussed the matter with the team.

Rohit came out of Aparna's cabin and went straight to where his team members sat. He thought it would still be nice to bounce ideas off them and also to see what solutions others might come up with. He told them of all the solutions he had in mind.

He waited for the others to come up with their suggestions but not one of them spoke up. He was surprised, and asked them point-blank why they were so disinterested.

Sanjay, one of the team members, said, "What is the point in our discussing these things? Aparna is not going to have time to listen to us or discuss anything. She will just give us the solution she thinks is best, and we will just do what she tells us to do; why waste everyone's time?"

Rohit felt his heart sink. Was this the way things worked over here? However, he refused to lose heart and thought that maybe, he could change things a little.

But as the days went by, Rohit realized that Aparna was the complete opposite of his old boss. While she was efficient at what she did and extremely intelligent, she had neither the time nor the inclination to groom her subordinates.

Her solutions to problems were always correct, but she was not willing to discuss or debate the merits of any other ideas that her team might have. She did not hold the team down to their deadlines nor did she ever interfere.

In fact, she rarely said anything at all! If work did not get finished on time, she would just blame her team, and totally disassociate herself from them.

Time and again, Rohit found himself thinking of Suresh, his old boss, and of how he had been such a positive influence. Aparna, on the other hand, even without actively doing anything, had managed to significantly lower his motivation levels.

Rohit gradually began to lose interest in his work - it had become too mechanical for his taste. He didn't really need to think; his boss had all the answers.

He was learning nothing new, and he felt his career was going nowhere. As he became more and more discouraged, his performance suffered. From being someone with immense promise and potential, Rohit was now in danger of becoming just another mediocre techie.

Questions:

1. What, according to you, were the reasons for Rohit's disillusionment? Answer the question using Maslow's Hierarchy of Needs or Expectancy Theory of Motivation.
2. How would you evaluate Aparna's behaviour in terms of need for power, need for achievement and theory X/Y?
3. What should Rohit do to resolve his situation? What can a team leader do to ensure high levels of motivation among his/her team members?

Source: www.icmrindia.org

Notes

Self Assessment

Fill in the blanks:

11. According to ....., people should be treated differently according to whether they are motivated by lower-order or higher order needs.
12. Abraham Maslow was a psychologist who proposed a theory of ..... for understanding behaviour based primarily upon a hierarchy of five need categories.
13. Humans have a variety of needs or .....
14. ..... departed from the need hierarchy approach to motivation and examined the experiences that satisfied or dissatisfied people's needs at work.

5.3 Summary

- Motivation is the internal condition that activates behavior and gives it direction; energizes and directs goal-oriented behavior.
- The challenge at work is to create an environment in which people are motivated about work priorities.
- Too often, organisations fail to pay attention to the employee relations, communication, recognition, and involvement issues that are most important to people.
- The first step in creating a motivating work environment is to stop taking actions that are guaranteed to demotivate people.
- The next step is to identify and take the actions that will motivate people.
- There are various theories to motivate people at work places.
- A few techniques that can motivate people at work are making only the minimum number of rules and policies needed to protect the organisation legally and create order in the work place; publishing the rules and policies and educating all employees, developing guidelines for supervisors and educating them about the fair and consistent application of the few rules and policies, etc.

5.4 Keywords

Abraham Maslow: Abraham Maslow was a psychologist who proposed a theory of human motivation for understanding behaviour based primarily upon a hierarchy of five need categories.

Hierarchical Categories: Maslow labelled the five hierarchical categories as physiological needs, safety and security needs, love (social) needs, esteem needs and the need for self-actualization.

McGregor: According to McGregor, people should be treated differently according to whether they are motivated by lower-order or higher order needs.

Motivation: Motivation is the process of rousing and sustaining goal-directed behaviour.

Theory X: Theory X assumptions are appropriate for employees motivated by lower-order needs.

Theory Y: Theory Y assumptions, in contrast, are appropriate for employees motivated by higher-order needs.

Notes

5.5 Review Questions

1. How would you motivate a colleague who is self demotivated and has a pessimistic approach in general?
2. What would you suggest to motivate an employee of a hard task master who does not get happy ever by even the best performances of their subordinates?
3. What should be done to motivate sub ordinates under a boss who humiliates publicly and praises when alone?
4. How can such employees be motivated who worked day in and out to establish an organisation when it was young? Now the organisation getting stronger, specialists are hired at higher positions and paid higher salaries?
5. What should be done to motivate the employees who feel insecure due to their limited abilities? These employees have been in organisation for a long time due to their persistence and loyalty to the company.
6. Motivation is a predisposition to act in a specific goal oriented way. Comment.
7. What might be the technical reason behind a person agreeing to donate a large sum of money to a university for the construction of a building, provided it will bear his family name?
8. What would be the corresponding potential means of fulfillment at work when a person is working at safety needs, belongingness needs and esteem needs respectively?
9. Which do you think to be more conducive for the development of your organisation-Theory X or Theory Y and why?
10. Under the motivation-hygiene theory, what would you categorise salary and interpersonal relations as – as motivators or demotivators and why?
11. What will happen if the hygiene factors are either not present or not sufficient in an organisation? What should be done in such cases?

Answers: Self Assessment

1.	True	2.	True
3.	True	4.	True
5.	False	6.	False
7.	True	8.	True
9.	True	10.	True
11.	McGregor	12.	Human motivation
13.	Motives.	14.	Fredrick Herzberg

5.6 Further Readings

Notes

Books

Aquinas PG, *Organisational Behavior*, Excel Books.

Ashwathappa K, *Organisation Behaviour*, Himalaya Publishers, New Delhi, 2007

Luthans F, *Organisational Behaviour*, McGraw Hill, New Delhi, 2007.

Robbins S P, Timothy A. Judge & Sanghi Seema, *Organisational Behaviour*, Pearson Education, New Delhi, 2009

Online links

www.pickthebrain.com

www.motivation-tools.com

www.accel-team.com

Notes

Unit 6: Contemporary Theories

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Objectives

After studying this unit, you will be able to:

- List various contemporary theories of motivation
- Discuss McClellend's 3 Needs Theory
- State the relevance of Goal setting theory
- Explain the concept of Equity theory and Expectancy theory
- Focus on Reinforcement theory

Introduction

The theories discussed in unit 5 are well known but have not held up well under close examination. Therefore, a number of authorities on the subject have come up with their version of the theories of motivation. These contemporary theories have one thing in common: each has a reasonable degree of valid supporting documentation.

Did u know? These theories are called contemporary theories not necessarily because they were developed recently, but because they represent the current state of the art in explaining employee motivation.

Notes

6.1 McClelland's 3 Needs Theory

While the hierarchy of needs theory and ERG theory view certain needs as an inherent part of our makeup, psychologist David C. McClelland offers a different perspective, 'acquired-needs' theory, which argues that our needs are acquired or learned on the basis of our life experience. Although such needs tend to be a product of a variety of conditions to which we are exposed, sometimes even a specific event can profoundly influence our desires.

In the late 1930s, Murray developed the Thematic Apperception Test (TAT). Twenty pictures were shown to subjects who were asked to make up a dramatic story about each one. Based on the results, Murray argued that about twenty basic human needs that motivated behaviour could be identified. Beginning in the 1950s, for more than three decades, McClelland and his associates researched three of these needs extensively—power, affiliation, and achievement. He measures these needs using the Thematic Apperception Test (TAT), which involves having test takers write stories about pictures that are purposely ambiguous. The stories are then scored according to the achievement, affiliation and power themes that they contain, the assumption being that individuals write about themes that are important to them. McClelland believes that each person possesses all three needs, but people differ in the degree to which the various motives dominate their behaviour. The motives are described as:

1. ***Need for power (nPow):*** The individual exhibiting this need as the dominant one derives satisfaction from his or her ability to control others. Actual achievement of desired goals is of secondary importance to the high nPow individual; instead the means by which goals are achieved (the exercise of power) are of primary importance. Individuals with a high nPow derive satisfaction from being in positions of influence and control. Organisations that foster the power motive tend to attract individuals with a high need for power (for example military organisation).
2. ***Need for affiliation (nAff):*** Individuals exhibiting this need as a dominant motive derive satisfaction from social and interpersonal activities. There is a need to form strong interpersonal ties and to "get close" to people psychologically. If asked to choose between working at a task with those who are technically competent and those who are their friends, high nAff individuals will chose their friends.
3. ***Need for achievement (nAch):*** Individuals high in nAch derive satisfaction from reaching goals. The feeling of successful task accomplishment is important to the high achiever. High achievers prefer immediate feedback on their performance and they generally undertake tasks of moderate difficulty rather than those that are either very easy or very difficult. They also prefer to work independently so that successful task performance (or failure) can be related to their own efforts rather than the efforts of someone else.

Tasks Gather enough information about TAT.

McClelland has analyzed various needs in terms of their relationship to managerial effectiveness. He originally thought that individuals with a high need for achievement would make the best managers. His subsequent work suggests that, to the contrary, high-nAch individuals tend to concentrate on their own individual achievements rather than on the development and achievements of others. As a result, high-nAch individuals often make good entrepreneurs because initial success frequently depends largely on individual achievement. They may not, however, make good managers in situations that require working with a number of others and waiting to learn the results of their efforts. Similarly, individuals with a personal-power orientation run into difficulties as managers because they often attempt to use the efforts of others for their own personal benefit.

Notes

Notes McClelland's work suggests that individuals with a high institutional-power need make the best managers because they are oriented toward coordinating the efforts of others to achieve long-term organisational goals. Thus, the need profile of successful managers, at least in competitive environments, appear to include:

1. A moderate-to-high need for institutional power,
2. A moderate need for achievement to facilitate individual contributions early in one's career and a desire for the organisation to maintain a competitive edge as one moves to higher levels, and
3. At least a minimum need for affiliation to provide sufficient sensitivity for influencing others.

The most distinctive element of the achievement motivation theory is the claim by McClelland that the need can be learned (or unlearned). McClelland has reported numerous instances in which individuals with a low initial need to achieve were subjected to a series of classroom experiences that resulted in an increased need to achieve. This type of training exposes individuals to tasks involving the achievement of goals and gradually makes the situations more challenging as the individuals increase their ability to handle the tasks. Again, a development program may be undertaken to reduce the need to achieve, to bring it more in line with the other two needs. So, while the need to achieve has received the greatest publicity, McClelland's theory is actually concerned with matching an individual's motivation patterns to the organisations in which he is working.

Self Assessment

Fill in the blanks:

1. ..... offers a different perspective, 'acquired-needs' theory, which argues that our needs are acquired or learned on the basis of our life experience.
2. In the late 1930s, ... developed the Thematic Apperception Test (TAT).
3. McClelland has analyzed various needs in terms of their relationship to .....

6.2 Goal-setting Theory

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

The success of goal setting in motivating performance depends on establishing goals that have the appropriate attributes or characteristics. In particular goals should be specific and measurable, challenging, attainable, relevant too the major work of the organisation, and time-limited in the sense of having a defined period of time within which the goal must be accomplished.

Notes

Specific hard goals produce a higher level of output than does the generalized goal of "do your best". The specificity of the goal itself acts as an internal stimulus. If factors like ability and acceptance of the goal are held constant, we can also state that the more difficult the goal, the higher the level of performance. However, it's logical to assume that easier goals are more likely to be accepted. But once an employee accepts a hard task, he or she will exert a high level of effort until it is achieved, lowered or abandoned.

People will do better when they get feedback on how well they are progressing toward their goals because feedback helps identify discrepancies between what they have done and what they want to do; that is, feedback acts to guide behaviour.

Goal-setting theory presupposes that an individual is committed to the goal, that is, determined not to lower or abandon the goal. This is most likely to occur when goals are made public, when the individual has an internal locus of control, and when the goals are self-set rather than assigned. Self-efficacy refers to an individual's belief that he or she is capable of performing a task. The higher your self-efficacy, the more confidence you have in your ability to succeed in a task. So, in difficult situations, we find that people with low self-efficacy well try harder to master the challenge.

Self Assessment

State whether the following statements are true or false:

4. Intentions to work toward a goal are a major source of work motivation.
5. The success of goal setting in motivating performance depends on establishing goals that have the appropriate attributes or characteristics..
6. Specific hard goals produce a higher level of output than does the generalized goal of "do your best".
7. The specificity of the goal itself acts as an external stimulus.
8. If factors like ability and acceptance of the goal are held constant, we can also state that the more difficult the goal, the higher the level of performance.

6.3 Equity Theory

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

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

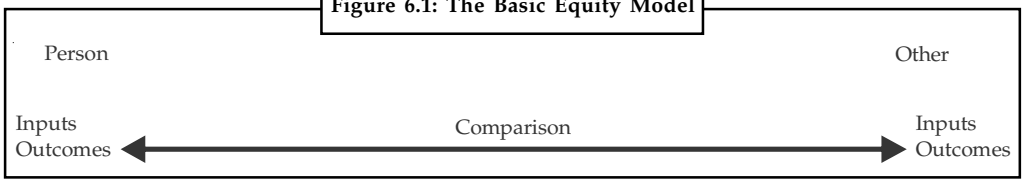
1. Individuals make contributions (inputs) for which they expect certain outcomes (rewards). Inputs include such things as the person's past training and experience, special knowledge, personal characteristics, etc. Outcomes include pay recognition, promotion, prestige, fringe benefits, etc.

Notes

2. Individuals decide whether or not a particular exchange is satisfactory, by comparing their inputs and outcomes to those of others in the form of a ratio. Equity exists when an individual concludes that his/her own outcome/input ratio is equal to that of others.

   The Figure 6.1 below shows the basic equity model.

Figure 6.1: The Basic Equity Model



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

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

6.3.1 Adverse Effects of Inequity

Negative inequity occurs when outcomes are lesser for the same inputs or outcomes are same for greater inputs, as compared to the colleague.

The effects of perceived inequities involving organizational rewards and favoritism on salesperson work motivation and job satisfaction. A set of hypothesis is proposed on the bases of inequity theory in sales management and organizational psychology. These hypothesis are tested with data collected from a sales population. Findings indicate that salespersons' perceptions of various inequities can produce strong negative influence on their motivation to perform and on job satisfaction.

Following are the negative effects on the employee and in turn to organization future:

- One feels angry, may work less hard or ask for a raise, may try to convince oneself that coworker deserve her outcomes, or may quit as soon as one can.
- People behave according to their perceptions. What a manager thinks is irrelevant to an employee because the real issue is the way an employee perceives his or her situation.
- Rewards perceived as equitable should have positive results on job satisfaction and performance; those rewards perceived as inequitable may create job dissatisfaction and cause performance problems.

Notes

Informed managers anticipate perceived negative inequities when especially visible rewards, such as pay increases or promotions, are allocated.

6.3.2 Reducing or Eliminating Inequity

Although the specific actions an individual takes will depend on what appears to be feasible in a given situation, Adam suggests that maintaining one's self-esteem is an important priority. As a result, an individual will probably first attempt to maximize outcomes and to personally resist costly changes in inputs. Changing perceptions about the inputs and outcomes of others or attempting to alter their side of the equation will usually be more palatable than cognitively changing or actually altering one's own side of the equation. Actions to leave the situation will probably be taken only in cases of high inequity when the other alternatives are not feasible. Finally, an individual will be highly resistant to changing the comparison others, especially if the objects of comparison have stabilized over time.

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

6.4 Expectancy Theory

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

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

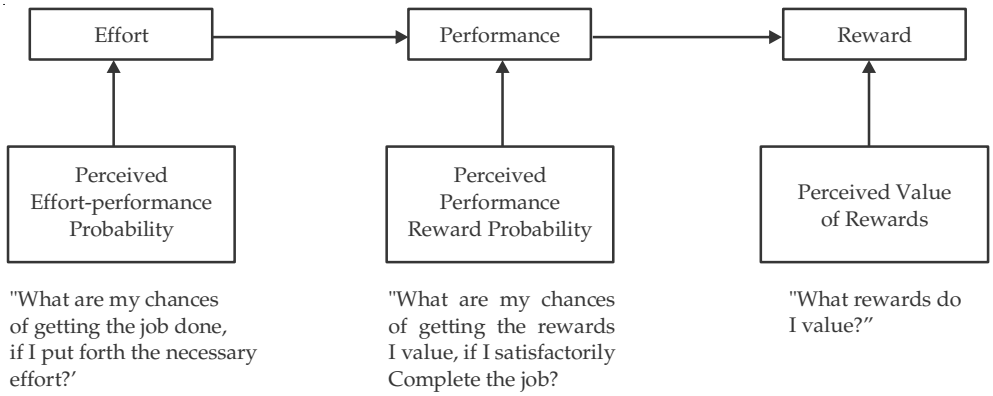
The key constructs in the expectancy theory of motivation are:

1. ***Valence:*** Valence is the value or importance one places on a particular reward. The valance of an outcome is positive when the individual desires it and negative when he or she wishes to avoid it; valances are therefore scaled over a wide range of positive and negative values.
2. ***Expectancy:*** Expectancy is the belief that effort leads to performance, for example, "If I try harder, I can do better". Expectancy refers to the perceived relationship between a given level of effort and a given level of performance. People attach various expectancies to an outcome. Competent and secure individuals tend to perceive expectancy more positively than incompetent and pessimistic individuals.
3. ***Instrumentality:*** Instrumentality is the belief that performance is related to the rewards. For example, "If I perform better, I will get more pay". Instrumentality ranges from – 1 to + 1 (belief that one desired outcome is attainable only without the other) through 0 (belief that there is no relationship between the two outcomes) to + 1 (belief that the first outcome is necessary and sufficient for the second outcome to occur)

A model for the expectancy theory notions of effort, performance and rewards is depicted in the Figure 6.2.

Notes

Figure 6.2: An Expectancy Model for Motivation



Source: Debra L Nelson and James Campbell Quick "Organisational Behavior - Foundations, Realities and Challenges" (second edition) West Publishing Company Minneapolis (1997) Page 149.

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

Notes **Motivational Problems**

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

1. If the motivational problem is related to the person's belief that effort will not result in performance, the solution lies in altering this belief. The person can be shown how an increase in effort or an alteration in the kind of effort put forth can be converted into improved performance.
2. If the motivational problem is related to the person's belief that performance will not result in rewards, the solution lies in altering this belief. The person can be shown how an increase in performance or a somewhat altered form of performance will be converted into rewards.
3. If the motivational problem is related to the value the person places on, or the preference the person has for certain rewards, the solution lies in influencing the value placed on the rewards or altering the rewards themselves.

Self Assessment

State whether the following statements are true or false:

9. Adam's theory of inequity focuses on a personal perceptions.
10. People desire certain outcomes of behaviour, which may be thought of as rewards or consequences of behaviour, and that they believe.
11. There is a relationship between the efforts they put forth, the performance they achieve, and the outcomes they receive.

Notes

6.5 Reinforcement Theory

Behavioral science is a very complex area itself. Therefore is not surprising that there are numerous specialists within it. Each specialist is concerned with some aspect of interpersonal relationships. Consequently with some aspect of interpersonal relationships. Consequently at training they usually to not teach the same body of knowledge, rather than approach the matter quite differently.

Several Behaviorists proposed different training techniques for human recourses development. Disturbed by the assumptions of behaviorists concerning motivation. And yet retaining some of their insights Luthans has proposed that the designates as organisation behavior modification. The differences are described thus, a motivational approach to organisational approach to organisational behavior infers that the practicing manager should attempt to define and manipulate such vague internal sates as desire. Satisfaction and attitude. Under the Organisation modification approach, the manager determines the organisational goals he wants participant behavior to accomplish the organisation stimuli available to control the behavior and the types and schedules of reinforcement that can be applied to the consequent behavior.

Behavior modification is also called as operate conditioning and positive reinforcement. It is based on learning theory and directed towards changing individual behavior rather then that of group of total organisation. The desired behavior of individual can be reinforced by incentives such as money, social approval and responsibility. Thus the behavior of organisational participants can be turned towards the results desired including efficient productive efforts. It has been increasingly efficient productive efforts. It has been increasingly applied to a variety of organisations including business firms.

6.5.1 Stages in Reinforcement

Reinforcement proceeds in three stages. *First*, the superior gives frequent positive reinforcement based on feedback from subordinate's performance, shaping their performance by constructive suggestion is infrequent and the use of praise. In *the second stage* reinforcement is infrequent and given at unpredictable times. *Finally* supervisory reinforcement is reduced greatly, allowing task accomplishment to become the subordinates primary souses of reward. All this call for training supervisors in reinforcement methods getting them to accept the psychology involved. Stages that is ideal, that has proved difficult to reach in May eases.

Those methods have been extensively used in the Amery air freight corporation. Its programs begin with a performance audit to measure the individuals current result. Work standards are then adjusted established by the supervisors, Subordinates keep performance records which are then scrutinized by their supervisors to recognize praise and reward goods results ant to criticize poor results. The program met with the difficulty that the progress reports remained necessary the envisaged natural reinforcement. The company has nevertheless deemed the program successful.

6.5.2 Types of Reinforcement

In behaviour modification, four types of reinforcement are available to help managers influence behaviour: positive reinforcement, negative reinforcement, extinction, and punishment. Skinner argues that positive reinforcement and extinction encourage individual growth whereas negative reinforcement and punishment are likely to foster immaturity in individuals and eventually contaminate the entire organization. Various types of reinforcements are explained hereunder.

1. ***Positive Reinforcement:*** Positive reinforcement involves providing a pleasant, rewarding consequence to encourage that behaviour. The rewarding consequence, such as praise, a

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raise, or time off, is said to be a positive reinforcer if it leads to repetition of the desired behaviour. Since individuals differ in regard to what they find pleasant and rewarding, managers need to monitor the effects of a particular reinforcer to determine whether it is effective in encouraging the desired behaviour. Because individuals frequently do not execute a new behaviour exactly as required when they first try it, managers often find it useful to encourage new behaviours through shaping. "Shaping" is the successive rewarding of behaviours that closely approximates the desired response until the actual desired response is made.

2. ***Negative Reinforcement:*** Negative reinforcement involves providing a noxious stimulus so that an individual will engage in the desired behaviour in order to stop the noxious (unpleasant) stimuli. With negative reinforcement, either the noxious stimulus is actually present or the potential is high for the noxious stimuli to occur unless the individual engages in the desired behaviour. Although the use of negative reinforcement may encourage the desired behaviour, it has the disadvantage of possibly making the individual feel negative toward the person providing the negative reinforcement. In such cases, individuals may react by doing only what is required, declining to put in extra time when it might be helpful, or even leaving the organization.

3. ***Extinction:*** Extinction involves withholding previously available positive consequences associated with a behaviour in order to decrease that behaviour. Eliminating any reinforcement that is maintaining behaviour is called extinction. When the behaviour is not reinforced, it tends to be gradually extinguished. For example, Professors who wish to discourage students from asking questions in class can eliminate this behaviour in their students by ignoring those who raise their hands to ask questions. Hand rising will become extinct when it is invariably met with an absence of reinforcement.

4. ***Punishment:*** Punishment is causing an unpleasant condition in an attempt to eliminate an undesirable behaviour, for example, giving an employee a two-day suspension from work without pay for coming to work in an inebriated condition. Punishment differs from negative reinforcement in at least two ways.

   i. Punishment aims to decrease or discourage an undesirable behaviour, whereas negative reinforcement attempts to increase or encourage a desirable behaviour.

   ii. Punishment is usually applied after the individual has engaged in an undesirable behaviour, conversely, with negative reinforcement the noxious stimuli stops or is avoided when the desirable behaviour occurs.

Both punishment and negative reinforcement constitute negative approach to affecting behaviour. Arguments against the use of punishment are that it can have undesirable side effects (example: negative feeling toward the punisher) and may eliminate the undesirable behaviour only as long as the threat of punishment remains. Also, it does not provide a model of correct behaviour. Still, punishment may be necessary under some circumstances, particularly if the undesirable behaviour has a serious impact on the organization or endangers others.

Reinforcement theory ignores the inner state of the individual and concentrates solely on what happens to a person when he or she takes some action. Because, it does not concern itself with what initiates behaviour, it is not, strictly speaking, a theory of motivation. But it does provide a powerful means of analysis of what controls behaviour, and it is for this reason that it is typically considered in discussions of motivation. Reinforcement is undoubtedly an important influence on behaviour, but few scholars are prepared to argue it is the only influence. The behaviour you engage in at work and the amount of effort you allocate to each task are affected by the consequences that follow from your behaviour. For example, if you are consistently reprimanded for out producing your colleagues, you will likely reduce your productivity. But your lower productivity may also be explained in terms of goals, inequity or expectancies

Self Assessment

Notes

Fill in the blanks:

12. Behavioral science is a very ..... area itself
13. Reinforcement has played a central role in .....
14. Reinforcement is the single most important principle of learning. Yet, there is much ..... over its theoretical explanation.

6.6 Application of Motivation Theory

Maslow's Hierarchy of Needs

Abraham Maslow is a humanistic psychologist developed a theory of personality, which is valuable in the field of employee motivation. Basically they believe humans strive for upper-level capabilities such as creativity and highest level of consciousness.

In his view, humans have five needs and if one need is satisfied they go to the next and motivated by unmet needs in stages. In an employee motivational perspective, applying this theory, managers must identify the unmet needs of employees to motivate them. The five needs are, physiological needs such as food, water shelter, clothing etc. They are the strongest needs because if a person is deprived of all needs the psychological ones comes first in search of satisfaction.

When psychological needs are satisfied for a person, the needs of safety become active. If the psychological needs are satisfied it no longer affects the thoughts and behaviour of humans. When the needs for safety and psychological needs are satisfied a person moves to the next need of love, affection and belongingness.

When the first three needs are satisfied, then they move to the next level of needs for self-esteem such as firmly based high-level self respect and respect from others. If these are satisfied, a person feels self-confident and valuable. When the previous four needs are satisfied the person moves to the highest need of self-actualization. That is the need, which is to do what ever the person is born to do.

In Summary, Maslow's Hierarchy of needs in the perspective of employee motivation is to identify the satisfied needs and provide opportunities to meet the unmet needs to motivate the employees. The major weaknesses of the need theory; is the non-recognition of individual differences and ignoring other factors. For example the work itself can motivate employees.

Theory X and Theory Y

Theory X and Theory Y is about Human nature like the Maslow's hierarchy of needs.

The Theory X assumes, humans are in average dislike work and avoid responsibility and must be controlled and threatened to work hard. As well, it assumes people that they don't like responsibility and desires security above all. They must be directed so that they work towards organisational goals.

These assumptions are at play behind most organisation, which pursues tight control, and punishment or they prefer harmony at work and ignore more higher order needs as specified by Maslow's hierarchy of needs so that the employees behave as Theory X expected. Theory X must be used very carefully in modern organisational environment because it may be counterproductive and may reduce motivation of employees. Contrast to Theory X, Theory Y assumes people use mental and physical effort in work as natural as play.

Notes

As well, it assumes that people will direct themselves if they are committed to the goals of the organisation. Under proper conditions, average person not only accepts responsibility, but also seeks responsibility. In addition, it assumes imagination, creativity; ingenuity can be used to solve work problems by a large number of employees.

Theory Y also assumes, that in modern industrial life intellectual potential of average man is partially utilized. In the context of employee motivation, if subordinates are not in agreement with the manager of the desired results then the only way for the manager is to use his authority to get the work done using the Theory X assumption. However, if the employees are emotionally mature, agrees with desired results, work is sufficiently responsible and flexible and the employee can see his position in the organisational hierarchy, then in these conditions participative approach to problem solving leads to much improved results applying the Theory Y.

As well, in situations, where the employees agree and commit to the objectives of the organisation, then explaining the matter fully to the employees the purpose of action and allow them to self-direct them, they may use better methods and do a better work than simply carrying out an order from the manager. Theory Y is more appropriate in this situation.

Herzberg's Motivation and Hygiene Theory

In this theory, there are two sets of needs. They are basic needs and motivational needs. The basic needs can be working conditions, supervision, company policy and administration, salary and interpersonal relationship. These needs if not met, then employees will be dissatisfied, but not motivate them. That is, if the manager wants to stop the employees doing something, then they must consider hygiene needs. However, if they want to get someone to do something, then they must consider motivational needs. In this theory, the motivational needs are achievement and recognition, work variety, responsibility and advancement.

Expectancy and Contingency Theories

According to expectancy theory, people behaviour at work and their goals are not simple. The employee performance at work is based on individual factors such as personality, skill, knowledge, experience, and abilities. The theory suggests even if the individuals have different sets of goals, they can be motivated if they believe their effort leads to performance and performance results in desirable reward.

As well, the reward satisfies an important need. Then the desire to satisfy the need is strong to make the effort maximize benefits and minimize pain. In this context, the managers must identify what an individual's value is, such as money, promotion, time-off, benefits or satisfaction rewards. They are called valence.

As well, employees have different expectations and confidence about what they are capable of doing. In this respect, managers must identify what resources, training, and supervision employee's need. They are called expectancy. In addition, employees may perceive as whether they will receive what they desire. In this regard management must ensure their promises of rewards are fulfilled and that employees are aware of these rewards. The employee perception of reward is called instrumentality. In this manner a manger can apply the expectancy theory to motivate employees.

Contingency theories of employee motivation recognize leadership and its relevance in different organisational situations and in the context of the profile of workers and type of jobs they do and match the leadership to situation or change situation to leadership style to manage workers and motivate them.

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In addition, contingency theories also recognizes the organisational structural issues, such as centralization opposed to decentralization, span of control, delegation, levels of management, decision-making process, which suits the external and internal environment and the static and dynamic nature of the internal and external environment.

As well, the contingency theory considers organisational culture, individual differences, conflict level and the recognition of these variables to motivate staff. That is, motivation of employees must differ from one organisation to the next, depending on the nature of activities, profile of human potential, personality, skill, knowledge, experience, organisational culture, technology, nature of external and internal environment, planning horizons, individual differences, structure of organisation, group behaviour and dynamics.

Tasks Discuss how will you motivate a colleague to increase his/her productivity at workplace when he is bogged down by work-life balance.

Self Assessment

State whether the following statements are true or false:

15. Abraham Maslow is a humanistic psychologist developed a theory of personality, which is valuable in the field of employee motivation
16. Theory X and Theory Y is about Human nature like the Maslow's hierarchy of needs.
17. Contingency theories of employee motivation recognize leadership and its relevance in different organisational situations.

6.7 Summary

- David C. McClelland offers a different perspective, 'acquired-needs' theory, which argues that our needs are acquired or learned on the basis of our life experience.
- Although such needs tend to be a product of a variety of conditions to which we are exposed, sometimes even a specific event can profoundly influence our desires.
- The individual exhibiting this need as the dominant one derives satisfaction from his or her ability to control others.
- Actual achievement of desired goals is of secondary importance to the high nPow individual; instead the means by which goals are achieved (the exercise of power) are of primary importance.
- McClelland has analyzed various needs in terms of their relationship to managerial effectiveness.
- Individuals with a personal-power orientation run into difficulties as managers because they often attempt to use the efforts of others for their own personal benefit.
- Intentions to work toward a goal are a major source of work motivation.
- Specific hard goals produce a higher level of output than does the generalized goal of "do your best".
- Goal-setting theory presupposes that an individual is committed to the goal, that is, determined not to lower or abandon the goal.

Notes

- Adam's Theory of Equity is one of the popular social exchange theories and is perhaps the most rigorously development statement of how individuals evaluate social exchange relationships.
- Reinforcement has played a central role in learning.
- Most learning experts agree that reinforcement is the single most important principle of learning.

6.8 Keywords

Benevolent: These are people who are comfortable with an equity ratio less than that of his or her comparison other.

Entitled: These are people who are comfortable with an equity ratio greater than their comparison to the other.

Equity Sensitives: These are those people who prefer equity based on the originally formed theory.

Equity Theory: Equity theory proposes that individuals attempt to reduce any inequity they may feel as a result of this exchange relationship.

Extinction: Extinction involves withholding previously available positive consequences associated with a behaviour in order to decrease that behaviour.

Negative Reinforcement: Negative reinforcement involves providing a noxious stimulus so that an individual will engage in the desired behaviour in order to stop the noxious (unpleasant) stimuli.

Positive Reinforcement: Positive reinforcement involves providing a pleasant, rewarding consequence to encourage that behaviour.

Punishment: Punishment is causing an unpleasant condition in an attempt to eliminate an undesirable behaviour.

Reinforcement: The attempt to develop or strengthen desirable behaviour by either bestowing positive consequences or withholding negative consequences.

Victor H Vroom's Expectancy Theory of Motivation: This theory focuses on personal perceptions. His theory is founded on the basic notions that people desire certain outcomes of behaviour, which may be thought of as rewards or consequences of behaviour.

6.9 Review Questions

1. What motivates professional employees?
2. What motivates temporary employees?
3. What is the role of money in motivation?
4. How would a person who works for growth needs behave in an organisation and why?
5. Examine McClelland's theory of needs.

Answers: Self Assessment

1.	David C. McClelland	2.	Murray
3.	Managerial effectiveness	4.	True

Notes

5.	True	6.	True
7.	False	8.	True
9.	False	10.	True
11.	True	12.	Complex
13.	Learning	14.	Controversy
15.	True	16.	True
17.	True		

6.10 Further Readings

Books

Aquinas PG, *Organisational Behavior*, Excel Books.

Ashwathappa K, *Organisation Behaviour*, Himalaya Publishers, New Delhi, 2007.

Luthans F, *Organisational Behaviour*, McGraw Hill, New Delhi, 2007.

Robbins S P, Timothy A. Judge and Sanghi Seema, *Organisational Behaviour*, Pearson Education, New Delhi, 2009

Online links

www.pickthebrain.com

www.motivation-tools.com

www.accel-team.com

Notes

Unit 7: Group Behaviour

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Objectives

After studying this unit, you will be able to:

- Define the term group
- Discuss various types of groups
- State the reasons for forming groups
- Explain the stages of group development
- Know about group decision-making

Introduction

Man is by nature a social animal. It is impossible for him to work in isolation of all the other people around him. Moreover, in the world today, it has become almost imperative for a professional to work in consonance with other professionals around.

Organisations are nothing but a group of many professionals working together to achieve a common goal. Different departments comprise of smaller groups to work over a project/goal/ objective.

Thus it is quite obvious that the organisations are existent and successful only because of the existence and success of the various task groups and project teams existing inside them.

We define "group" as more than two employees who have an ongoing relationship in which they interact and influence one another's behaviour and performance. The behaviour of individuals in groups is something more than the sum total of each acting in his or her own way. In other words, when individuals are in groups, they act differently than they do when they are alone.

7.1 Types of Groups

Notes

Groups can be either formal or informal.

1. ***Formal Groups:*** A formal group is set up by the organisation to carry out work in support of the organisation's goals. In formal groups, the behaviours that one should engage in are stipulated by – and directed toward – organisational goals. Examples include a book-keeping department, an executive committee, and a product development team. Formal groups may be command groups or task groups.

   (a) *Command Group:* A command group consists of a manager and the employees who report to him or her. Thus, it is defined in terms of the organisation's hierarchy. Membership in the group arises from each employee's position on the organisational chart.

   (b) *Task Group:* A task group is made up of employees who work together to complete a particular task or project. A task group's boundaries are not limited to its immediate hierarchical superior.

   It can cross command relationships. A employee's membership in the group arises from the responsibilities delegated to the employee – that is, the employee's responsibility to carry out particular activities. Task group may be temporary with an established life span, or they may be open ended.

2. ***Informal Groups:*** An organisation's informal groups are groups that evolve to meet social or affiliation needs by bringing people together based on shared interests or friendship. Thus, informal groups are alliances that are neither formally structured nor organisationally determined. These groups are natural formations in the work environment that appear in response to the need for social contact. Many factors explain why people are attracted to one another. One explanation is simply proximity; when people work near one another every day, they are likely to form friendships. That likelihood is even greater when people also share similar attitudes, personalities, or economic status.

   (a) *Friendship Groups:* Groups often develop because the individual members have one or more common characteristics. We call these formations 'friendship groups'. Social alliances, which frequently extend outside the work situation, can be based on similar age, same political view, attended the same college, etc.

   (b) *Interest Groups:* People who may or may not be aligned into common command or task groups may affiliate to attain a specific objective with which each is concerned. This is an interest group.

   (c) *Reference Groups:* Sometimes, people use a group as a basis for comparison in making decisions or forming opinions. When a group is used in this way, it is a reference group. Employees have reference groups inside or outside the organisation where they work. For most people, the family is the most important reference groups. Other important reference groups typically include co-workers, friends, and members of the person's religious organisation. The employee need not admire a group for it to serve as a reference group. Some reference groups serve as a negative reference; the employee tries to be unlike members of these groups.

   (d) *Membership Groups:* When a person does belong to a group (formal and informal groups to which employees actually belong) the group is called a membership group (or affiliation group) for that person. Members of a group have some collection of benefits and responsibilities that go beyond the group serving as a reference

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point. In a membership group, each member would be expected to contribute to the group's well being and would enjoy the benefits arising from the group members' friendship.

Tasks Evaluate the type of group you are at workplace most often. Did you have to be a part of a group you did not want? What was the type of that group?

7.1.1 Reasons for Forming Groups

Formal and informal groups form in organisations for different reasons. Formal groups are sometimes called official or assigned groups and informal groups may be called unofficial or emergent groups. Organisations routinely form groups. If we assume management decisions are rational, groups must benefit organisations in some way. Presumably, the use of groups can contribute to achieving and maintaining a sustainable competitive advantage. Groups can do this if they enable an organisation to fully tap the abilities and energy of its human resources. Furthermore, with regard to informal groups, people form groups to meet their individual needs.

Notes **Why do People Join Groups?**

1. ***Security:*** By joining a group, individuals can reduce the insecurity of standing alone. People feel stronger, have fewer self-doubts, and are more resistant to threats when they are part of a group.
2. ***Status:*** Inclusion in a group that is viewed as important by others provides recognition and status for its members.
3. ***Self-esteem:*** Groups can provide people with feelings of self-worth. That is, in addition to conveying status to those outside the group, membership can also give increased feelings of worth to the group members themselves.
4. ***Affiliation:*** Groups can fulfil social needs. People enjoy the regular interaction that comes with group membership. For many people, these on-the-job interactions are their primary source for fulfilling their needs for affiliation.
5. ***Power:*** What cannot be achieved individually often becomes possible through group action. There is power in numbers.
6. ***Goal Achievement:*** There are times when it takes more than one person to accomplish a particular task – there is a need to pool talents, knowledge, or power in order to get a job completed. In such instances, management will rely on the use of a formal group.

1. ***Performance:*** Group effort can be more efficient and effective than individual efforts because they enable employees to specialize and contribute a variety of strengths. Organisations structure employees into functional and task groups so that they can develop and apply expertise in particular functions, products, problems or customers. The other factor contributing to performance is motivation, and groups can enhance this as well. When employees work in groups, the group is an important force for creating and enforcing standards for behaviour.

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2. ***Cooperation:*** Carrying out an organisation's mission is something no single person can do alone. However, for several people to accomplish a mutual goal, they must cooperate. Group dynamics and characteristics can enhance cooperation among employees, especially when members identify themselves with – and as – a group and are rewarded for group success.

3. ***Satisfaction:*** If satisfaction improves motivation (and therefore performance), organisations as well as individual employees can benefit from employees' satisfaction derived from group membership. A major source of this satisfaction is that people have needs for being with others and being liked by them. The way people satisfy this category of needs is participating in groups focusing on social activity. Group membership may also be a means for satisfying needs for security, power and esteem.

Self Assessment

State whether the following statements are true or false:

1. Man is by nature a wild animal.
2. Organisations are group of professionals working apart to achieve different goals.
3. Different departments comprise of smaller groups to work over a project/goal/objective.
4. We define "group" as more than two employees who have an ongoing relationship in which they interact and influence one another's behaviour and performance.
5. People who may or may not be aligned into common command or task groups may affiliate to attain a specific objective with which each is concerned. This is an interest group.

7.2 Stages of Group Development

In interpreting behaviour of a particular group, it is important to recognize not only a broad pattern of development but also the unique characteristics of the particular group and the circumstances that contribute to (or detract from) its development. The way in which a particular group develops, depends in part on such variables as the frequency with which group members interact and personal characteristics of group members. However, it is generally believed that groups pass through a standard sequence of five stages.

1. ***Forming:*** When a group is initially formed, its members cannot accomplish much until they agree on what their purpose is, how they will work together and so on. Answering such questions brings group members face to face with the first obstacle to maturity: uncertainty, anxiety, and disagreement over power and authority. In this stage, the focus is on the interpersonal relations among the members. Members assess one another with regard to trustworthiness, emotional comfort, and evaluative acceptance. Thus, the forming stage is characterized by a great deal of uncertainty about the group's purpose, structure and leadership. Members are testing the waters to determine the type of behaviour that is acceptable. This stage is complete when members have begun to think of themselves as part of a group.

2. ***Storming:*** The storming stage is one of intergroup conflict. Members accept the existence of the group, but resist the constraints the group imposes on individuality. Further, there is conflict over who will control the group. After a group leader has emerged, the remaining group members must sort out where they fit in the group. Even if all the group members accept the leader, the group enters a phase of conflict and challenge. One or more followers

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may test the leader. The group may split into factions supporting and opposing the leader. If the group gets stuck in this phase of development, group members may engage in battles over turf and expend their energies on a variety of political tactics. When this stage is complete, a relatively clear hierarchy of leadership exists within the group.

3. ***Norming:*** In this stage, close relationships develop and the group demonstrates cohesiveness. Entering and conducting the cohesion phase requires intervention by a group member who is emotionally unaffected by power and authority issues. Typically, such a person encourages group members to confront these issues openly. If the group engages in this process, the cohesion phase usually passes quickly. Group members recognize where they fit in, and the group agrees on how it will operate. A new leader may emerge, or the existing leader may become more aware of how much others in the group contribute. The norming stage is complete when the group structure solidifies and the group has assimilated a common set of expectations of what defines correct member behaviour.

4. ***Performing:*** The fourth stage is performing. The structure at this point is fully functional and accepted. Group energy has moved from getting to know and understand each other to performing the task at hand. Members' attention is directed to self-motivation and the motivation of other group members for task accomplishment. Some members focus on the task function of initiating activity and ensure that the work of the group really gets moving. Other members contribute to motivation and commitment within the group through maintenance functions such as supporting, encouraging and recognizing the contributions of members or through establishing the standards that the group may use in evaluating its performance.

5. ***Adjourning:*** For permanent work groups, performing is the last stage in their development. However for temporary groups, there is an adjourning stage. In this stage, the group prepares for its disbandment. High task performance is no longer the group's top priority. Instead, attention is directed toward wrapping up activities.

Self Assessment

Fill in the blanks:

6. In ..... behaviour of a particular group, it is important to recognize not only a broad pattern of development but also the unique characteristics of the particular group and the circumstances that contribute to (or detract from) its development.

7. The way in which a particular group develops, depends in part on such variables as the frequency with which group members .....

8. It is generally believed that groups pass through a standard sequence of ..... stages.

7.3 Group Decision-making

The most common form of group decision-making takes place in face-to-face interacting groups. Interacting groups often censor themselves and pressure individual members toward conformity of opinion. Once a manager has determined that a group decision approach should be used, he or she can determine the technique best suited to the decision situation. Some of the techniques are summarized below:

1. ***Brainstorming:*** Brainstorming is a good technique for generating alternatives. The idea behind brainstorming is to generate as many ideas as possible, suspending evaluation

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until all of the ideas have been suggested. Participations are encouraged to build upon the suggestions of others, and imagination is emphasized. Brainstorming is meant to overcome pressures for conformity in the interacting group that retard the development of creative alternatives. Groups that use brainstorming produce significantly more ideas than groups that do not.

2. ***Nominal Group Technique (NGT):*** The nominal group technique restricts discussion or interpersonal communication during the decision-making process, hence the term 'nominal'. Group members are all physically present, as in a traditional committee meeting, but members operate independently. NGT has the following discrete steps:

   (a) Individuals silently list their ideas.

   (b) Ideas are written on a chart one at a time until all ideas are listed.

   (c) Discussion is permitted, but only to clarify the ideas. No criticism is allowed.

   (d) A vote is taken by ballot or other recordable means.

3. ***Delphi Technique:*** The Delphi technique originated at the Rand Corporation to gather the judgements of experts for use in decision-making. The Delphi method is similar to the nominal group technique except that it does not require the physical presence of the group's members. Experts at remote locations respond to a questionnaire. A co-ordinator summarizes the responses to the questionnaire, and the summary is sent back to the experts. The experts then rate the various alternatives generated, and the coordinator tabulates the results. The following steps characterize the Delphi technique.

   (a) The problem is identified and members are asked to provide potential solutions through a series of carefully designed questionnaires.

   (b) Each member anonymously and independently completes the questionnaire.

   (c) Results of the questionnaire are compiled at a central location, transcribed, and reproduced.

   (d) Each member receives a copy of the results.

   (e) After viewing the results, members are again asked for their solutions.

   The advantages of the Delphi Technique are:

   (a) The Delphi technique is valuable in its ability to generate a number of independent judgements without the requirement of a face-to-face meeting.

   (b) The Delphi technique can be used for decision-making among geographically scattered groups.

   (c) The cost of bringing experts together at a central location is avoided.

   The disadvantages of the Delphi Technique are:

   (a) The Delphi technique is extremely time consuming, it is frequently not applicable where a speedy decision is necessary.

   (b) The method may not develop the rich array of alternatives as the interacting of nominal group technique does.

   (c) Ideas that might surface from the heat of face-to-face interaction may never arise. On the other, introspection in isolation may produce superior results.

4. ***Electronic Meetings:*** This method blends the nominal group technique with sophisticated computer technology. Issues are presented to participants and they type their responses

Notes

onto their computer screen. Individual comments, as well as aggregate votes, are displayed on a projection screen.

The advantages of electronic meetings are:

(a) Participants can anonymously type any message they want and it flashes on the screen for all to see at the push of a key on a participant's keyboard.

(b) It allows people to be brutally honest without incurring any penalty.

(c) It is fast because discussions don't go off the point and many participants can "talk" at once.

The disadvantages of electronic meetings are:

(a) Those who can type fast can outshine those who are verbally eloquent but poor typists.

(b) Those with the best ideas don't get credit for them; and

(c) The process lacks the information richness of face-to-face oral communication.

Self Assessment

State whether the following statements are true or false:

9. The most common form of group decision-making takes place in pace-to-pace interacting groups.
10. Interacting groups often censor themselves and pressure individual members toward conformity of opinion.
11. Once a manager has determined that a group decision approach should be used, he or she can determine the technique best suited to the decision situation.
12. The idea behind brainstorming is to generate as many ideas as possible, suspending evaluation until all of the ideas have been suggested.
13. The Delphi technique restricts discussion on interpersonal communication during the decision-making process.
14. The Brainstorming technique originated at the Rand Corporation to gather the judgements of experts for use in decision-making.
15. Self-managed teams make many of the decisions that were once reserved for managers, such as work scheduling, job assignments and staffing.

7.4 Summary

- If a group in which the individual is working, is conducive for work, the performance of the individual will be similarly affected and vice versa.
- There are many reasons and methods for group formation but groups are mandatory for one's work.
- Man is by nature a social animal. It is impossible for him to work in isolation of all the other people around him.
- In the world today, it has become almost imperative for a professional to work in consonance with other professionals around.

Notes

- Organisations are nothing but a group of many professionals working together to achieve a common goal.
- Different departments comprise of smaller groups to work over a project/goal/objective.
- The behaviour of individuals in groups is something more than the sum total of each acting in his or her own way.
- In other words, when individuals are in groups, they act differently than they do when they are alone.
- A formal group is set up by the organisation to carry out work in support of the organisation's goals.
- Informal groups are alliances that are neither formally structured nor organisationally determined.
- People who may or may not be aligned into common command or task groups may affiliate to attain a specific objective with which each is concerned. This is an interest group.
- Sometimes, people use a group as a basis for comparison in making decisions or forming opinions. When a group is used in this way, it is a reference group
- When a person does belong to a group (formal and informal groups to which employees actually belong) the group is called a membership group (or affiliation group)
- Groups pass through a standard sequence of five stages: Forming, Storming, Norming, Performing and Adjourning.

7.5 Keywords

Formal Group: A formal group is set up by the organisation to carry out work in support of the organisation's goals.

Group: The term "group" is defined as more than two employees who have an ongoing relationship in which they interact and influence one another's behaviour and performance.

Informal Groups: Informal groups are alliances that are neither formally structured nor organisationally determined.

Interest Group: People who may or may not be aligned into common command or task groups may affiliate to attain a specific objective with which each is concerned. This is an interest group.

Membership Group: When a person does belong to a group (formal and informal groups to which employees actually belong) the group is called a membership group (or affiliation group).

Organisations: Organisations are nothing but a group of many professionals working together to achieve a common goal.

Reference Group: Sometimes, people use a group as a basis for comparison in making decisions or forming opinions. When a group is used in this way, it is a reference group.

7.6 Review Questions

1. Define "group". Explain the different types of groups.
2. Explain the reasons for forming groups.
3. Explain the different stages of group development.

Notes

4. What problems have you faced while working in groups?
5. Why are statistics useful in explaining group behavior but not reliable for explaining or predicting individual behavior?
6. How can a group be successful even after having many people with leadership qualities?
7. According to you, which should be more productive and why – a command group or a task group?
8. What do you think are more conducive to work – formal or informal groups, and why?
9. Examine various stages of group development.
10. What are the benefits that an organisation earns from the self managed groups? Can such a group have limitations? If yes, what, and if no, why not?

Answers: Self Assessment

1.	False	2.	False
3.	True	4.	True
5.	True	6.	Interpreting
7.	Interact	8.	Five
9.	False	10.	True
11.	True	12.	True
13.	False	14.	False
15.	True		

7.7 Further Readings

Books

Aquinas PG, *Organisational Behavior*, Excel Books.

Ashwathappa K, *Organisation Behaviour*, Himalaya Publishers, New Delhi, 2007.

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Robbins S P, Timothy A. Judge and Sanghi Seema, *Organisational Behaviour*, Pearson Education, New Delhi, 2009

Online links

ww.ingentaconnect.com

mymbaclasses.blogspot.co

Notes

Unit 8: Group Properties

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Objectives

After studying this unit, you will be able to:

- Define the term role
- Discuss the meaning and types of norms
- State the relevance of status and size in group formation
- Explain the concept of cohesiveness,
- Know the Hawthorne Studies

Introduction

Groups in organisations are more than collections of individual employees. We can distinguish effective groups in terms of role structures, norms, cohesiveness, leadership, status, tasks and size. These characteristics act as a means of understanding why some groups perform better than others.

8.1 Role

A role is a set of activities expected of a person occupying a particular position within the group. It is a pattern of behaviour that is expected of an individual when he interacts with others. The understanding of role behaviour would be dramatically simplified if each of us chose one role and play it out regularly and constantly. However, Individuals play multiple roles while adjusting their roles to the group in which they are. Different groups impose different role requirements on individuals.

Notes

Characteristics of Roles

(i) Roles are impersonal. It is the position that determines the expectations, not the individual.

(ii) An organisational role is that set of expected behaviours applicable to a particular position vis-à-vis a particular job.

(iii) It is fairly difficult to pin down roles in exact terms. It is the most complex organised response pattern the human being is capable of undertaking.

(iv) Roles are learned quickly and can result in major changes in behaviour.

Role Identity: Role identity is certain attitudes and behaviour consistent with a role. People have the ability to shift roles rapidly when they recognize that the situation and its demands clearly require major changes. For example, when a worker who holds a position in a workers' union is promoted as supervisor, his attitude will change from pro-union to pro-management.

Role Perception: Role perception is an individual's view of how he or she is supposed to act in a given situation. Based on an interpretation of how we believe we are supposed to behave, we engage in certain types of behaviour.

Role Expectations: Role expectations are defined as how others believe you should act in a given situation. How you behave is determined to a large extent by the role, defined in the context within which you are operating.

Role Conflict: Role conflict is a situation in which an individual is confronted by divergent role expectations. Role conflict, like other forms of conflict, can be a major source of stress. Excessive stress can cause problems for individual employees and for the organisations that employ them.

Each person in a group has a role, or a pattern of expected behaviours associated with a certain position in the group. Each group member's role is a part of the group's overall role structure, that is, the set of roles and relationships among roles that has been defined and accepted by group members. Roles develop through a combination of group processes and individual processes.

a. Group members have an expected role for each individual. In formal groups, the organisation has expectations of what employees in each position should do.

b. Though verbal and behavioural messages, group members communicate their expectations: A sent role. For expected roles in formal groups, the organisation often spells out its expectations in job descriptions.

c. The individual group member's perceptions of these communication results in a perceived role.

d. The group member's response, acting out (or not acting out) the perceived role is the enacted role. The way the role is enacted influences the group's future role expectations.

Did u know? A group is most likely to be effective if its members understand and accept roles that are consistent with high performance.

Self Assessment

State whether the following statements are true or false:

1. A role is a set of activities expected of a person occupying a particular position within the group.

Notes

2. Role is a pattern of behaviour that is expected of an individual when he interacts with others.
3. The understanding of role behaviour would be dramatically simplified if each of us chose one role and play it out regularly and constantly.
4. Individuals play multiple roles while adjusting their roles to the group in which they are.
5. Different groups impose different role requirements on individuals.
6. Roles are impersonal means the position that determines the expectations, not the individual.
7. Role conflict is certain attitudes and behaviour consistent with a role.
8. Role expectations is an individual's view of how he or she is supposed to act in a given situation.
9. Role perception are defined as how others believe you should act in a given situation.
10. Role identity is a situation in which an individual is confronted by divergent role expectations.

8.2 Norms

Norms are shared ways of looking at the world. Groups control members through the use of norms. A norm is a rule of conduct that has been established by group members to maintain consistency in behaviour. Norms tell members what they ought and ought not to do under certain circumstances. From an individual's standpoint, they tell what is expected of him in certain situations. Norms differ among groups, communities, and societies, but they all have norms.

According to Hackman, norms have five characteristics:

(i) Norms summarize and simplify group influence processes. They resolve impersonal differences in a group and ensure uniformity of action.

(ii) Norms apply only to behaviour – not to private thoughts and feelings.

(iii) Norms are usually developed gradually, but the process can be shortened if members so desire.

(iv) Not all norms apply to everyone. High status members often enjoy more freedom to deviate from the "letter of the law" than do other members.

Types of Norms

A work group's norms are unique to each work group. Yet there are some common classes of norms that appear in most work groups:

(i) ***Performance-related processes:*** Work groups typically provide their members with explicit cues on how hard they should work, how to get the job done, their level of output, etc. These norms deal with performance-related processes and have an extremely powerful effect on an individual employee's performance.

(ii) ***Appearance Factors:*** Some organisations have formal dress codes. However, even in their absence, norms frequently develop to dictate the kind of clothing that should be worn to work.

(iii) ***Allocation of Resources:*** These norms cover pay, assignment of difficult jobs, and allocation of new tools and equipment.

Notes

(iv) ***Informal Social Arrangement:*** These norms can originate in the group or in the organisation and cover pay, assignment of difficult jobs, and allocation of new tools and equipment.

Factors Influencing Conformance to Norms

As a member of a group, you desire acceptance by the group. Because of your desire for acceptance, you are susceptible to conforming to the group's norms. There is considerable evidence to show that groups can exert strong pressures on individual members to change their attitudes and behaviours to conform to the group's standard. However, conformity to norms is not automatic, it depends on the following factors:

i. ***Personality Factors:*** Research on personality factors suggests that the more intelligent are less likely to conform than the less intelligent. Again, in unusual situations where decisions must be taken based on items that are not very clear, there is a greater tendency to conform to the group's norms. Under conditions of crisis, conformity to group norms is highly probable, e.g., in wartime.

ii. ***Situational Factors:*** Group size, communication patterns, degree of group unanimity, etc., are the situational factors influencing the conformity to norms.

iii. ***Intragroup Relationships:*** A group that is seen as being credible will evoke more compliance than a group that is not.

iv. ***Compatible Goals:*** When individual goals coincide with group goals, people are more willing to adhere to group norms.

The standards that a work group uses to evaluate the behaviour of its members are its norms of behaviour. These norms may be written or unwritten, verbalized or not verbalized, implicit or explicit. They pertain to that individual members of the group should do, or they may specify what members of a group should not do. Norms may exist in any aspect of work group life. They may evolve informally or unconsciously within a group, or they may arise in response to challenges.

Norms reflect the culture of the particular group, so they vary from one group to another. When the group's norms are consistent with the organisation's goals, they can contribute to organisational effectiveness. The degree to which norms have an impact depends on the extent to which group members comply with them and the group's enforcement of them.

Notes **Individual Adjustment**

The degree to which group members accept norms is called individual adjustment. The impact of individual adjustment on the group depends on whether norms are pivotal or peripheral. Pivotal norms define behaviour that is absolutely required for continued membership in the group. Peripheral norms define behaviour that is desirable – but not essential – for continued group membership. Combining these types of norms with the choice of whether or not to accept them, results in four possible levels of individual adjustment:

(i) Acceptance of both kinds of norms is "conformity" to the group.

(ii) Rejection of both kinds of norms results in "open revolution".

(iii) Accepting only pivotal norms amounts to "creative individualism".

(iv) Accepting only peripheral norms amounts to "subversive rebellion".

Notes

Enforcement of Norms: To function effectively, groups enforce their norms in various ways:

(i) The group may increase communication with a non-conforming member.

(ii) If that does not work, the group may ignore the non-conforming member and exclude him or her from activities.

(iii) In extreme cases, group members may resort to physical coercion or expulsion.

Self Assessment

Fill in the blanks:

11. ..... are shared ways of looking at the world.

12. A work group's norms are ..... to each work group.

13. Norms may be ..... or .....

14. Norms reflect the ..... of the particular group, so they vary from one group to another.

8.3 Status

Status is a socially defined position or rank given to groups or group members by others. Individual group members are also distinguished by the amount of status they have within the group – that is, the degree of worth and respect they are accorded by group members. Status is an important factor in understanding human behaviour because it is a significant motivator and has major behavioural consequences when individuals perceive a disparity between what they believe their status to be and what others perceive it to be.

Formal Status: Status may be formally imposed by organisations through position and titles. We are all familiar with the trappings of high organisational status – large offices with impressive views, fancy titles, high pay, etc.

Informal Status: Status may be informally acquired by such characteristics as education, age, gender, skill and experience. Anything can have status value if others in the group evaluate it as status conferring.

Status is an important characteristic of groups because it affects group structure and dynamics. Status figures in the allocation of roles among group members. In general, high-status group members get high status roles such as group leader or expert, whereas low-status group members get low-status roles. Further more, group members tend to pay more attention to input from high-status group members, including their contributions to group decisions.

Status is the degree of worth and respect that other members of the group accord individual group members. Status may arise from the person's job or behaviour in the group. Often, a group member's status is linked to the person's position in the organisation. Someone near the top of the organisation's hierarchy has a higher status. Status may also be based on age, gender, educational qualifications, seniority, race or other characteristics.

The status of group members can enhance effectiveness if the high-status members have the most to contribute to the group's objectives. However, if status causes a person to have influence beyond his or her ability to contribute to group goals, the group's effectiveness will suffer.

Notes

Status Effects

1. ***On Norms and Conformity:***
   i. High-status members are less restrained by norms and pressure to conform
   ii. Some level of deviance is allowed to high-status members so long as it doesn't affect group goal achievement
2. ***On Group Interaction:***
   i. High-status members are more assertive
   ii. Large status differences limit diversity of ideas and creativity

On Equity

If status is perceived to be inequitable, it will result in various forms of corrective behavior

Self Assessment

State whether the following statements are true or false:

15. Status is a legally defined position or rank given to groups or group members by others.
16. Status may be informally imposed by organisations through position and titles.
17. Status may be formally acquired by such characteristics as education, age, gender, skill and experience.

8.4 Size and Composition

The size of a group can have profound implications on how the group behaves internally and with regard to other groups. It is an important factor determining the number of interactions of individuals in a group. In a small group, face-to-face interaction is quite easy and uncomplicated. Members can easily communicate with other group members. Research evidence confirms the fact that small groups are effective. On the other hand, in large groups, members have a better chance of finding people they like to work with. The potential for greater variety of talents is also greater. But the disadvantages of size more than offset its advantages. Larger groups, therefore, apart from being relatively less manageable, offer greater opportunities for differences between – and among – individuals.

Related Issues

Social Loafing

1. The tendency for individuals to expend less effort when working collectively than when working individually
2. Ringelmann's Rope Pull (Greater levels of productivity but with diminishing returns as group size increases)
3. Caused by either equity concerns or a diffusion of responsibility (**free riders**)

Notes

Managerial Implications

1. Build in individual accountability
2. Prevent social loafing by:
   i. Set group goals
   ii. Increase intergroup competition
   iii. Use peer evaluation
   iv. Distribute group rewards based on individual effort

Notes **Composition**

Most group activities require a variety of skills and knowledge. Given this requirement, it would be reasonable to conclude that heterogeneous groups would be more likely to have diverse abilities and information and should be more effective. When a group is heterogeneous in terms of gender, personalities, opinions, abilities, skills and perspectives, there is an increased probability that the group will possess the needed characteristics to complete its tasks effectively. The group may be more conflict laden and less expedient as diverse positions are introduced and assimilated, but the evidence generally supports the conclusion that heterogeneous groups perform more effectively than do those that are homogeneous.

Self Assessment

Fill in the blank:

18. The ..... of a group can have profound implications on how the group behaves internally and with regard to other groups.

8.5 Cohesiveness

It is the Degree to which group members are attracted to each other and are motivated to stay in the group.

The commitment of members to a group and the strength of their desire to remain in the group constitutes a group's cohesiveness. Group cohesion is the "interpersonal glue" that makes the members of a group stick together. Group cohesion can enhance job satisfaction for members and improve organisational productivity. Highly cohesive groups at work may not have many interpersonal exchanges away from the workplace. However, they are able to control and manage their membership better than work groups low in cohesion. This is due to the strong motivation in highly cohesive groups to maintain good, close relationships with other members.

Factors Affecting Cohesiveness: Individuals tend to consider a group attractive if it meets the following conditions:

1. The group's goals are clear and compatible with members' goals.
2. The group has a charismatic leader.
3. The group has a reputation for successfully accomplishing its task.
4. The group is small enough that members can air their opinions and have them evaluated.

Notes

5. The members support one another and help each other overcome barriers to growth and development.

Furthermore, cohesiveness may be easier to establish in a group whose membership is homogeneous. Groups also tend to be highly cohesive when they perceive a threat that gives group members a "common enemy".

Managerial Implication–To increase cohesiveness:

1. Make the group smaller.
2. Encourage agreement with group goals.
3. Increase time members spend together.
4. Increase group status and admission difficulty.
5. Stimulate competition with other groups.
6. Give rewards to the group, not to individuals.
7. Physically isolate the group.

Tasks "Group cohesion is the "interpersonal glue." Comment.

Self Assessment

State whether the following statements are true or false:

19. Cohesiveness is the Degree to which group members are attracted to each other and are motivated to stay in the group.
20. Cohesiveness may be easier to establish in a group whose membership is homogeneous.

8.6 Hawthorne Studies

The Hawthorne Studies took place at a the Hawthorne works electric plant (outside Chicago). The "Hawthorne Effect" describes the effects that observing, surveying, and showing an interest in workers and the workplace have on the performance of the workers and their productivity. The human relations movement refers to the approach to management and worker productivity that takes into account a person's motivation, satisfaction, and relationship with others in the workplace. Prior to the human relations movement, Scientific Management, dominated most approaches to managing employees. Frederick Taylor, who died in 1915, did not live to see the employee motivation studies that were conducted at Western Electric's Hawthorne plant, near Chicago, Illinois, from 1927 to 1932. However, the founder of the scientific school of management would have no doubt been interested in the results. The Hawthorne studies undercut a core pillar of Taylorism—the notion that workers were motivated purely by economic gain.

Researchers from Western Electric and Harvard University led the Hawthorne studies. (General Electric originally contributed funding, but they withdrew after the first trial was completed.) The studies were intended to examine the influence of environmental variables on a group of production workers. The group of workers was divided into two subgroups: a test group, which would undergo environmental changes, and a control group. The members of the control group would work under normal, constant environment conditions.

Notes

The researchers began by manipulating the lighting of the test group. When lighting for the test group was increased, their productivity increased—but the productivity of the control group increased, as well. This result was somewhat unexpected, since the lighting at the workstations of the control group had not been altered.

The researchers then decreased the lighting at the test group's workstations. Surprisingly, both the test group and the control group continued to improve their productivity. There were no decreases in productivity until the light was reduced to the point where the workers could barely see. The researchers concluded that light did not have a significant impact on the motivation of production workers. This led General Electric, a light bulb manufacturer, to withdraw their funding.

The next experiment utilized a mainstay of scientific management: incentive-based, piecework system. The researchers expected, according to the conventional wisdom of the day, that this would inspire the employees to dramatically increase their pace. However, rather than working as fast as they could individually, the workers calibrated themselves as a group. Employees who worked more slowly than average were derided as "chiselers." Employees who attempted to work faster than the group were called "rate busters." In other words, any significant deviation from the collectively imposed norm was punished.

These results were, of course, a major blow to the position of scientific management, which held that employees were only motivated by individual economic interest. The Hawthorne studies drew attention to the social needs as an additional source of motivation. Taylor's emphasis on economic incentives was not wholly discredited, but economic incentives were now viewed as one factor—not the sole factor—to which employees responded.

Notes **Group Norms and the Hawthorne Studies**

A series of studies undertaken by Elton Mayo at Western Electric Company's Hawthorne Works in Chicago between 1924 and 1932

Research Conclusions:

- Worker behavior and sentiments were closely related.
- Group influences (norms) were significant in affecting individual behavior.
- Group standards (norms) were highly effective in establishing individual worker output.
- Money was less a factor in determining worker output than were group standards, sentiments, and security

Self Assessment

Fill in the blanks:

21. The Hawthorne Studies took place at a the Hawthorne works ..... plant.
22. When lighting for the test group was increased, their productivity increased—but the productivity of the ..... increased, as well.

Notes

Case Study

Bloom or Bust

Every March, thousands of snow-sodden New Englanders stroll through the lush gardens of the New England spring Flower Show, sponsored by the Massachusetts Horticultural Society. It would make sense that the venerable genteel organisation that runs an event so uplifting to weary spirits must itself be as serene and everlasting as a perennial garden.

It isn't. During the two years director John Peterson has been at the organisation, 18 of 22 staff positions have turned over. Three directors of education have been replaced, and prominent board members have resigned. Peterson denies that the departures have any thing to do with his management style. Instead, he says, "We've been muscle-building. Capability-building. Cleaning up operations. Changing the way we do business." Former employee and board members disagree. One claims, "John Peterson … is an impossible person to work for if you want to achieve success in any category at all".

What does this have to do with groups? Quite a bit, when you consider the power of informal groups that tend to form around controversial managers and the issues in which they embroil themselves. In the case of the Horticultural Society, there are two main formal groups: paid staff and the board of trustees. With those formal groups – and across their boundaries – informal groups have sprung up to solidify factions against each other.

Although Peterson sees nothing wrong with his management style, some members of the trustee executive committee hired Marvin Snyder, a management consultant, to evaluate the situation. Board Chairman Walter Pile claims that Peterson subsequently changed his style. But several paid employees were fired as well. And not everyone on the board agreed with Snyder's, Pile's or Peterson's decisions. The rift between groups deepened.

While management problems continue to boil, the Hort (as it's called locally) is looking for a location on which to build a new botanical garden. Informal groups have taken sides on that as well. Some board members want to develop a garden in downtown Boston, maintaining a strong inner-city presence. Others are eyeing locations in a posh suburb, claiming that the upscale address will draw more potential members.

In addition, Chairman Pile has pushed to diversify Hort membership as well as the range of focus of the board itself. His detractors, of course, disagree – vehemently. "They're completely focused on change and the future," complains one critic. "They forgot who's made the organisation what it is."

All of this infighting has led to deep divisiveness within the organisation. Although the individual groups may be highly cohesive, they do not seem to benefit the organisation as a whole; in fact, they may be weakening it. It is true that non-profit organisations such as the Hort have three main formal groups that sometimes may have different points of view: paid staff, volunteers (such as the board), and members (or donors). But the informal groups that emerge from these can better strengthen the organisation if they try to co-operate rather than act at cross-purposes. Says board member John Furlong, coordinator of Radcliff Seminars Graduate Program in Landscape Design: "All of us, with all our goals and interests, have got to act like trustees and get involved. This is a wake-up call to the trustees."

Contd...

Notes

Questions

1. What steps might director John Peterson take to improve his relationship with the informal groups at the Horticultural Society?
2. What steps might the board of trustees take to heal some of the organisational wounds caused by informal group infighting?
3. How might a better communications network and better development of roles (of board members and paid staff) help improve productivity at the Horticultural Society?

Source: F. Shipper and C.C Manz, "Employee self-management without formally designated teams: An alternative road to Empowerment", Organisational Dynamics, 20 (winter 1992) PAGE 58–60.

8.7 Summary

- Groups in organisations are more than collections of individual employees.
- We can distinguish effective groups in terms of role structures, norms, cohesiveness, leadership, status, tasks and size.
- A role is a set of activities expected of a person occupying a particular position within the group.
- It is a pattern of behaviour that is expected of an individual when he interacts with others.
- Individuals play multiple roles while adjusting their roles to the group in which they are.
- Role identity is certain attitudes and behaviour consistent with a role.
- Role perception is an individual's view of how he or she is supposed to act in a given situation.
- Expectations are defined as how others believe you should act in a given situation.
- Role conflict is a situation in which an individual is confronted by divergent role expectations.
- Group member's role is a part of the group's overall role structure, that is, the set of roles and relationships among roles that has been defined and accepted by group members.
- Norms are shared ways of looking at the world. Groups control members through the use of norms.
- A norm is a rule of conduct that has been established by group members to maintain consistency in behaviour.
- Status is a socially defined position or rank given to groups or group members by others.
- Status is an important characteristic of groups because it affects group structure and dynamics.
- The size of a group can have profound implications on how the group behaves internally and with regard to other groups.
- When a group is heterogeneous in terms of gender, personalities, opinions, abilities, skills and perspectives, there is an increased probability that the group will possess the needed characteristics to complete its tasks effectively.
- The commitment of members to a group and the strength of their desire to remain in the group constitutes a group's cohesiveness.

Notes

- The "Hawthorne Effect" describes the effects that observing, surveying, and showing an interest in workers and the workplace have on the performance of the workers and their productivity.

8.8 Keywords

Expectations: Expectations are defined as how others believe you should act in a given situation.

Group Member's Role: Group member's role is a part of the group's overall role structure, that is, the set of roles and relationships among roles that has been defined and accepted by group members.

Hawthorne Effect: The "Hawthorne Effect" describes the effects that observing, surveying, and showing an interest in workers & the workplace have on the performance of the workers and their productivity.

Norm: A norm is a rule of conduct that has been established by group members to maintain consistency in behaviour.

Role: A role is a set of activities expected of a person occupying a particular position within the group.

Role Conflict: Role conflict is a situation in which an individual is confronted by divergent role expectations.

Role Identity: Role identity is certain attitudes and behaviour consistent with a role.

Role Perception: Role perception is an individual's view of how he or she is supposed to act in a given situation.

Status: Status is a socially defined position or rank given to groups or group members by others.

8.9 Review Questions

1. Discuss the characteristics of groups.
2. Describe the four characteristics of mature groups.
3. Define norms. Explain the reasons why groups should enforce norms.
4. What is "cohesiveness"? Explain the factors affecting cohesiveness.
5. How is cohesiveness related to performance? What implications does this relationship have for improving performance in organisation?
6. Explain the external conditions imposed on groups.
7. Are groups better than individuals in solving organisational problems?
8. Define 'Roles'. Explain its characteristics.
9. Explain the seven techniques for Group Decision-making.
10. Discuss the different obstacles to group productivity.
11. When does understanding of role behaviour would be dramatically simplified.
12. Differentiate between role identity and role perception.
13. Differentiate between role expectation and role conflict.

Notes

14. Define the term norms. Write their characteristics?
15. What are the different types of norms known to you?
16. Discuss Factors Influencing Conformance to Norms.
17. What is Individual Adjustment concept?
18. What is the difference between formal and informal status?
19. What is the role of group cohesion?
20. Discuss Hawthorne studies' main points.

Answers: Self Assessment

1.	True	2.	True
3.	True	4.	True
5.	True	6.	True
7.	False	8.	False
9.	False	10.	False
11.	Norms	12.	Unique
13.	Written, unwritten	14.	Culture
15.	False	16.	False
17.	False	18.	Size
19.	True	20.	True
21.	Electric	22.	Control group

8.10 Further Readings

Books

Aquinas PG, *Organisational Behavior*, Excel Books.

Ashwathappa K, *Organisation Behaviour*, Himalaya Publishers, New Delhi, 2007.

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Unit 9: Understanding Teamwork

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Objectives

After studying this unit you will be able to:

- Define the term team
- Discuss various types of teams
- State how to create effective teams
- Explain the way of turning individuals into team players
- Realize the role of emotional intelligence in team work

Introduction

A team is a relatively permanent work group whose members must coordinate their activities to achieve one or more common objectives. The objectives might include advising others in the organisation, producing goods or services, and carrying out a project. Because achievement of the team's objectives requires coordination, team members depend on one another and must interact regularly. A work team generates positive synergy through coordinated effort. Their individual efforts result in a level of performance that is greater than the sum of those individual inputs. Teams have far-reaching impact in today's workplace. They have become an essential part of the way business is being done.

Teams imply a high degree of coordination among their members, along with a shared belief that winning (achieving team goals) is not only desirable but the very reason for the team's existence. Any team is therefore a group, but unfortunately, not all groups have the high degree of interdependence and commitment to success that we traditionally associate with the concept of a team. Although the desire to achieve high levels of commitment and co-ordination is common among organisations using teamwork, the nature of specific teams varies considerably.

Did u know? Two major dimensions along which teams differ are differentiation of team roles and integration into the organisation.

Notes

1. ***Differentiation:*** is the extent to which team members are specialized relative to others in the organisation.

2. ***Integration:*** is the degree to which the team must coordinate with managers, employees, suppliers and customers outside the team.

9.1 Types of Teams

Based on their objectives, teams may be classified as problem-solving teams, self-managed teams and cross-functional teams:

1. ***Problem-solving Teams:*** Problem-solving teams consist of groups of 5-10 employees from the same department, who meet for a few hours each week to discuss ways of improving quality, efficiency and the work environment. These members share ideas or offer suggestions on how work processes and methods can be improved. Problem-solving teams meet regularly to discuss their quality problems, investigate causes of problems, recommend solutions and take corrective actions.

2. ***Self-managed Work Teams:*** A self-managed team includes collective control over the pace of work, determination of work assignments, organisation of breaks, and collective choice of inspection procedures. Fully self-managed work teams even select their own members and have the members evaluate each other's performance. As a result, supervisory positions take on decreased importance and may even be eliminated. These teams do their own scheduling, rotate jobs on their own, establish production targets, set pay scales that are linked to skills, fire co-workers and do the hiring. Self Managed work teams are compared with conventional work groups in Table 9.1.

Table 9.1: Self-directed Work Teams Compared with Conventional Work Groups

Issues	Conventional group	Self-directed team
Job Categories	Many narrow categories.	One or two broad categories.
Authority	Supervisor directly controls daily activities.	Through group decisions, team controls daily activities.
Reward System	Tied to type of job, individual performance, and seniority.	Tied to team performance and individual breadth of skills.

Source: Jack D. Orshurn, Linda Moran, Ed. Musselwhite and John H Zenger, "Self-directed work teams: The New American Challenge". Burr Ridge, IL: Irwin (1990) page 11.

3. ***Cross-functional Teams:*** Cross-functional teams are made up of employees from about the same hierarchical level, but from different work areas, who come together to accomplish a task. Cross-functional teams are an effective way to allow people from diverse areas within an organisation (or even between organisations) to exchange information, develop new ideas, solve problems and coordinate complex projects. These teams are not easy to manage. Their early stages of development are often very time consuming as members learn to work with diversity and complexity. It takes time to build trust and teamwork, especially among people from different backgrounds, with different experiences and perspectives. There are two types of cross-functional teams. They are:

   (a) *Task force* – is nothing more than a temporary cross-functional team.

   (b) *Committees* – composed of groups made up of members from across departmental lines.

Notes

Self Assessment

Fill in the blanks:

1. A team is a relatively ..... work group whose members must coordinate their activities to achieve one or more common objectives.
2. A work team generates ..... through coordinated effort.
3. Individual efforts result in a ..... that is greater than the sum of those individual inputs.
4. Team is a group, but unfortunately, not all groups have the high degree of ..... and commitment to success that we traditionally associate with the concept of a team

Case Study

Asha-Kiran Hospital

Asha-Kiran Hospital was the only hospital in a small rural town of Manipal and employed 150 persons, 75 of whom were nurses and Auxiliary Nurse Mid-Wife (ANMs). A Nursing Superintendent, who, in turn was assisted by five head nurses in various specialities, managed the nursing department of the hospital. Each of the head nurses supervised from 10 to 15 nurses and ANMs. The Head Nurses were responsible for supervising their staff, shift scheduling, maintenance of supplies, training new employees and completing necessary hospital reports. Head nurses were usually the most senior nurse in their groups and had considerable experience in their areas of speciality.

One of the head nurses, Miss Silvia, got married and resigned. The Nursing Superintendent was faced with the problem of selecting a replacement. Because of various specializations, it was decided that the new head nurse should come from that group rather than be transferred from another area. There were ten nurses in the group and their seniority ranged from six months to seven years. Miss Veena, with seniority of five years, was well known as the informal leader of the group. She had served as spokesperson for the group on several occasions in the past, and the other nurses tended to follow her advice in most matters. Everyone agreed she exerted considerable influence within the group.

Questions

1. Make a case for selecting Miss Veena as the new head nurse.
2. Make a case for not selecting Miss Veena as the new head nurse.

9.2 Creating Effective Teams

The four possible combination – high or low differentiation plus high or low integration – are associated with creation of effective teams.

1. Advice/Involvement,
2. Production/Service,
3. Project/Development, and
4. Action/Negotiation.

Notes

1. ***Advice and Involvement:*** An advice/involvement team is a team formed to generate input from a broad base of employees. They are low in differentiation. Team members meet only long enough to generate ideas or develop proposals. The work group takes on problem solving as one of its daily activities. Because this team has a limited scope of control, the use of teamwork has essentially no impact on the organisation's management structure. Advice/involvement teams the routinely handle quality issues are often called quality circles. Such teams typically meet about an hour each week to generate ideas for improving quality in a given area.
2. ***Production and Service:*** Production/service teams, are charged with the activities related to producing and selling goods and services. Production/service teams, draw their membership from a broad base and often are formed as a way to empower first-line employees. They are low on differentiation and high in integration. They must co-ordinate their work extensively with suppliers, customers, and other groups in the organisation.
3. ***Project and Development:*** A project/development team is charged with planning, investigating, analyzing and reporting, often with the objective of creating outputs that are complex and unique. Project/development teams are highly differentiated because they require employees with expertise in particular areas. They tend not to be highly integrated because team members generally face internal deadlines, and coordination is primarily among group members.
4. ***Action and Negotiation:*** Action/negotiation team are usually comprised mainly of experts with specialized skills. Owing to their expertise, the team is highly differentiated; it is also highly integrated with the organisation. It must closely coordinate its efforts with the work of support personnel or with other action/negotiation teams.

Self Assessment

State whether the following statements are true or false:

5. Based on their objectives, teams may be classified as problem-solving teams, self-managed teams and cross-functional teams.
6. Problem-solving teams consist of groups of 5-10 employees from the same department, who meet for a few hours each week to discuss ways of improving quality, efficiency and the work environment.
7. A self-managed team includes collective control over the pace of work, determination of work assignments, organisation of breaks, and collective choice of inspection procedures.
8. Cross-functional teams are made up of employees from about the same hierarchical level, but from different work areas, who come together to accomplish a task
9. Task force is nothing more than a temporary cross-functional team.
10. Committees composed of groups made up of members from across departmental lines

9.3 Turning Individuals into Team Players

People do not always respond the way it should be. Sometimes they get frustrated with other team members or with my leadership. Leaders who understand this process can coach and guide a team and minimize frustration.

Notes

The following options summarizes on how managers can turn individuals into team players:

1. ***Selection:*** Our selection criteria focuses more of the technical qualifications of a candidate and not much efforts is put into taking a background check to ensuring that the candidate is a team player. There is a general assumption that once a person has been hired they will automatically get along with colleagues/fit in.

   This misconception later on leads to unnecessary interruptions and various visits to the HR office for this issue or the other later resulting in the person quitting the job or being fired taking us back to where we started from, recruiting once again. The manager has various ways to dealing with such individualistic persons either to take them to a department that does not require team work (this is rare) or taking the person through training.

2. ***Training:*** In today's individualistic society training opens a door on where one can get to unlearn the individual mindset and embraces team work. Training specialist have been known to conduct sessions that allow employees to experience the satisfaction that teamwork provides. One of the most effective tools of modern team building is the recreation weekends which give employees time to interact away from the office.

3. ***Rewards:*** Rewards system over time has been focused on individual accomplishments therefore pushing employees to strive for the ultimate price being offered. Without sidelining the individual achievements/efforts organisations can introduce rewards that are focused on encouraging/strengthening team work/spirit. Examples of this would include having various departments in the company rewarded for best team work.

   Rewards for persons who have been mindful of their colleagues would also be introduced; these recognitions can go along way in motivating team work

Another effective way to transition individuals into team players is to spend some money on a formal and fun teambuilding event. This will help individuals understand why it's so important to work as a team towards a common goal than as an individual with individual goals.

The Team Development Process comes out of social science theory. After years of studying the way teams work, sociologists recognized emerging patterns. These patterns became the crux of team theory. Now we know that all teams go through certain stages of development. We also know that within those stages there are certain things that team members can do and certain things that they are not yet ready to do.

Consider your team as a new baby. You wouldn't ask your new baby to tell you when he is hungry or to let you know when he has to go to the bathroom. Managers make the mistake of asking more of teams than they are ready to give. Similarly, team members ask more of themselves than they are ready to give. Awareness of the Team Development Process can minimize frustration and failure and maximize growth and high achievement.

Self Assessment

Fill in the blanks:

11. An ..... team is a team formed to generate input from a broad base of employees.

12. ..... teams, are charged with the activities related to producing and selling goods and services.

13. A ..... team is charged with planning, investigating, analyzing and reporting, often with the objective of creating outputs that are complex and unique.

14. ..... team are usually comprised mainly of experts with specialized skills.

Notes

15. One effective way to transition individuals into team players is to spend some money on a formal and .....

16. The Team Development Process comes out of ..... theory.

Tasks What options do managers have to turn individuals into Team Players? Discuss each.

9.4 Role of Emotional Intelligence in Team Work

The concept of emotional intelligence and its impact on teamwork is relatively new. Emotions can play on the effectiveness and success of the team should be the aim of each team member. A positive emotional climate should be developed so that all energies can be focussed on the attainment of mutual goals including the success of the project.

More and more organisations are realizing that hard skills testing and personality assessments are just not cutting it as tools to use in selecting new hires. As companies begin to realize the importance of social skills like the ability to collaborate and work with a team, they are now looking for those "emotional intelligence" qualities not only in new candidates but in existing staff as well. Emotional intelligence in team building is an absolute must to get the most out of any group of people and here are 7 reasons why.

1. ***Self Awareness:*** It is exceptionally difficult to understand the emotions and motivations of others if you don't know yourself first. Persons with a high emotional intelligence can quickly identify their emotions which is the first step in being able to control or manage them. Self awareness is the basic building block of emotional intelligence.

2. ***Self control:*** Being able to recognize your emotion is one thing but being able to control those emotions, particularly in stressful conditions is quite another. The person with a developed EI understands why they feel like they do which gives them an opportunity to examine the emotion rationally and control it.

3. ***Innate motivational tendencies:*** Motivation is a key to team momentum and every member plays a role in providing that motivation. Developed EI manifests itself as positive attitude, persistence and a natural support for others. In short it is infectious and others will follow the lead.

4. ***Empathy:*** The person with high emotional intelligence has the ability to understand the emotions in another and empathize with them. They understand people of all walks of life and the impact that different cultures have on decision making processes. Understanding these differences allows the person to accept diversity and not have it serve as a barrier to working together effectively.

5. ***Highly developed social skills:*** Essential to team members is a high sense of social skills. Being able to resolve conflicts in a mutually acceptable way is critical to the overall success of the team. Well developed social skills can strongly contribute to collaboration and cooperation which in turn will drive productivity.

6. ***Social interdependence:*** When a team is created it will create an environment of social interdependence and that can be a good thing or bad depending on how it is managed. If the team leader explains that the group will focus on team goals and requires the input of all team members to be successful, the result is a greater effort to collaborate. However if the team is set up as competitors i.e., "the first one to sell 100 widgets gets a big bonus" then you have a team that consists of individuals with individual goals.

Notes

7. ***EI and team work:*** Positive and effective relationships between team members have been demonstrated to be the superior emotional setting to drive results. Members who share a bond both professionally and personally will work harder to achieve success for those for the group than a team where those relationships have not been developed. Developing emotional intelligence through exercises and training can greatly improve the odds of effective team performance.

The participants have held positions ranging from the executive level to administrative staff.

Despite the fact that the challenges and pressures they face at the various organisational levels are quite different, the one common factor they share is "how they feel" or the emotions they experience.

When people become empowered through enhancing their EI skills, they become more internally self-managed and capable of making their greatest contributions. And the organisation ultimately benefits when its employees work in that zone of peak performance.

Self Assessment

State whether the following statements are true or false:

17. Emotions cannot play on the effectiveness and success of the team should not be the aim of each team.
18. A negative emotional climate should be developed so that all energies can be focussed on the attainment of mutual goals including the success of the project.
19. Members who share a bond both professionally and personally will work harder to achieve success for those for the group than a team where those relationships have not been developed.
20. Developing emotional intelligence through exercises and training can greatly improve the odds of effective team performance.

Notes **A True Story**

This true story about two team leaders who had a long history of antagonism and unwillingness to work together provides evidence of the power of developing EI skills. Joe and Dan (not their real names) had not supported each other and their respective teams for 17 years. As a result of EI training, Joe and Dan learned how to transform their negative emotions toward each other into more positive emotions and productive behaviors.

After the training, they talked to each other in the hallway and then started listening and talking to each other on a regular basis. During the second coaching a couple of weeks after the training, each one of them, independently, told me that for the first time ever they were inviting the other's staff to their staff meetings as a means to improve communication and work jointly in addressing problems occurring in their departments. By promoting team-to-team coordination, they were able to eliminate the "silo" mentality. They also created a positive trickle-down effect on everyone in the entire organisation (about 5000 employees). Of significance is the fact that this change happened within a few days after each had mastered simple EI techniques.

And this example is not unusual. EI training program participants have reported improvements ranging from 15% to 35% increased teamwork, 20% to 35% increase in

Contd...

Notes

personal productivity, 20% to 40% reduction in worry and stress, and similar improvements in management of personal motivation, emotional reactiveness, work/life balance, creativity and more. These improvements represent a positive return on investment for the organisation.

9.5 Summary

- A team is a relatively permanent work group whose members must co-ordinate their activities to achieve one or more common objectives.
- The objectives might include advising others in the organisation, producing goods or services, and carrying out a project.
- Because achievement of the team's objectives requires co-ordination, team members depend on one another and must interact regularly.
- A work team generates positive synergy through co-ordinated effort.
- Individual efforts result in a level of performance that is greater than the sum of those individual inputs.
- When a team is created it will create an environment of social interdependence and that can be a good thing or bad depending on how it is managed.
- Teams have far-reaching impact in today's workplace.
- They have become an essential part of the way business is being done.
- Team skills and group membership form a very important component of the attributes required for success in work place.
- Teams guarantee good productivity.

9.6 Keywords

Differentiation: It is the extent to which team members are specialized relative to others in the organisation.

Integration: It is the degree to which the team must co-ordinate with managers, employees, suppliers and customers outside the team.

Problem Solving Team: Problem-solving teams meet for a few hours each week to discuss ways of improving quality, efficiency and the work environment.

Project/development Team: A project/development team is charged with planning, investigating, analyzing and reporting, often with the objective of creating outputs that are complex and unique

Self Managed Team: A self-managed team includes collective control over the pace of work, determination of work assignments, organisation of breaks, and collective choice of inspection procedures.

Team: A team is a relatively permanent work group whose members must coordinate their activities to achieve one or more common objectives.

9.7 Review Questions

1. What has been the greatest performance of a team that you have been a part of? What do you think has been the reason for that?

Notes

2. Have you ever come across cross functional teams? What was the biggest problem that the team had?
3. How do you think the brainstorming exercise to be beneficial for the teams working on specific projects? Have you ever been a part of such session? What were your learnings?
4. What do you think are the benefits that a team can earn from the nominal group technique?
5. Why are the quality circles often generated from the bottom up? How are better/worse than the quality teams?

Answers: Self Assessment

1.	Permanent	2.	Positive synergy
3.	Level of performance	4.	Interdependence
5.	True	6.	True
7.	True	8.	True
9.	True	10.	True
11.	Advice/involvement	12.	Production/service
13.	Project/development	14.	Action/negotiation
15.	Fun teambuilding event	16.	Social science
17.	False	18.	False
19.	True	20.	True

9.8 Further Readings

Books

Aquinas PG, *Organisational Behavior*, Excel Books.

Ashwathappa K, *Organisation Behaviour*, Himalaya Publishers, New Delhi, 2007.

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Unit 10: Organisational Communication

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Objectives

After studying this unit, you will be able to:

- Know about organisational communication
- Define the term Gender
- Discuss cross cultural issues
- State the relevance of interpersonal communication
- Explain the concept of Politically Correct Communication

Introduction

It is often said that the practice of management is in crisis, and that managers are now finding it harder than ever to develop strategies which withstand the shocks of the marketplace. Many managers fail to adequately consider the communication consequences of the decision-making process and thus cast a negative impact on the organisational effectiveness.

Organisational communication, as a field, is the consideration, analysis, and criticism of the role of communication in organisational contexts. The field traces its lineage through business information. The current field is well established with its own theories and empirical concerns distinct from other communication subfields and other approaches to organisations.

Did u know? Business communication and early mass communication studies published in the 1930s through the 1950s. Until then, organisational communication as a discipline consisted of a few professors within speech departments who had a particular interest in speaking and writing in business settings.

Notes

10.1 Communication Process

Communication is important in building and sustaining human relationships at work. It cannot be replaced by the advances in information technology and data management that have taken place over the past several decades. Communication can be thought of as a process or flow. Before communication can take place, a purpose – expressed as a message to be conveyed – is needed. It passes between the sender and the receiver. The result is transference of meaning from one person to another.

The communication process comprises of seven parts:

1. The communication source,
2. Encoding,
3. Message,
4. Channel,
5. Decoding,
6. Receiver, and
7. Feedback.

1. ***Source:*** The source initiates a message. This is the origin of the communication and can be an individual, group or inanimate object. The effectiveness of a communication depends to a considerable degree on the characteristics of the source. Aristotle believed that acceptance of the source's message could be increased by:

   - Pathos – Playing on the emotions of the receiver.
   - Logos – Generating logical arguments, or
   - Ethos – Asking for message acceptance because the source is trustworthy.

   The person who initiates the communication process is known as sender, source or communicator. In an organization, the sender will be a person who has a need or desire to send a message to others. The sender has some information which he wants to communicate to some other person to achieve some purpose. By initiating the message, the sender attempts to achieve understanding and change in the behaviour of the receiver.

2. ***Encoding:*** Once the source has decided what message to communicate, the content of the message must be put in a form which the receiver can understand. As the background for encoding information, the sender uses his or her own frame of reference. It includes the individual's view of the organization or situation as a function of personal education, interpersonal relationships, attitudes, knowledge and experience.

   Three conditions are necessary for successful encoding of the message.

   - *Skill:* Successful communicating depends on the skill you posses. Without the requisite skills, the message of the communicator will not reach the receiver in the desired form. One's total communicative success includes speaking, reading, listening and reasoning skills.
   - *Attitudes:* Our attitudes influence our behaviour. We hold predisposed ideas on a number of topics and our communications are affected by these attitudes.
   - *Knowledge:* We cannot communicate what we don't know. The amount of knowledge the source holds about his or her subject will affect the message he or she seeks to transfer.

Notes

3. ***The Message:*** The message is the actual physical product from the source encoding. The message contains the thoughts and feelings that the communicator intends to evoke in the receiver. The message has two primary components:

   - *The Content:* The thought or conceptual component of the message is contained in the words, ideas, symbols and concepts chosen to relay the message.
   - *The Affect:* The feeling or emotional component of the message is contained in the intensity, force, demeanour (conduct or behaviour), and sometimes the gestures of the communicator.

   According to D.K Berlo – "When we speak, the speech is the message. When we write, the writing is the message. When we paint, the picture is the message. When we gesture, the movements of our arms, the expressions on our faces are the message".

4. ***The Channel:*** The actual means by which the message is transmitted to the receiver (visual, auditory, written or some combination of these three) is called the channel. The channel is the medium through which the message travels. The channel is the observable carrier of the message. Communication in which the sender's voice is used as the channel is called oral communication. When the channel involves written language, the sender is using written communication. The sender's choice of a channel conveys additional information beyond that contained in the message itself. For example, documenting an employee's poor performance in writing conveys that the manager has taken the problem seriously.

5. ***Decoding:*** Decoding means interpreting what the message means. The extent to which the message is decoded successfully, i.e., degree of accuracy in transfer of information to the receiver, depends heavily on the individual characteristics of both the sender and the receiver. The greater the similarity in the background or status factors of the communicators, the greater the probability that a message will be transmitted accurately. Most messages can be decoded in more than one way. The process of receiving and decoding a message is a sort of perception. The decoding process is therefore subject to perception biases, and is therefore a subjective process, which further means that interpretation of the contents of a message depends largely on internal factors and a plethora of personal influences and experiences.

6. ***The Receiver:*** The receiver is the object to whom the message is directed. Receiving the message means one or more of the receiver's senses register the message – for example, hearing the sound of a supplier's voice over the telephone or seeing the boss give a thumbs-up signal. Like the sender, the receiver is subject to many influences that can affect the understanding of the message. Most important, the receiver will perceive a communication in a manner that is consistent with previous experiences. Communications that are not consistent with expectations is likely to be rejected.

7. ***Feedback:*** The final link in the communication process is a feedback loop. Feedback, in effect, is communication travelling in the opposite direction. If the sender pays attention to the feedback and interprets it accurately, the feedback can help the sender learn whether the original communication was decoded accurately. Without feedback, one-way communication occurs between managers and their employees. Faced with differences in their power, lack of time, and a desire to save face by not passing on negative information, employees may be discouraged from providing the necessary feedback to their managers.

10.2 Grapevine–Organization Communication

The network for much informal communication is the organization's grapevine. Grapevines develop in organizations to handle communications that the formal channels of communication do not handle. It typically supplements or replaces the organizational hierarchy as the means

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for transmitting communication. The grapevine serves as an excellent source of information about employee attitudes as well as an emotional outlet for workers. Thus, the grapevine is likely to be strong during uncertain times and in organizations that limit the flow of information to employees through formal channels. Also, employees may participate in a grapevine to help meet social needs.

The Grapevine has three main characteristics:

(a) It is not controlled by management.

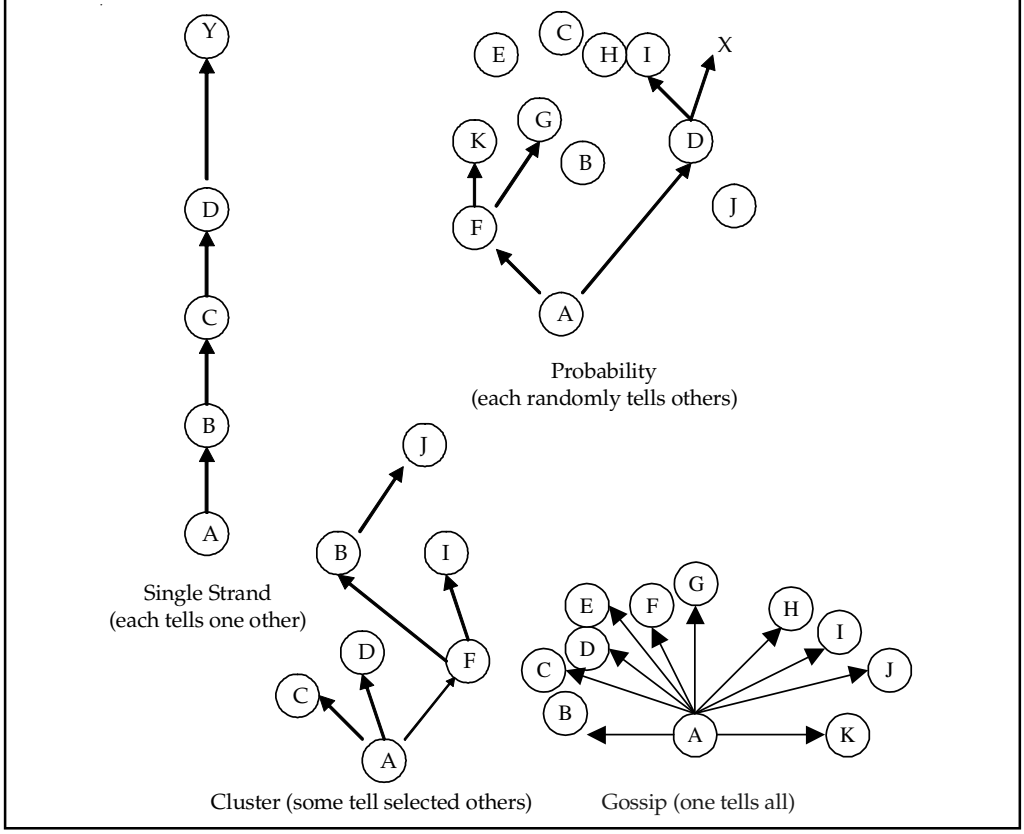
(b) It is perceived by most employees as being more believable and reliable than formal communiqués issued by top management.

(c) It is largely used to serve the self-interests of the people within it.

The development of grapevines is inevitable. Although grapevines are neither good nor bad in themselves, the messages they carry are subject to distortion as messages transmitted from one human link to another become progressively more garbled. Their content is misinterpreted, abbreviated, embellished and selectively transmitted in terms of what the sender believes the receiver wants or needs to know. Since the original message may be only partially true, it is not surprising that the grapevine is sometimes referred to as a rumour mill. The information that travels through a grapevine typically takes the form of gossip (belief about other people) and rumours (efforts to predict future events).

The network of a grapevine typically takes on one of the patterns shown in the figure below:

Figure 10.1: Grapevine Patterns



Source: Keith Davis and John W Newstrom, "Human Behavior at Work: Organizational Behaviour," 7th edition (1985). New York: McGraw Hill (page 317)

Notes

(i) ***Single Strand:*** In the single-strand chain, communication moves serially from person A to B to C and so on.

(ii) ***Gossip Chain:*** With gossip chain, person A seeks out and tells others.

(iii) ***Probability Chain:*** When following the probability chain, person A spreads the message randomly as do individuals F and D.

(iv) ***Cluster Chain:*** In cluster chain, person A tells three selected individuals and then one of these tells three others.

Despite the fact that grapevines sometimes create difficulties when they carry gossip and false rumours, they are a fact of life in organizations and it is unrealistic of managers to think that they can eliminate grapevines.

10.3 Barriers to Effective Communication

Barriers to communication are factors that block or significantly distort successful communication. Effective managerial communication skills helps overcome some, but not all, barriers to communication in organizations. The more prominent barriers to effective communication which every manager should be aware of is given below:

1. ***Filtering:*** Filtering refers to a sender manipulating information so it will be seen more favourably by the receiver. The major determinant of filtering is the number of levels in an organization's structure. The more vertical levels in the organization's hierarchy, the more opportunities for filtering. Sometimes the information is filtered by the sender himself. If the sender is hiding or camouflaging some meaning and disclosing information in such a fashion as to make it more appealing to the receiver, then he is "filtering" the message deliberately. A manager in the process of altering communication in his favour is attempting to filter the information.

2. ***Selective Perception:*** Selective perception means seeing what one wants to see. The receiver, in the communication process, generally resorts to selective perception, i.e., he selectively perceives the message based on the organizational requirements, the needs and characteristics, background of the employees, etc. Perceptual distortion is one of the distressing barriers to the effective communication. People interpret what they see and call it a reality. In our regular activities, we tend to see those things that please us and to reject or ignore unpleasant things. Selective perception allows us to keep out dissonance (the existence of conflicting elements in our perceptual set) at a tolerable level. If we encounter something that does not fit our current image of reality, we structure the situation to minimize our dissonance. Thus, we manage to overlook many stimuli from the environment that do not fit into our current perception of the world. This process has significant implications for managerial activities. For example, the employment interviewer who expects a female job applicant to put her family ahead of her career is likely to see that in female applicants, regardless of whether the applicants feel that way or not.

3. ***Emotions:*** How the receiver feels at the time of receipt of information influences effectively how he interprets the information. For example, if the receiver feels that the communicator is in a jovial mood, he interprets that the information being sent by the communicator to be good and interesting. Extreme emotions and jubilation or depression are quite likely to hinder the effectiveness of communication. A person's ability to encode a message can become impaired when the person is feeling strong emotions. For example, when you are angry, it is harder to consider the other person's viewpoint and to choose words carefully. The angrier you are, the harder this task becomes. Extreme emotions – such as jubilation or depression – are most likely to hinder effective communication. In such instances, we

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are most prone to disregard our rational and objective thinking processes and substitute emotional judgments.

4. ***Language:*** Communicated message must be understandable to the receiver. Words mean different things to different people. Language reflects not only the personality of the individual but also the culture of society in which the individual is living. In organizations, people come from different regions, different backgrounds, and speak different languages. People will have different academic backgrounds, different intellectual facilities, and hence the jargon they use varies. Often, communication gap arises because the language the sender is using may be incomprehensible, vague and indigestible. Language is a central element in communication. It may pose a barrier to correct and timely action if its use obscures meaning and distorts intent. Words mean different things to different people. Age, education and cultural background are three of the more obvious variables that influence the language a person uses and the definitions he or she gives to words. Therefore, use simple, direct, declarative language. Speak in brief sentences and use terms or words you have heard from your audience. As much as possible, speak in the language of the listener. Do not use jargon or technical language except with those who understand it.

5. ***Stereotyping:*** Stereotyping is the application of selective perception. When we have preconceived ideas about other people and refuse to discriminate between individual behaviours, we are applying selective perception to our relationship with other people. Stereotyping is a barrier to communications because those who stereotype others use selective perception in their communication and tend to hear only those things that confirm their stereotyped images. Consequently, stereotypes become more deeply ingrained as we find more "evidence" to confirm our original opinion.

   Stereotyping has a convenience function in our interpersonal relations. Since people are all different, ideally we should react and interact with each person differently. To do this, however, requires considerable psychological effort. It is much easier to categorize (stereotype) people so that we can interact with them as members of a particular category. Since the number of categories is small, we end up treating many people the same, even though they are quite different. Our communications, then, may be directed at an individual as a member of a category at the sacrifice of the more effective communication on a personal level.

6. ***Status Difference:*** The organizational hierarchy poses another barrier to communication within the organization, especially when the communication is between employee and manager. This is so because the employee is dependent on the manager as the primary link to the organization and hence more likely to distort upward communication than either horizontal or downward communication. Effective supervisory skills make the supervisor more approachable and help reduce the risk of problems related to status differences. In addition, when employees feel secure, they are more likely to be straightforward in upward communication.

7. ***Use of conflicting signals:*** A sender is using conflicting signals when he or she sends inconsistent messages. A vertical message might conflict with a non-verbal one. For example, if a manager says to his employees, "If you have a problem, just come to me. My door is always open, but looks annoyed whenever an employee knocks on his door", then we say the manager is sending conflicting messages. When signals conflict, the receivers of the message have to decide which, if any, to believe.

8. ***Reluctance to Communicate:*** For a variety of reasons, managers are sometimes reluctant to transmit messages. The reasons could be:

   They may doubt their ability to do so.

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They may dislike – or be weary of – writing or talking to others.

They may hesitate to deliver bad news because they do not want to face a negative reaction.

When someone gives in to these feelings, they become a barrier to effective communications.

9. ***Projection:*** Projection has two meanings:

   (a) Projecting one's own motives into others' behaviour. For example, managers who are motivated by money, may assume their subordinates also motivated by it. If the subordinate's prime motive is something other than money, serious problems may arise.

   (b) The use of defence mechanism to avoid placing blame on oneself. As a defence mechanism, the projection phenomenon operates to protect the ego from unpleasant communications. Frequently, individuals who have a particular fault will see the same fault in others, making their own fault seem not so serious.

10. ***The "Halo Effect":*** The term "halo effect" refers to the process of forming opinions based on one element from a group of elements and generalizing that perception to all other elements. For example, in an organization, a good attendance record may cause positive judgements about productivity, attitude, or quality of work. In performance evaluation system, the halo effect refers to the practice of singling out one trait of an employee (either good or bad) and using this as a basis for judgement of the total employee (e.g., seeing the well-dressed manager as the "good" manager).

10.3.1 Overcoming Barriers to Communication

There are number of ways managers can minimize a number of communication barriers. In general, communication can be improved in two ways. First, the manger must sharpen his or her skills in manipulating symbols, that is, process of encoding. This implies that the sender must take as much care as possible in choosing symbols and establishing the context within which the message is transmitted. There are number of techniques that are commonly employed by managers to accomplish these ends.

Active listening: It implies that the receiver of information engages in the following patterns of behavior.

(a) stop talking since it is impossible to talk and listen at the same time,

(b) remove the distracting elements as much as possible

(c) is patient and lets the other person say whatever needs to be said,

(d) appreciate the emotion behind the speaker's words and is empathic,

(e) is attentive,

(f) creates a positive listening environment

(g) uses feedback mechanisms to check understanding

(h) withholds judgment

(i) asks questions,

(j) reacts to the message and not he person.

Active listening takes a lot of energy and be perfected by conscious and constant practice.

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Follow up and Feedback: The process of feedback makes communication a two-way process. In face-to-face situations, the sender should try to become sensitive to facial expressions and other signs that indicate how the message is being received. It is often important to solicit questions of clarification from the receiver. When more formal communication is involved, the writer may specify specific forms and times for responding to insure feedback.

Parallel Channels and Repetition: A major principle of communication technology is to provide parallel channels of communication that reinforce each other. Thus, a verbal request may be followed up with a memo. In this way, the sender has ensured getting the attention of the receivers and also ensured that the sender will have a record to refer to in case lie or she forgets in its order.

Timing: A manager may ignore a memo or request simply because other problems are pressing in at the same time. Two kinds of actions can be taken by management to ensure the accurate reception of communication through timing.

1. they may want to standardize the timing of specific messages,
2. many organizations establish "retreats" or time away from normal job pressures to transmit material, ideas and instructions to employees. This action insures the undivided attention of the receivers.

Be patient and paying adequate attention: When choosing a style of language, the sender must give a due consideration to the listener's intention, and his background. Effective use of language consists of tailoring one's message for the context of the receivers in order to maximize overall between the intended and received messages.

Information Communication and Information Centers: Running parallel to formal communication channel in an organization is an informal network commonly called grapevines. They tend to be a universal fact of life in all organizations. They have been used to serve not only informational functions but also motivational functions as well. A number of employees needs are served by the powerful reinforcer. Effective communicators often combine formal and informal (grapevine) channels of communication. Thus a manager may reinforce information received through formal with an off-the record talk with key subordinates. In reverse directing, he or she might reinforce and clarify a formal written with an informal chat session among employees.

Exception principle and need to know: In order to deal effectively with the information overload problem many organizations try to establish certain principles for actually limiting the extent of communications. Many firms implement an "exception principle" in communication channels. This principle orders that only communications regarding exceptional derivations, from orders, plans, and policies be communicated upward on a routine basis. Hence, upper levels of management will receive only that information which truly demands their attention. A closely related principle involves downward communication. Here, managers should be selective and transmit information on a "need to know" basis. In this way, lower level personnel receive only communication that is immediately critical to carrying out their tasks. The success of these two principles depends on the type of organization within which jobs are carried out. They will be most effective in highly structured organizations where tasks are relatively simple and routine. In less formal organization, in which work is rather complex and not highly structured, communication needs to be as open and unrestricted as possible.

Being empathetic in understanding: Good communicators are able to reduce the chance of communication barrier and the associated problems by communicating with empathy – a feeling and awareness of the other person and their point of view. A good communicator is able to recognize emotions in others and respond appropriately. It is reported that empathy as the foundation for the quality of a relationship. In a satisfying relations both parties have empathy

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for the other person's point of view and are also willing to provide appropriate and sufficient feedback to achieve the understanding.

Using feedback mechanisms: Since feedback involved both receiver and sender, it is important to understand the conditions under which feedback session will be more effective both from the sender's and receiver's perspective. For feedback to be most effective, the person giving the feedback must:

(a) give specific and not general or vague feedback

(b) give feedback immediately or soon after the event has taken place rather than long after the event has occurred

(c) give feedback on aspects that the receiver can rectify rather than on aspects over which the individual has no control

(d) be descriptive than evaluative

(e) give feedback on a few critical issues where improvement is most urgently expected rather than on a wide range of problem areas

(f) examine your own motivation in giving the feedback

(g) be sure that the receiver is ready to receive feedback

(h) be non-threatening and disregard you superior status while offering feedback.

Minimize Physical distraction: Taking due care in minimizing the external noise, interruptions, awkward mannerism, unusual and unwanted incidences, etc., facilitate to heighten the attention levels of the members.

10.4 Gender and Cross Cultural Issues

Gender

Gender is a characteristic that can affect your experience abroad. Both women and men are often particularly aware of gender-based treatment in a foreign culture that differs from their home culture.

Race, Ethnicity, Minority or Majority Status

Because of an individual's race or ethnicity, he/she may be accorded different privileges or experience different barriers abroad than those you experience at home. Different cultures define "race" and "ethnicity" differently, create different categories, and expect different things of people within these categories.

Class

We may experience class issues differently than we do at home. Certain cultures have more rigidly defined or more openly articulated ideas about class.

Sexual Orientation

Depending on our sexual orientation we may be granted different privileges or encounter different challenges abroad than at home. At the same time, while overseas, people often examine, or re-examine, questions of sexual identity because of increased personal freedom or increased time for personal reflection.

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Religion

People around the world have different ideas and expectations regarding religion. To be respectful of others, it is important to learn as much as possible about the religious beliefs, practices and norms of the concerned areas.

Disability

Travel is always a challenge to a person's problem-solving abilities; this is no different for a person with a disability

Learning Style

The teaching styles and the learning expectations at higher education institutions i are always different from those at home nations. Classes in many other countries are often more formal, consisting almost entirely of lecture with little interaction between students and professors. Research the system of education in your host country before your departure.

Dietary Concerns

We live in a society which offers a wide range of food choice. When traveling abroad, it is sometimes difficult to maintain a particular diet (for example, a vegetarian or medically-restricted diet). Vegetarianism can mean a variety of things to different people. Think carefully about how your food choices might affect your friends who invite you to dinner, your homestay family, or students with whom you cook in the residence halls. Prepare yourself for societies in which ingredients are rarely listed on packaging.

Health

Because an experience abroad can be physically, mentally and emotionally demanding, think carefully about your health. A certain amount of stress due to culture shock and a change in living conditions is a normal part of an experience abroad. In some cases, such stress may aggravate an illness you have under control at home.

Smoking

While there is currently a strong movement in the United States against smoking in public places, the situation in many other countries is quite different. While abroad, you may encounter more second-hand smoke than you are used to, with smokers showing little concern about whether or not it bothers you (for example, in restaurants or on trains). For smokers, traveling abroad might be a long-sought haven of smoking freedom.

Case Study

Suggestion Box

Diana was sitting in the office of her dentist. She had to wait for at least 30 minutes before her turn came. To pass the time, she picked up a magazine. In the magazine she found a very good article entitled "Where good ideas really come from". The major theme of the article was that the best ideas for improvement were most likely to come from the rank-and-file employees and not managers. The article went on to describe

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the various ways of getting these ideas flowing upward so they could be used to improve the organisation.

The article, proposed that special "suggestion boxes" be placed in strategic places around the organisation with blank forms for employees to fill out describing their ideas for improvement.

Diana, the Managing Director of Diatech Ltd., held discussions with several of her senior managers. It was agreed to implement the programme. Severally special by designed boxes were placed in various areas around the company, and employees were requested through circulars about the implementation of the suggestion scheme.

Diana anxiously awaited the first batch of suggestions. After the first week, the personnel manager brought them in. There were three "suggestions":

- One suggestion was that the suggestion box be scrapped.
- The second suggestion was for Diana requesting her to get married so that during the nights she will have some "work" to do and will not have idle time to think about stupid suggestions.
- The third was an obscene note to Diana asking her to keep her c*** open so that good suggestions could be directly put in.

Questions

1. Why has the "suggestion box" system not worked?
2. Suggest an alternative method by which the "suggestion box" system could be implemented.

Task Critically analyze various cross cultural issues in organisational communication.

Self Assessment

State whether the following statements are true or false:

1. Practice of management is in crisis, and that managers are now finding it harder than ever to develop strategies which withstand the shocks of the marketplace.
2. Many managers fail to adequately consider the communication consequences of the decision making process and thus cast a negative impact on the organisational effectiveness.
3. Organisational communication, as a field, is the consideration, analysis, and criticism of the role of communication in organisational contexts.
4. The field traces its lineage through business information.
5. Travel is not a challenge to a person's problem-solving abilities.
6. A certain amount of stress due to culture shock and a change in living conditions is a normal part of an experience.

10.5 Politically Correct Communication

Political correctness acts as "excess baggage" or "barriers" in cross-cultural exchanges and it prevents real dialogue. When one person follows a set of communication "rules" and another

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person doesn't know these rules exist and has a completely different set of communication "rules", well, it's very difficult to engage in effective conversations. And political correctness is a set of communication "rules" established over time and within a specific cultural environment.

Being politically correct is to being sensitive to people, their cultures with the evolving environment and society! Here are some examples. The words in brackets should be avoided during conversations...!!!!

1. Chairperson (Chairman)
2. Ms. (instead of Miss/Mrs)
3. Mentally challenged (Mentally retarded)
4. Economically Challenged (Poor)
5. Vertically challenged (Short)
6. Visual equipment and support (Instead of Visual Aids, now has the HIV disease connotation–A negative association)

There are many words like these and the above list is just a hint.

Case Study

Doctors and Patients

Doctors and their patients should communicate effectively with one another, but that doesn't always happen. Barriers to communication appear on both sides. The doctor may feel compelled to filter information if it is a bad news, or send conflicting signals by using body language or tone of voice that doesn't match the verbal message. The patient's frame of reference may determine how he or she interprets the news. A patient's highly emotional state (when hearing bad news) may cause errors in perception.

In a study done by Tamara Sher, Ph.D., and others at Rush-Presbyterian-St. Luke's Medical Centre in Chicago, researchers found that "Patients were just not hearing the conversations [with doctors] as intended". For instance, a patient and doctor might be discussing cancer. "As they walk away, you ask the patient how it went," notes Sher. "He says, "Actually, the doctor says I'm doing pretty well and I feel very well". But ask the doctor, and she says, "The conversation went fine, but I had to give him some pretty bad news." How can doctors improve communications with their patients? Sher suggests that doctors keep asking patients questions to make certain they understand the conversation.

Miles Shore, a professor of psychiatry at Harvard talks about engaging in a partnership with patients and practicing "authoritative" communication rather than "authoritarian" communication. "Patients want to work in a partnership with physicians rather than be told what to do," he explains. "People want a doctor who will explain the diagnosis and alternative treatments". He encourages doctors to relinquish the authoritarian "You do what I tell you" approach for an authoritative approach that conveys expertise and credibility, but involves the patient actively in decision making. For instance, although many doctors prescribe estrogen replacement therapy for women with osteoporosis, the hormone has side effects and possible links to cancer. Says Shore, "Doctors who practice authoritative medicine will tell women the pros and cons of the therapy and let each decide for herself."

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Questions

1. As a patient, do you feel you have good communication with your doctor? Why or why not? What are some of the characteristics of your communications?
2. As a patient, do you prefer an authoritarian or authoritative communication style from your doctor? Why?
3. As a manager in an organisation, in what situations might you practice authoritative rather than authoritarian communication with your employees?

Source: "A New Partnership" and "Hearsay," Psychology Today, May-June 1994, page 8.

Self Assessment

Fill in the blanks:

7. Political correctness acts as "....." or "....." in cross-cultural exchanges and it prevents real dialogue.
8. When one person follows a set of communication "rules" and another person doesn't know these rules exist and has a completely different set of communication "rules", well, it's very difficult to engage in.....
9. ..... is a set of communication "rules" established over time and within a specific cultural environment.
10. Being politically correct is to being sensitive to people, their cultures with the evolving environment and .....

10.6 Summary

- Communication is, and always has been, the glue that binds an organisation together.
- Managers are now finding it harder than ever to develop strategies which withstand the shocks of the marketplace.
- Many managers fail to adequately consider the communication consequences of the decision-making process and thus cast a negative impact on the organisational effectiveness.
- Organisational communication, as a field, is the consideration, analysis, and criticism of the role of communication in organisational contexts.
- The field traces its lineage through business information.
- Travel is always a challenge to a person's problem-solving abilities; this is no different for a person with a disability
- People around the world have different ideas and expectations regarding religion.
- Political correctness acts as "excess baggage" or "barriers" in cross-cultural exchanges and it prevents real dialogue.

10.7 Keywords

Communication: Communication is, and always has been, the glue that binds an organisation together.

Political Correctness: It is a set of communication "rules" established over time and within a specific cultural environment.

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10.8 Review Questions

1. What is organisational communication?
2. What is the need of having organisational communication?
3. Define the Gender concept.
4. Discuss various cross cultural issues in an organisational communication.
5. Explain the concept of Politically Correct Communication.

Answers: Self Assessment

1.	True	2.	True
3.	True	4.	True
5.	False	6.	True
7.	Excess baggage, barriers	8.	Effective conversations
9.	Political correctness	10.	Society

10.9 Further Readings

Books

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Online links

www.ingentaconnect.com

mymbaclasses.blogspot.co

Unit 11: Leadership: Basic Approaches

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Objectives

After studying this unit, you will be able to:

- Define the term leadership
- Discuss basic approaches to leadership
- State the relevance of trait theory
- Explain leadership styles
- Focus on contemporary issues in leadership
- Tell about trust and leadership
- Describe the influence of national culture on leadership style.

Notes

Introduction

Leadership is a key process in any organisation. We attribute the success or failure of any organisation to its leadership. When a business venture, or a cricket team is successful, its managing director or the captain often receives the credit. When failure occurs, it is usually the same individual at the top that is replaced. Thus, one of the key elements of concern in any organisation is how to attract, train, and keep people who will be effective leaders.

The problem of leadership has been one of man's major concerns since antiquity. Leadership was a matter of concern even in biblical times. The children of Israel needed someone to guide them out of their bondage in Egypt, and Moses stepped forward to lead them in their journey to 'the promised land' of Israel. In the 20th century, Great Britain needed the leadership of Winston Churchill to successfully combat her enemies in the second world war. In the same way, Franklin D Roosevelt provided leadership to the American people, Adolf Hitler in Germany, and Stalin in USSR.

Coming to business enterprises, people working there need leaders who could be instrumental in guiding the efforts of groups of workers to achieve the goals of both individuals and the organisation. Leadership is a process of influence on a group. Leadership is the ability of a manager to induce subordinates to work with confidence and zeal.

11.1 Definitions and Meaning of Leadership

Researchers rarely agree on what is meant by leadership. Different investigators define it in different ways. Although there is some consensus on general statements such as "leaders have followers" and "effective leaders somehow get others to do things that are helpful for group performance", exactly how and why performance increases is unclear. Some consensus, however, is being reached on how we should handle this problem. One suggestion was to break down the question of "What is leadership?" into two questions:

1. What characteristics or behaviours make it more likely that an individual will become a leader?
2. Once someone holds a formal position as a leader, what characteristics make it more or less likely that he or she will be effective?

The first question is one of the emergence of a leader. The second question sees leadership as those characteristics or behaviours that make an individual effective in a given position. Leadership is seen not as some set of universally agreed-upon traits, but as those things which are positively related to groups' productivity in a given situation. The central idea is that there is no best style of leadership. What will work best depends on the proper combination of personal characteristics and the specific situation in which one works. To understand this position more fully, let us examine the definitions given by authorities on the subject, for leadership is a great quality and it can create and convert anything. There are many definitions of leadership. Some of the definitions of leadership are reproduced below:

"Leadership" according to *Alford and Beatty* "is the ability to secure desirable actions from a group of followers voluntarily, without the use of coercion."

According to Chester I Barnard, "it (leadership) refers to the quality of the behaviour of the individual whereby they guide people on their activities in organised efforts".

According to Terry, "A leader shows the way by his own example. He is not a pusher, he pulls rather than pushes".

According to Koontz and O'Donnell, Managerial leadership is "the ability to exert interpersonal influence by means of communication, towards the achievement of a goal. Since managers get

things done through people, their success depends, to a considerable extent upon their ability to provide leadership".

In the words of R. T. Livingston, Leadership is "the ability to awaken in others the desire to follow a common objective".

According to the Encyclopedia of the Social Sciences, "Leadership is the relation between an individual and a group around some common interest and behaving in a manner directed or determined by him".

11.2 Characteristic of Leadership

1. ***Leadership implies the existence of followers:*** We appraise the qualities of a leader by studying his followers. In an organisation, leaders are also followers, e.g., a supervisor works under a branch head. Thus, in a formal organisation a leader has to be able to be both a leader as well as a follower, and be able to relate himself both upward and downward.
2. ***Leadership involves a community of interest between the leader and his followers:*** In other words, the objectives of both the leader and his men are one and the same. If the leader strives for one purpose and his team of workers work for some other purpose, that's hardly a sign of leadership.
3. ***Leadership involves an unequal distribution of authority among leaders and group members:*** Leaders can direct some of the activities of group members, i.e., the group members are compelled or are willing to obey most of the leader's directions. The group members cannot similarly direct the leader's activities, though they will obviously affect those activities in a number of ways.
4. ***Leadership is a process of influence:*** Leadership implies that leaders can influence their followers or subordinates in addition to being able to give their followers or subordinates legitimate directions.
5. ***Leadership is the function of stimulation:*** Leadership is the function of motivating people to strive willingly to attain organisational objectives. A successful leader allows his subordinates (followers) to set their own individual goals in such a way that they do not conflict with the organisational objectives, and – more desirably – mesh closely with them.
6. ***A leader must be exemplary:*** In the words of George Terry – "A leader shows the way by his own example. He is not a pusher, he pulls rather than pushes". According to L.G. Urwick – "It does not matter what a leader says, still less what he writes, that influences subordinates. It is what he is. And they judge what he is by what he does and how he behaves". From the above explanation, it is clear that a leader must set an ideal before his followers. He must stimulate, energize and enable people to surpass themselves. In other words, a leader must set the pace by setting a high personal example for his followers to emulate and admire.
7. ***A leader ensures absolute justice:*** A leader must be objective and impartial. He should not follow unfair practices like favoritism and nepotism. He must display fair play and absolute justice in all his decisions and actions.
8. ***Leadership styles and patterns:*** Tannenbaum and Schmidt have described the range of possible leadership behaviour available to a manager. Each type of action is related to the degree of authority used by the boss and to the degree of freedom available to his subordinates in reaching decisions.

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Self Assessment

State whether the following statements are true or false:

1. One of the key elements of concern in any organisation is how to attract, train, and keep people who will not be effective leaders.
2. A successful leader does not allows his subordinates (followers) to set their own individual goals in such a way that they do not conflict with the organisational objectives, and – more desirably – mesh closely with them.

11.3 Leadership Skill

The leader is expected to play many roles and therefore, must be qualified to guide others to organisational achievement. Although no set of absolute traits or skills may be identified, individuals who would be leaders must possess abilities to lead others. They must have certain attributes to help them in performing their leadership role. Broadly speaking, the skills that are necessary for an industrial leader may be summarized under four heads:

1. ***Human Skill:*** A good leader is considerate towards his followers because his success largely depends on the co-operation of his followers. He approaches various problems in terms of people involved more than in terms of technical aspects involved. A leader should have an understanding of human behaviour. He should know people, understand their needs, sentiments, emotions, as also their actions and reactions to particular decisions, their motivations, etc. Thus, a successful leader possesses the human relations attitude. He always tries to develop social understanding with other people. The human skill involves the following:
   (a) *Empathy:* A leader should be able to look at things as objectively as possible. He should respect the rights, beliefs and sentiments of others. He should equip himself to meet the challenges emanating from the actions and reactions of other people. The leader should be empathetic towards his followers so that he can carefully judge their strengths, weaknesses, and ambitions and give them the attention they deserve.
   (b) *Objectivity:* A good leader is fair and objective in dealing with subordinates. He must be free from bias and prejudice while becoming emotionally involved with his followers. His approach to any issue or problem should be objective and not based on any pressure, prejudice or preconceived notions. Objectivity is a vital aspect of analytical decision making. Honesty, fair play, justice and integrity of character are expected of any good leaders.
   (c) *Communication Skills:* A leader should have the ability to persuade, to inform, stimulate, direct and convince his subordinates. To achieve this, a leader should have good communication skills. Good communicator seem to find it easier to discharge their responsibilities because they relate to others more easily and can better utilize the available resources.
   (d) *Teaching Skill:* A leader should have the ability to demonstrate how to accomplish a particular task.
   (e) *Social Skill:* A leader should understand his followers. He should be helpful, sympathetic and friendly. He should have the ability to win his followers' confidence and loyalty.

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2. ***Conceptual Skill:*** In the words of Chester Barnard – "the essential aspect of the executive process is the sensing of the organisation as a whole and the total situation relevant to it". Conceptual Skill includes:

   (a) An understanding of the organisational behaviour,

   (b) Understanding the competitors of the firm, and

   (c) Knowing the financial status of the firm.

   A leader should have the ability to look at the enterprise as a whole, to recognize that the various functions of an organisation depend upon one another and are interrelated, that changes in one affect all others. The leader should have the skill to run the firm in such a way that overall performance of the firm in the long run will be sound.

3. ***Technical Skill:*** A leader should have a thorough knowledge of, and competence in, the principles, procedures and operations of a job. Technical skill involves specialized knowledge, analytical skill and a facility in the use of the tools and techniques of a specific discipline. Technical competence is an essential quality of leadership.

4. ***Personal Skill:*** The most important task of the leader is to get the best from others. This is possible only if he possesses certain qualities. These personal skills include:

   (a) *Intelligence:* Intellectual capacity is an essential quality of leadership. Leaders generally have somewhat higher level of intelligence than the average of their followers.

   (b) *Emotional Maturity:* A leader should act with self-confidence, avoid anger, take decisions on a rational basis and think clearly and maturely. A leader should also have high frustration tolerance. According to Koontz and O'Donnell – "Leaders cannot afford to become panicky, unsure of themselves in the face of conflicting forces, doubtful of their principles when challenged, or amenable to influence".

   (c) *Personal Motivation:* This involves the creation of enthusiasm within the leader himself to get a job done. It is only through enthusiasm that one can achieve what one wants. Leaders have relatively intense achievement type motivational drive. He should work hard more for the satisfaction of inner drives than for extrinsic material rewards.

   (d) *Integrity:* In the words of F.W. Taylor – "integrity is the straightforward honesty of purpose which makes a man truthful, not only to others but to himself; which makes a man high-minded, and gives him high aspirations and high ideals".

   (e) *Flexibility of Mind:* A leader must be prepared to accommodate others' viewpoints and modify his decisions, if need be. A leader should have a flexible mind, so that he may change in obedience to the change in circumstances. Thomas Carlisle has said – "A foolish consistency is the hobgoblin of a little mind".

In sum, a leader must have a dynamic personality, intellectual attainment, amiable disposition, unassuming temperament and knowledge of how to deal with his followers.

Self Assessment

Fill in the blanks:

3. The leader is expected to play many roles and therefore, must be qualified to guide others to .....

4. A leader must have a ..... personality, intellectual attainment, amiable disposition, unassuming temperament and knowledge of how to deal with his followers.

Notes

11.4 Importance of Leadership

The importance of leadership in an organisation cannot be denied. People working in an organisation need individuals (leaders) who could be instrumental in guiding the efforts of groups of workers to achieve goals and objectives of both the individuals and the organisation. The leader guides the action of others in accomplishing these tasks. A good leader motivates his subordinates, creates confidence and increases the morale of the workers. In the words of Peter F Drucker – "Good leadership is a must for the success of a business but the business leaders are the scarcest resources of any enterprise". The following points highlight the importance of leadership:

1. Leadership is the process of influencing the activities of an individual or a group towards the achievement of a goal.
2. An effective leader motivates subordinates for turning in a higher level of performance.
3. Leadership promotes team-spirit and teamwork which is essential for the success of any organisation.
4. Leadership is an aid to authority. Dynamic and enlightened leadership helps in the effective use of formal authority.
5. Leadership creates confidence in subordinates by giving them proper guidance and advice.

The history of business is full of instances where good leaders led their business concerns to unprecedented peaks of success. To quote George R Terry: "The will to do is triggered by leadership, and lukewarm desires for achievement are transformed into burning passion for successful accomplishments by the skilful use of leadership skills".

Self Assessment

State whether the following statements are true or false:

5. People working in an organisation need individuals (leaders) who could be instrumental in guiding the efforts of groups of workers to achieve goals and objectives of both the individuals and the organisation.
6. The leader rarely guides the action of others in accomplishing various tasks.

11.5 Functions of a Leader

According to Peter Drucker, "An effective leader is one who can make ordinary men do extraordinary things, make common people do uncommon things. Leadership is a lifting of a man's sights to a higher vision, the raising of man's standard to a higher performance, the building of a man's personality beyond its normal limitations." This viewpoint of Peter Drucker stresses the leader's obligation to attain organisational goals and gives attention to the needs of the individuals who are his subordinates. The important functions of a business leader may be briefly summarized as follows:

1. ***To take the initiative:*** A leader initiates all the measures that are necessary for the purpose of ensuring the health and progress of the organisation in a competitive economy. He should not expect others to guide or direct him. He should lay down the aims and objectives, commence their implementation and see that the goals are achieved according to the predetermined targets.
2. ***He identifies group goals:*** A leader must always help the group identify and attain their goals. Thus, a leader is a goal setter.

Notes

3. ***He represents the organisation:*** A leader represents the organisation and its purpose, ideals, philosophy and problems to those working for it and to the outside world. In other words, a leader is a true representative of the entire organisation.
4. ***He acts as an arbitrator:*** When groups experience internal difference, whether based on emotional or intellectual clashes, a leader can often resolve the differences. He acts as an arbitrator to prevent serious differences from cropping up within the group.
5. ***To assign reasons for his action:*** It is the delicate task of a leader to assign reasons to his every command. He has to instruct things in such a way that they are intelligible to all concerned and their co-operation is readily forthcoming.
6. ***To interpret:*** He interprets the objectives of the organisation and the means to be followed to achieve them; he apprises his followers, convinces them, and creates confidence among them.
7. ***To guide and direct:*** It is the primary function of the leader to guide and direct the organisation. He should issue the necessary instructions and see that they are properly communicated.
8. ***To encourage teamwork:*** A leader must try to win the confidence of his subordinates. He must act like the captain of a team.
9. ***He manages the organisation:*** Last but not the least, he administers the undertaking by arranging for the forecast, planning, organisation, direction, co-ordination and control of its activities.

Self Assessment

Multiple Choice Questions:

7. Leadership is a lifting of a man's sights to a .....
   (a) Lower vision (b) Higher vision
   (c) Medium vision (d) Zero vision
8. A leader initiates all the measures that are necessary for the purpose of ensuring the health and progress of the organisation in a .....
   (a) Economy (b) Competitive economy
   (c) Non- competitive economy (d) Developed economy

11.6 Theories of Leadership

Different authorities and different researchers have viewed leadership differently. Some put emphasis on personal options, while others view leadership as situational. The researches conducted by behavioural scientists to find out what makes a leader effective have resulted in "theories of leadership". The important theories of leadership are listed/discussed below:

1. Trait Theory of Leadership
2. Behavioural Theory of Leadership
3. Contingency Theory of Leadership
4. Management Grid or Leadership Grid
5. LMX Theory

Notes

11.6.1 Trait Theory of Leadership

Trait theory seeks to determine personal characteristics of effective leaders. It points out that the personal traits or personal characteristics of a person make him an effective or successful leader. Charles Bird examined twenty lists of traits attributed to leaders in various surveys and found that none of the traits appeared on all lists. Leaders were characterized a wide variety of traits ranging all the way from neatness to nobility.

Persons who are leaders are presumed to display better judgment and engage themselves in social activities. Study of the lives of successful leaders reveals that they possessed many of these traits. According to the trait theory, persons who possess the following traits or personal characteristics could become successful leaders:

1. ***Good personality:*** Physical characteristics and level of maturity determine the personality of an individual. Good personality is an important factor in determining the success of a leader.
2. ***Intellectual ability:*** A leader must have a higher level of intelligence than the average follower. A leader should analyze the situation accurately and take decision accordingly.
3. ***Initiative:*** A leader should initiate suitable activities at a proper time.
4. ***Imagination:*** A leader should have the ability to imaginatively visualize trends and device his policies and programmes.
5. ***Maturity:*** A leader should be emotionally mature and have a balanced temperament. They should also have high frustration tolerance.
6. ***Desire to accept responsibility:*** A leader should be prepared to shoulder the responsibility for the consequences of any step he takes. In other words, he should accept full responsibility for his actions.
7. ***Self-confidence:*** A leader should possess self-confidence. Self-confidence is essential to motivate the followers and boost up their morale.
8. ***Flexibility:*** A leader should be prepared to accommodate others viewpoints and modify his decisions. He should have an open mind, ready to absorb and adopt new ideas and views of others.
9. ***Fairness and objectivity:*** A good leader is fair and objective in dealing with subordinates. Honesty, fair play, justice and integrity of character are expected of any good leader.
10. ***Considerate:*** A good leader is considerate to the followers as his success as a leader largely depends on the co-operation of his followers.

Table 11.1: Traits Associated with Effective Leadership

Drive	High level of effort; relatively high desire for achievement; ambition; high energy; persistence; initiative.
Desire to Lead	Strong desire to influence and lead others; willingness to take responsibility.
Honesty and Integrity	Trusting relationships with followers; truthfulness; high consistency between words and actions.
Self-confidence	Absence of self-doubt; self-assurance that convinces followers of the rightness of the leader's goals and decisions.
Intelligence	Ability to gather, synthesize, and interpret large amounts of information; ability to create visions, solve problems, and make good decisions.
Job-relevant Knowledge	High level of knowledge about the organization, industry, and technical matters related to the group's activities.

Source: Shelly a Kirpatrick and Edwin A Locke, "Leadership: Do Traits really matter?" Academy of Management Executive, May 1991 Page 48 - 60.

Notes

Research indicates that a few traits show a weak but consistent link to holding positions of leadership. People with a high energy level tend to rise to leadership positions. Leadership potential has been associated with the social trait of dominance and with the motives of need for achievement and need for power. Leadership has also been widely linked to high self-esteem. General cognitive ability has one of the strongest links to leadership ability.

Limitations of the Trait Theory

1. It assumes that leadership is an inborn quality. This is not always true but, leadership qualities may be developed through training also.
2. A leader may prove very successful is one situation due to some traits, but may fail in another situation.
3. The theory also fails to mention the traits which are necessary to maintain leadership. Measurement of a trait usually occur after a person becomes a leader.
4. There cannot be any common list of personal traits found in all successful leaders.
5. Personal traits are only a part of the whole environment. By emphasizing merely on the personal traits, the other qualities of a leader are ignored.

Applications of Trait Theory

Despite the limitations of trait theory, people still think in terms of leadership traits. For example, in many hiring and promotion decisions, the decision maker selects people, he or she should have "leadership potential". There is nothing wrong about such a choice, but is this an effective strategy? Probably not. Using valid systems for employee selection results in higher-quality employees than basing decisions on non-job-related personality traits.

11.6.2 Behavioural Theory of Leadership

According to this theory, a particular behaviour of a leader provides greater satisfaction to the followers and so they recognize him as a good leader. The behavioural approach is based on the premise that effective leadership is the result of effective role behaviour. A leader uses conceptual, human and technical skills to influence the behaviour of his subordinates. The behavioural theory does not concentrate on the traits of leaders; it inspires study of the activities of leaders to identify their behavioural patterns.

The inability of the trait approach to consistently define specific traits that would differentiate successful and unsuccessful leaders led to the conclusion that emphasis on the behaviour of leaders (which could be measured) rather than emphasis on traits (which could not be measured) were an appropriate new research strategy. Beginning in the late 1940s and continuing through the early 1960s, research based on this emphasis was conducted at Ohio State University and the University of Michigan.

1. ***The Ohio State University Studies:*** A team of Ohio State University researchers including Edwin Fleishman conducted extensive surveys. The goal of the research was to:
   (a) Identify the behaviours exhibited by leaders.
   (b) Determine what affect these behaviours had on employee satisfaction and performance.
   (c) Identify the best leadership style.

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To do this, questionnaires were developed to assess leadership styles. The Leader Behaviour Description Questionnaire (LBDQ) was designed to tap subordinate perception of the leader's behaviours, while the Leader Opinion Questionnaire (LOQ) measured the leader's perception of his own style.

After an analysis of actual leader behaviour in a wide variety of situations, two important leadership behaviours were isolated:

(a) *Initiating-structure behaviour (IS):* Clearly defining the roles of leader and follower so that everyone knows what is expected. This includes establishing formal lines of communication and deciding how tasks are to be performed.

(b) *Consideration Behaviour(C):* Demonstrating concern for followers and trying to establish a friendly and supportive work climate based on mutual trust.

These two kinds of behaviour were viewed as independent, meaning a particular leader can score high in use of one type of behaviour, the other, or both. Leaders who scored high on IS generally led high-producing groups and were rated highly by their superiors. However, the subordinates of those leaders tended to have lower morale, higher grievance rates, and higher turnover. Leaders high on C, on the other hand, generally led groups with higher morale but lower productivity. Thus, each of the specific leader behaviours had positive and negative outcomes associated with them. The extension of these findings by some later theorists led to the conclusion that leaders high on both LS an C would simultaneously satisfy their superiors (by achieving high performance) and their subordinated (by improving their morale).

2. ***University of Michigan Studies:*** Under Rensis Likert, researchers at the University of Michigan conducted extensive interviews with managers and the employees who reported to them. After studying numerous industrial situations, the researchers concluded that two leadership styles – employee-centered and production or task-centered – influenced employee performance and satisfaction.

   (a) *Task-Centered Leader Behaviour:* An effort to lead employees by focusing on work and how well employees performs. The task-centered leader pays close attention to employees' work, explains work procedures, and is deeply interested in performance.

   (b) *Employee-centered Leader Behaviour:* An effort to lead employees by developing a cohesive work group and ensuring employee satisfaction. The employee-centered leader emphasizes employees' well being rather than the tasks they perform.

   The researchers defined these behaviours as mutually exclusive; a leader tends to use one or the other. The Michigan studies showed that employee-centered leaders supervised groups with higher morale and productivity, while production-centered leaders supervised groups with lower productivity and morale. These findings led to the belief that the employee-centered leadership style was superior to the production-centered leadership style.

11.6.3 Contingency Theory of Leadership

Fiedler's contingency model is one of the most serious and elaborate situational theories in leadership literature. Fiedler is probably the first researcher who recognised the need for a broader explanation of leadership phenomena anchored on situational variables.

Fiedler's model is called a 'contingency' model because the leader's effectiveness is partially contingent upon three major situational variables.

Notes

1. ***Leader-member relations:*** It refers to the degree of confidence, trust and respect followers have in the leader. It indicates the degree to which group members like the leader and are willing to accept the leader's behaviour, as an influence on them. If followers are willing to follow because of charisma, expertise, competence or mutual respect, the leader has little need to depend on task structure or position power. If, on the other hand, the leader is not trusted and is viewed negatively by followers, the situation is considered less favourable.

2. ***Task structure:*** It measures the extent to which the task performed by subordinates is routine or non-routine. Task structure refers to the degree to which the task requirements are clearly defined, (clarity of goals) the correctness of a decision can be easily verified (verifiability of decisions made) and there are alternative solutions to task problems (multiplicity of options to solve problems). In other words, task structure refers to how routine and predictable the work group's task is.

3. ***Leader position power:*** The most obvious manner in which the leader secures power is by accepting and performing the leadership role. Position power in the contingency model refers to the power inherent in the leader's organisational position. It refers to the degree to which the leader has at his disposal various rewards and sanctions, his authority over group's members, and the degree to which this authority is supported by the organisation.

4. ***Favourableness of the situation:*** Thus, depending on the 'high' and low' categories of these situational variables, Fiedler developed eight possible combinations ranging from highly favourable to unfavourable situations.

   A favourable situation is where the leader-member relations are good, the task is highly structured and the leader has enormous power to exert influence on the subordinates. The first cell in the table is identified with this high degree of favourableness. At the other extreme, an unfavourable situation is, where the leader's power is weak, relations with members are poor and the task is unstructured and unpredictable. The last cell represents this situation. Between these two extremes lies the situation of intermediate difficulty. Fiedler states that a permissive, relationship-oriented style is best when the situation is moderately favourable or moderately unfavourable. When the situation is highly favourable or highly unfavourable, a task-oriented style produces the desired performance.

Figure 11.1: Fiedler's Findings on how Leader Effectiveness Varies with the Situation

Fiedler's Classification of Situational Favourableness

Leader-member Relations	Good				Poor			
Task Structure	High		Low		High		Low	
Leader Position Power	Strong	Weak	Strong	Weak	Strong	Weak	Strong	Weak
Situations	I	II	III	IV	V	VI	VII	VIII

Very Favourable ⟷ Very Unfavourable

11.6.4 Managerial Grid

Robert R Blake and Jane S Mouton have designed an organisation development program emphasizing the importance of the two basic leader behaviours (concern for people and concern for production) originally identified in the Ohio State and Michigan studies.

Notes

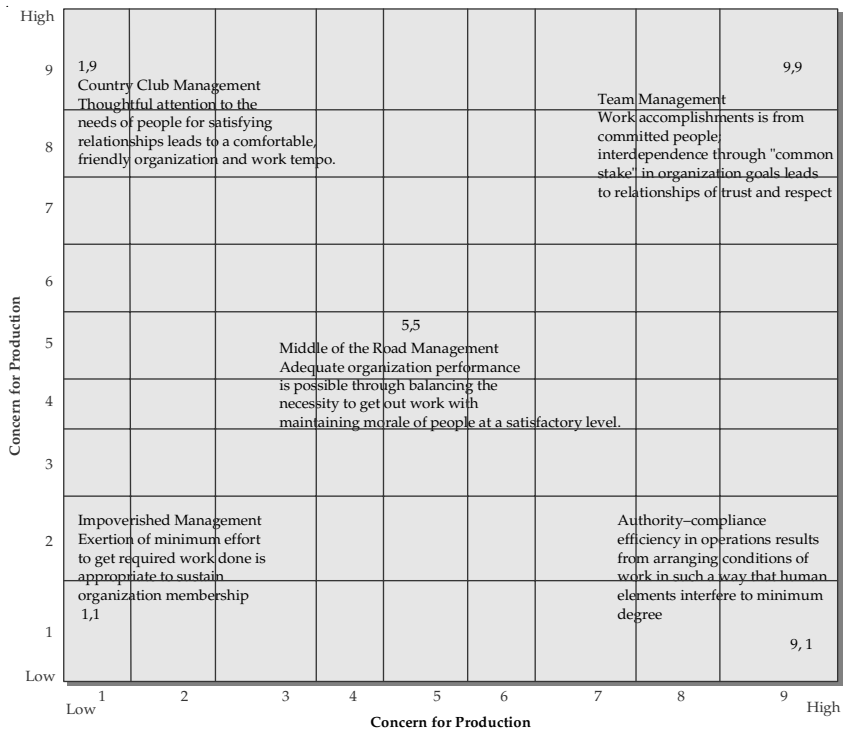
Table 11.2: Five Possible Leadership Styles

Style Label	Leader Emphasis on	
	Production	People
1,1	Low	Low
9,1	High	Low
1,9	Low	High
5,5	Moderate	Moderate
9,9	High	High

The managerial grid categorizes leadership behaviour as concern for people and concern for production. However, rather than viewing each type of concern as an absolute measure, the managerial grid puts them along two independent continuums. A manager thus has low to high concern for people and low to high concern for production. Each type of concern is ranked on a scale from 1 to 9, resulting in five major combinations of leader behaviour:

1. ***Improvised (1,1) Management:*** Minimal concern for production or people. This style of management results in employees doing the minimum required.
2. ***Authority-Compliance (9,1) Management:*** High concern for production and low concern for people. This style of management tends to result in efficient operations.
3. ***Country Club (1,9) Management:*** Low concern for production and high concern for people. This style of management creates a working environment where employees feel comfortable.

Figure 11.2: The Leadership Grid



Source: The Leadership Grid Figure for Leadership Dilemmas - Grid Solution, by Robert R Blake and Anne Adams McCanse (Formerly the 'Managerial Grid figure' by Robert R Blake and Jane S Mouton) Houston: Gulf Publishing Company Page 29.

Notes

4. ***Middle-of-the Road (5,5) Management:*** Moderate levels of concern for both people and production. This style of management balances needs through compromise, resulting in adequate performance.

5. ***Team (9,9) Management:*** High levels of concern for people and production. This style of management results in superior performance from committed employees.

The model is designed to help managers first see their current leadership style and then to help them develop the most desirable style. Blake and Mouton believe there is an ideal style 9, 9 management. However, they have found that most managers use the middle-of the road style. The Figure 11.2 shows the five possible leadership style.

A slightly more complex model of leadership is the managerial grid developed by Robert Blake and Jane Mouton. This model is illustrated in Figure 11.2 and is called the Leadership Grid in the latest version prepared by Robert Blake and Anne McCanse.

11.6.5 LMX Theory

Leader-Member Exchange Theory, also called LMX or Vertical Dyad Linkage Theory, describes how leaders in groups maintain their position through a series of tacit exchange agreements with their members.

In-group and Out-group

In particular, leaders often have a special relationship with an inner circle of trusted lieutenants, assistants and advisors, to whom they give high levels of responsibility, decision influence, and access to resources. This in-group pays for their position. They work harder, are more committed to task objectives, and share more administrative duties. They are also expected to be fully committed and loyal to their leader. The out-group, on the other hand, is given low levels of choice or influence.

This also puts constraints upon the leader. They have to nurture the relationship with their inner circle whilst balancing giving them power with ensuring they do not have enough to strike out on their own.

The LMX Process

These relationships, if they are going to happen, start very soon after a person joins the group and follow three stages.

1. ***Role taking:*** The member joins the team and the leader assesses their abilities and talents. Based on this, the leader may offer them opportunities to demonstrate their capabilities.

   Another key factor in this stage is the discovery by both parties of how the other likes to be respected.

2. ***Role making:*** In the second phase, the leader and member take part in an unstructured and informal negotiation whereby a role is created for the member and the often-tacit promise of benefit and power in return for dedication and loyalty takes place.

   Trust-building is very important in this stage, and any felt betrayal, especially by the leader, can result in the member being relegated to the out-group.

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This negotiation includes relationship factors as well as pure work-related ones, and a member who is similar to the leader in various ways is more likely to succeed. This perhaps explains why mixed gender relationships regularly are less successful than same-gender ones (it also affects the seeking of respect in the first stage). The same effect also applies to cultural and racial differences.

3. ***Routinization:*** In this phase, a pattern of ongoing social exchange between the leader and the member becomes established.

Success Factors

Successful members are thus similar in many ways to the leader (which perhaps explains why many senior teams are all white, male, middle-class and middle-aged). They work hard at building and sustaining trust and respect.

To help this, they are empathetic, patient, reasonable, sensitive, and are good at seeing the viewpoint of other people (especially the leader). Aggression, sarcasm and an egocentric view are keys to the out-group washroom.

The overall quality of the LMX relationship varies with several factors. Curiously, it is better when the challenge of the job is extremely high or extremely low. The size of the group, financial resource availability and the overall workload are also important.

Onwards and Upwards

The principle works upwards as well. The leader also gains power by being a member of their manager's inner circle, which then can then share on downwards. People at the bottom of an organization with unusual power may get it from an unbroken chain of circles up to the hierarchy.

Informal observation of leadership behavior suggests that leader's action is not the same towards all subordinates. The importance of potential differences in this respect is brought into sharp focus by Graen's leader-member exchange model, also known as the vertical dyad linkage theory. The theory views leadership as consisting of a number of dyadic relationships linking the leader with a follower. The quality of the relationship is reflected by the degree of mutual trust, loyalty, support, respect, and obligation.

According to the theory, leaders form different kinds of relationships with various groups of subordinates. One group, referred to as the in-group, is favored by the leader. Members of in-group receive considerably more attention from the leader and have more access to the organizational resources. By contrast, other subordinates fall into the out-group. These individuals are disfavored by the leader. As such, they receive fewer valued resources from their leaders.

Leaders distinguish between the in-group and out-group members on the basis of the perceived similarity with respect to personal characteristics, such as age, gender, or personality. A follower may also be granted an in-group status if the leader believes that person to be especially competent at performing his or her job. The relationship between leaders and followers follows three stages:

1. ***Role taking:*** When a new member joins the organization, the leader assesses the talent and abilities of the member and offers them opportunities to demonstrate their capabilities.

2. ***Role making:*** An informal and unstructured negotiation on work-related factors takes place between the leader and the member. A member who is similar to the leader is more

Notes

likely to succeed. A betrayal by the member at this stage may result in him being relegated to the out-group

The LMX 7 scale assesses the degree to which leaders and followers have mutual respect for each other's capabilities, feel a deepening sense of mutual trust, and have a sense of strong obligation to one another. Taken together, these dimensions determine the extent to which followers will be part of the leader's in-group or out-group.

In-group followers tend to function as assistants or advisers and to have higher quality personalized exchanges with the leader than do out-group followers. These exchanges typically involve a leader's emphasis on assignments to interesting tasks, delegation of important responsibilities, information sharing, and participation in the leader's decisions, as well as special benefits, such as personal support and support and favorable work schedules.

Strengths of LMX Theory

LMX theory is an exceptional theory of leadership as unlike the other theories, it concentrates and talks about specific relationships between the leader and each subordinate.

LMX Theory is a robust explanatory theory. LMX Theory focuses our attention to the significance of communication in leadership. Communication is a medium through which leaders and subordinates develop, grow and maintain beneficial exchanges. When this communication is accompanied by features such as mutual trust, respect and devotion, it leads to effective leadership. LMX Theory is very much valid and practical in its approach.

Criticisms of LMX Theory

LMX Theory fails to explain the particulars of how high-quality exchanges are created. LMX Theory is objected on grounds of fairness and justice as some followers receive special attention of leaders at workplace and other followers do not.

Implications

According to many studies conducted in this area, it has been found that leaders definitely do support the members of the in-group and may go to the extent of inflating their ratings on poor performance as well. This kind of a treatment is not given to the members of the out-group. Due to the favoritism that the in-group members receive from their leaders, they are found to perform their jobs better and develop positive attitude towards their jobs in comparison to the members of the out-group. The job satisfaction of in-group members is high and they perform effectively on their jobs. They tend to receive more mentoring from their superiors which helps them in their careers. For these reasons, low attrition rate, increased salaries, and promotion rates are associated with the in-group members in comparison to that of the out-group members.

11.7 Leadership Styles

Leadership style refers to the behaviour pattern adopted by a leader to influence the behaviour of his subordinates for attaining the organisational goals. As different leadership styles have their own merits and demerits, it is difficult to prefer one leadership style over another. The selection of a leadership style will depend on the consideration of a number of factors.

Notes

Tannenbaum and Schmidt have pointed out the important factors that affect the choice of a style of leadership. They are:

1. Forces in the manager, i.e., the manager's personality, experience and value system.
2. Forces in the subordinates, i.e., the subordinates' readiness for taking decisions, and their knowledge, interest, need for independence, etc.
3. Forces in the situation, i.e., complexity of the problem, pressure of time etc.

11.7.1 Types of Leadership Styles

The different types of leadership styles are:

1. Autocratic or Task Management Leadership
2. Participative or Democratic Leadership and
3. Laissez-faire or Free-rein Leadership
4. Paternalistic Leadership.

Autocratic or Task Management Leadership

The autocratic leader gives orders which he insists shall be obeyed. He determines policies for the group without consulting them, and does not give detailed information about future plans, but simply tells the group what immediate steps they must take. In other words, an autocratic leader is one who centralizes the authority in himself and does not delegate authority to his subordinates. He is dictatorial by nature, and has no regard for his subordinates. He drives himself and his subordinates with one thought uppermost in his mind – action must produce results. An autocratic leader controls the entire planning process, and calls upon his subordinates to execute what he has planned. An autocratic leader operates on the following assumptions:

(a) An average human being has inherent dislike for work and will avoid it if he can.

(b) If his subordinates were intelligent enough, they would not be in subordinate positions.

(c) He assumes that unintelligent subordinates are immature, unreliable and irresponsible persons. Therefore, they should be constantly watched in the course of their work.

(d) As he has no regard for his subordinates, he gets the work done by his subordinates through negative motivation, that is, through threats of penalty and punishment.

Thus, under this style, all decision-making power is centralized in the leader. The autocratic leader stresses his prerogative to decide and order, and denies subordinates the freedom to influence his behaviour.

Types of Autocratic Leadership:

(a) ***Strictly autocratic leaders:*** A strictly autocratic leader relies on negative influence and gives orders which the subordinates must accept. He may also use his power to dispense rewards to his group.

(b) ***Benevolent Autocrat:*** The benevolently autocratic leader is effective in getting high productivity in many situations and he can develop effective human relationships. His motivational style is usually positive.

Notes

(c) ***Manipulative Autocrat:*** A manipulative autocratic leader is one who makes subordinates feel that they are participating in decision making process even though he has already taken the decision.

Participative or Democratic Leadership

A democratic leader is one who consults and invites his subordinates to participate in the decision making process. He gives orders only after consulting the group, sees to it that policies are worked out in group decisions and with the acceptance of group. The manager largely avoids the use of power to get a job done. He behaves that a desired organisational behaviour can be obtained if employees' needs and wants are satisfied. Therefore, he not only issues orders but interprets them and sees to it that the employees have the necessary skills and tools to carry out their assignments. He assigns a fair work load to his personnel and accords due recognition to jobs that are well done. There is a team approach to the attainment of organisational goals. He recognizes the human value of showing greater concern for his subordinates.

A participative leader operates on the following assumptions:

(a) Subordinates are capable of doing work independently and assuming the responsibility for proper execution if they are given opportunities and incentives.

(b) Subordinates are supervised, guided and aided rather than threatened and commanded to work.

(c) Mistakes are not viewed seriously. The assumption is that disciplinary action breeds discontent and frustration among employees and creates an unhealthy work environment.

Laissez-faire or Free-rein Leadership

A free-rein leader does not lead, but leaves the group entirely to itself. The leader avoids using power and entrusts the decision-making authority to his subordinates. He does not direct his subordinates, thereby giving them complete freedom of operation. Groups of members work independently and provide their own motivation. The manager exists as a facilitator and buffer contact man between the team and outsiders, while bringing for his group the information and resources it needs to accomplish its job. A free-rein leader operates in the following manner:

(a) He follows the rule of minimum exposure to accountability.

(b) He relieves himself of responsibilities and is ready to blame his subordinates if something goes wrong.

(c) He has no clear idea of the goals to be attained.

(d) He is more security conscious than status conscious.

This mode of direction can produce good and quick results, if the subordinates are highly educated and brilliant people who have a sincere need to go ahead and discharge their responsibility.

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Paternalistic Leadership

Under this type of leadership, the leader assumes that his function is fatherly. His attitude is that of treating the relationship between the leader and his groups as that of family, with the leader as the head of the family. The leader works to help, guide, protect and keep his followers happily working together as members of a family. He provides them with good working conditions, fringe benefits and employee services. It is said that employees under such leadership will work harder, out of sheer gratitude as well as emotional bondage.

Tasks Critically analyse the type of your most favourite leader.

Self Assessment

Fill in the blanks:

9. The manager presents a ..... decision subject to change.
10. Leadership style refers to the ..... adopted by a leader to influence the behaviour of his subordinates for attaining the organisational goals.
11. All decision-making power is centralized in the .....
12. A strictly autocratic leader relies on ..... influence and gives orders which the subordinates must accept.

11.8 Contemporary Issues in Leadership

1. ***Male/Female leadership styles:*** As more women assume visible leadership roles, many observers perceive differences in the leadership styles of the two sexes. The studies that have found differences between male and female leadership styles typically find that women tend to lead more democratically than their male counterparts. Women are more likely to encourage participation in decision-making, to share power and information, and to try to enhance the self-worth of their followers. They influence through their charisma, expertise, personal contacts, and interpersonal skills. In contrast, men are more likely to rely on the authority of their position and issue directives to their followers.
2. ***Leading through empowerment:*** Managers are currently advised to lead through empowerment. Effective leaders share power and responsibilities with their employees. The empowering leader's role is to show trust, provide vision, improve performance, dismantle blocking barriers, offer encouragement, motivate and coach employees.
3. ***Biological basis for leadership:*** A growing body of research suggests the best leaders are not necessarily the smartest, strongest, or more aggressive of a group but rather those who are most proficient at handling social interactions. Researchers have found that effective leaders possess a unique biochemical mixture of hormones and brain chemistry that helps them build social alliances and cope with stress. Higher levels of the chemical serotonin increases levels of sociability and controls aggression, while higher levels of testosterone increase aggressive tendencies and competitive drive.

Self Assessment

Notes

Multiple Choice Questions:

13. Differences between male and female leadership styles typically find that women tend to ..... than their male counterparts.

    (a) lead more democratically

    (b) lead less democratically

    (c) lag more democratically

    (d) lag less democratically

14. An average human being has inherent ..... for work and will avoid it if he can.

    (a) Like

    (b) Dislike

    (c) Options

    (d) Favours

11.9 Trust and Leadership

The inglorious actions on the part of leaders at WorldCom, Adelphia, Enron in 2001 and 2002 and more recently at Satyam Computers in 2009 have led many to question the credentials of many at the top—especially those who are known to be greedy and opportunistic, those whose public face is entirely different from their private face. The essential glue that holds social relationships together seem to have dried up, more or less, permanently.

Trust is essentially the belief in the integrity, character and ability of a leader. Those who follow the footsteps of a leader know for sure that the leader will not take them for a ride and do anything that would undermine that relationship. Blind faith, undying loyalty, passionate commitment – all break down instantaneously, the moment subordinates lose their confidence and begin to question leaders with doubtful integrity and morals.

Trust is built around five basic principles:

- ***Integrity:*** Honesty and truthfulness in expressions and behaviours
- ***Competence:*** Technical and interpersonal knowledge and skills
- ***Consistency:*** Reliability, predictability and good judgement in handling situations
- ***Loyalty:*** Willingness to protect and save face for a person
- ***Openness:*** Willingness to share ideas and information freely

Working with cross-functional teams, leaders have to quickly earn respect from others through their expressions and behaviours. They have to live by their words and help people in tricky situations. They have to stand by people at all times and in all circumstances. When people commit mistakes and the leader is not there to lend a helping hand, trust gets broken and faith disappears. Earning trust through honest behaviour is essential to build long-lasting relationships. You need to sustain trust through reliable and consistent behaviours—all the time, like Herb

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Kelleher of Southwest Airlines who never indulged in downsizing, even when the entire airline industry was showing doors to thousands of employees. Leaders have to treat people with respect, take their ideas seriously and allow them to believe that they can make a difference. They have to demonstrate a commitment to people, treat people with politeness, respect and dignity and create a strong role model for others to follow. To be a role model they have to live by their words. When they give themselves large salaries and bonuses while, at the same time, seek to cut costs by laying off employees—they are obviously not living up to expectations. The moral conduct of the leader and the means employed by the leader in realizing goals is scrutinized by people all the time. To get the best out of people, leaders have to lead from the front. They have to set high ethical standards for themselves and demonstrate those standards through their own behaviour and encourage and reward integrity in others. Many leaders employ mentoring to coach, counsel and guide employee behaviours and actions along appropriate lines. Let's take a close look at mentoring now.

Mentoring

Mentoring is the use of an experienced person (mentor) to teach and train someone (the protégé) with less knowledge in a given area. The mentor nurtures, supports and guides the efforts of young persons by giving appropriate information, feedback and encouragement whenever required.

- Share knowledge and skills related to the job
- Explain unwritten rules of conduct and behaviour of the organisation
- Prevent the protégé from doing wrong things and committing mistakes
- Provide important insights into the corporate affairs
- Extend emotional support and guidance continuously so that the protégé can develop his skills and knowledge over a period of time and stand on his own.

The mentor offers emotional support and guidance to the protégé so that he can improve his chances for success in his career. According to Lewinson, a mentor is a teacher, sponsor, counsellor, developer of skills and intellect, host, guide, exemplar and most importantly supporter and facilitator in the realisation of the vision the young person has about the kind of life he wants as an adult.

When a young person joins an organisation, he needs help from a senior person to guide his efforts, correct his mistakes and put him on track. Such a person need not be from the same department but is generally a person who is senior in position and age. The young person needs to repose his confidence and trust in the ability of his superior who could help him set task goals, realise them and plan for further improvements in future. Mentoring, thus, involves the following things (Pareek & Rao p.323):

- Establishing trusting relationship between the mentor and the protégé
- Modelling behavioural norms for the young persons
- Listening to the job-related problems of the protégé
- Helping him find alternative ways to resolve the problems
- Responding to his emotional needs, without making him dependent on the mentor
- Developing a long-lasting relationship based on mutual trust and understanding.

Trust is the foundation on which leadership stands. A person is a leader, when he has people to follow him, in the path provided by him. An effective leader is one, whom people follow with

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their own will, not with compliance or force .This can only done, if the followers have faith in their leader.

Trust is the foundation of all relationships; and that includes leadership and followership. Without it, you'll find that there is no leadership at all happening in the relationship. Organisations don't work, groups fall apart; it's a every-man-for-himself culture.

Brian Tracy once said that it is *"The glue that holds all relationships together - including the relationship between the leader and the led is trust, and trust is based on integrity."*

Imagine an organisation without trust, where the workers are suspicious of one another and take steps to ensure their self-preservation.

The manager, to keep his position**, hoards information and is quick to put down any potential worker that might take his place.**

All the energy of the collective workforce will be spent not achieving the organisational vision, but ensuring self survival in the workplace.

There is a verse in the Bible that says, *"A house that is divided cannot stand."* An organisation or group where trust is rare will soon crumble.

As a leader, you must spend a lot of time investing in building trust in your followers.

And it's not about mastering techniques to win people over; no, it's about living a life full of integrity and honor and truly gaining the respect of your followers.

Self Assessment

State whether the following statements are true or false:

15. Distrust is the foundation of all relationships; and that includes leadership and followership.
16. Trust is non-essentially the belief in the integrity, character and ability of a leader.
17. Mentoring is the use of an experienced person (mentor) to teach and train someone (the protégé) with less knowledge in a given area.

11.10 Influence of National Culture on Leadership style

The past decade has been characterized by unbelievable changes, cut-throat competition, a stunning explosion of new technologies, mind-numbing chaos, tremendous turbulence and high levels of uncertainty. Organisations are being re-engineered and restructured and networks of virtual and modular corporations are emerging. The economic world, not surprisingly, consists of global companies, boundaryless corporations and virtual outfits. As we step into the next decade, the organisations that we will be living in, moving with and competing against are likely to be vastly different from what we know today. We find corporations increasingly flooded with people with diverse backgrounds, from all over the globe. **Multiculturalism** and **Diversity** related issues are going to confront global managers wherever they go. Multiculturalism deals with broad issues associated with differences in values, beliefs, behaviours, customs and attitudes held by people (from different national cultures) working in an organisation. Diversity exists in a group or organisation when its members differ from one another, along one or more important dimensions such as age, gender or ethnicity. Virtually all organisations in the 21st century are becoming more diverse and multicultural. Factors such as globalization, the entry of women and minorities into the labour force, the hunt for talent across the borders to hire the best, the favourable laws encouraging companies to hire people based on merit, etc. have brought about a sea change in the composition of labour force in corporations all over the globe. Confronted with these realities, the corporate world, nowadays, is looking

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for not merely transformational leaders, charismatic leaders but leaders who are capable of delivering results, resolving cross-cultural differences in a competent manner. (Howard, et al.)

- ***Leadership style in sync with cultural expectations:*** In the changed scenario, leaders cannot choose their styles at will; they are constrained by the cultural conditions that their followers have come to expect. Korean leaders, therefore, have to adopt a paternalistic style to keep their employees in good humour. Arab leaders, in contrast, who exhibit kindness and generosity, are labelled as 'weak'. In Japan, silence pays; hence Japanese leaders are expected to be humble and speak infrequently! Dutch leaders who single out individuals for public praise may be, indirectly, sending an open invitation to criticism from all quarters. (Peterson, et al.) Effective German leaders are characterized by high performance orientation, low compassion, low self protection, low team orientation, high autonomy and high participation. Arabs worship their leaders—as long as they are in power. Malaysians expect their leaders to behave in a manner that is humble, modest and dignified. The French expect leaders to be cultivated—that is highly educated in the arts and in mathematics. The 'Leadership Theories' inevitably contain the American flavour, since most of these have been developed there, reflecting things such as centrality of work, democratic value orientation, responsibilities of followers in place of spirituality, religion and superstition. Leaders, however, cannot afford to ignore national culture, because it comes in the way of getting positive responses from subordinates.
- ***Universal traits associated with transformational leadership will help:*** Cross-cultural studies covering leadership have spelt out the elements that need to receive attention from one and all such as: vision, foresight, providing encouragement, trustworthiness, dynamism, positiveness and proactiveness. According to the GLOBE research team, "effective business leaders in any country are expected by their subordinates to provide a powerful and proactive vision to guide the company into the future, strong motivational skills to stimulate all employees to fulfill the vision, and excellent planning skills to assist in implementing the vision".
- ***Effective leaders must be global business and organisational savvy:*** From their recent research involving 125 global leaders in fifty companies, Morrison, et al, concluded that effective leaders must be global business and organisational savvy. They explain global business savvy as the ability to recognize global market opportunities for a company and having a vision of doing business worldwide. Global organisational savvy requires an intimate knowledge of a company's resources and capabilities in order to capture global markets, as well as an understanding of each subsidiary's product lines and how the people and business operate at the local level.

  In the end, we can only conclude by saying that effective leadership is crucial to the ability of a company to achieve its goals. The challenge is to decide what is effective leadership in different international or mixed-culture situations.

Tasks

1. Assuming that nobody can be equally competent on all grounds, what should a leader try to excel in among human skills, conceptual skills, technical skills and personal skills and why?
2. Is following the rule of minimum exposure to accountability the right kind of attitude? If yes, in which situations it would result in negative?

Self Assessment

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Multiple Choice Questions:

18. The past decade has been characterized by ..... tremendous turbulence and high levels of uncertainty.

    (a) Unbelievable changes (b) Cut-throat competition

    (c) A stunning explosion of new technologies (d) All of the above

19. All organisations in the 21st century are becoming ..... and multicultural.

    (a) Diverse (b) Less diverse

    (c) More diverse (d) None

11.11 Summary

- Leadership is a process by which an individual influences the thoughts, attitudes, and behaviors of others.
- Leaders set a direction for the rest of the group, and help it to see what lies ahead.
- They help the team visualize what it might achieve and encourage as well as inspire the entire team to perform up to its true potential.
- Without leadership a group degenerates into non-performers.
- That is why the practice of leadership is known to be a key business differentiator.
- In order to increase individual effectiveness, one must certainly possess good team skills coupled with great leadership qualities.

11.12 Keywords

Authority-Compliance Management: High concern for production and low concern for people. This style of management tends to result in efficient operations.

Country Club Management: Low concern for production and high concern for people. This style of management creates a working environment where employees feel comfortable.

Improvised Management: This style of management results in employees doing the minimum required.

Leader: A leader is one who guides and directs other people. He gives the efforts of his followers a direction and purpose by influencing their behaviour

Leadership: Leadership is the relation between an individual and a group around some common interest and behaving in a manner directed or determined by him.

Middle-of-the Road Management: Moderate levels of concern for both people and production. This style of management balances needs through compromise, resulting in adequate performance.

Team Management: High levels of concern for people and production. This style of management results in superior performance from committed employees.

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11.13 Review Questions

1. "A good leader is one who understands his subordinates, their needs and their sources of satisfaction". Comment.
2. What is the difference between a leader and a manager?
3. Critically examine the different approaches to the study of leadership behaviour. Is there one best style of leadership?
4. "Leadership is the driving force which gets thing done by others". Discuss.
5. "A Successful Leader is not necessarily effective". Comment.
6. What is the Managerial Grid? Contrast its approach to leadership with the approach of the Ohio State and Michigan groups.
7. According to the Managerial Grid, which is considered the most desirable combination of leadership behaviour? Why?
8. A leader is one who guides and directs other people. Can there be a contrast to it? Discuss with elaborative reasons.
9. What do you think as the five main characteristics of a leader and why do you prefer them over the rest?
10. Which is your favourite leadership style and why?
11. Leaders cannot become panicky or amenable to influence. Justify.
12. It is well known maxim that leadership is what a leader shows. What according to you is leadership?
13. What do you think are the limitations of the trait theory?

Answers: Self Assessment

1.	False	2.	False
3.	Organisational achievement	4.	Dynamic
5.	True	6.	False
7.	(b)	8.	(b)
9.	Tentative	10.	Behaviour pattern
11.	Leader	12.	Negative
13.	(a)	14.	(b)
15.	False	16.	False
17.	True	18.	(d)
19.	(c)		

11.14 Further Readings

Notes

Books

Aquinas PG, *Organisational Behavior*, Excel Books.

Ashwathappa K, *Organisation Behaviour*, Himalaya Publishers, New Delhi, 2007.

Luthans F, *Organisational Behaviour*, McGraw Hill, New Delhi, 2007.

Robbins S P, Timothy A. Judge and Sanghi Seema, *Organisational Behaviour*, Pearson Education, New Delhi, 2009.

Online links

http://managingleadership.com/blog/2004/07/15/what-is-organisational-leadership/

http://managementhelp.org/leadership/

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Unit 12: Organisational Culture

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Objectives

After studying this unit, you will be able to:

- Define the term organisational culture
- Discuss the types of organisational culture
- Explain the concept of creating and sustaining culture
- Describe the dimensions of organisational culture
- Focus on changing organisational culture

Introduction

Organisational culture is an idea in the field of organisational studies and management which describes the psychology, attitudes, experiences, beliefs and values, both personal and cultural, of an organisation. It can also be defined as the specific collection of values and norms that are shared by people and groups in an organisation and that control the way they interact with each other and with stakeholders outside the organisation.

The culture of an organisation can be further expanded as beliefs and ideas about what kinds of goals and objectives, the members of an organisation should pursue. It also covers the ideas about the appropriate kinds or standards of behavior organisational members should use to achieve these goals as objectives as determined earlier. These values in turn help determine the organisational norms, guidelines or expectations that prescribe appropriate kinds of behavior by employees in particular situations and control the behavior of organisational members towards one another.

Since we know that the culture is comprised of the assumptions, values, norms and tangible signs (artifacts) of organisation members and their behaviors. Members of an organisation soon come to sense the particular culture of that organisation. For example, the culture of a large, for-profit corporation is quite different than that of a hospital which is quite different that of a university.

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From the wider concept of organisational culture, emerges the narrower, yet equally important concept of corporate culture. As compared to the organisational culture, corporate culture can be said to be something that an organisation 'is' rather than what it 'has'.

Corporate culture can be looked at as a system in which the inputs include feedback from, e.g., society, professions, laws, stories, heroes, values on competition or service, etc. The process is based on our assumptions, values and norms, e.g., our values on money, time, space and people. Outputs or effects of our culture are, e.g., organisational behaviors, technologies, strategies, image, products, services, appearance, etc.

Notes There's been a great deal of literature produced over the past decade about the concept of organisational culture as well as corporate culture, particularly in regard to learning how to change it. Organisational change efforts are known to fail the vast majority of the time. Usually, this failure is owed to the lack of understanding about the strong role of culture and the role being played by it in organisations. That's one of the reasons that many strategic planners now place as much emphasis on identifying strategic values as they do mission and vision.

12.1 Types of Organisational Culture

There are different types of organisational culture in the corporate world. This depends on the way of working, strategy formulated by an organisation, and also its core values. Very widely known are two categories namely – strong and weak. But here, we pertain to different classification. While different theorists and different companies even might have differing opinions on the types of organisational cultures out there, there is a general consensus on four different types of organisational culture. Most companies or corporations in their style or plan can fall into one of these four general types, viz.

1. Clan Culture
2. Hierarchy Culture
3. Adhocracy Culture
4. Market Culture

Let us understand each of them one by one.

1. ***Clan Culture:*** This type of culture is visible in those organisations which are very friendly place to work where people share a lot of themselves. It is like an extended family.
2. ***Hierarchy Culture:*** This type of culture is visible in those organisations which are much formalized structured place to work. Procedures govern what people do.
3. ***Adhocracy Culture:*** This type of culture is visible in those organisations which are dynamic entrepreneurial and creative places to work. People stick their necks out and take risks.
4. ***Market Culture:*** This type of culture is visible in those organisations which are results oriented organisations whose major concern is with getting the job done. People are competitive and goal-oriented.

As already said, most companies will fall into one of these categories. Knowing these organisational types will help in analyzing each company and the organisational culture appropriate for each one.

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Tasks Explain which type of organisational culture is your favourite and why? How do you think it will help in advancement of your career?

Self Assessment

State whether the following statements are true or false:

1. Organisational culture is an idea in the field of organisational studies and management which describes the psychology, attitudes, experiences, beliefs and values, both personal and cultural, of an organisation.
2. The culture of an organisation can't be further expanded as beliefs and ideas about what kinds of goals and objectives, the members of an organisation should pursue.
3. Culture is comprised of the assumptions, values, norms and tangible signs (artifacts) of organisation members and their behaviors.
4. Hierarchy Culture is invisible in those organisations which are much formalized structured place to work.

Case Study

Microsoft: Bill Gate's Own Culture Club

"It all comes from the top", Microsofters say over and over again, when speaking of Bill Gates and his influence on the organisation. "He wants to be Henry Ford, Andrew Carnegie, and the Rockefellers all rolled together," claims a critic.

In a way, Gates deserves to be the arrogant dictator. He's the one who understood the value of the little program called DOS (Disk Operating System) and licensed it to IBM. Now he's the second richest man in the United States. He expects his employees to have the same guts, drive, and dedication that he does. He creates an excitement that his workers find alluring. "It feels really good to be around really bright people, to be part of the energy, the growth, all that money," observes Ray Bily, a former microsofter.

Part of the culture – the Microsoft way – is hiring the right people, those who share Microsoft assumptions and values. Gates likes them young; half his employees are now hired right from college, and he'd like to increase that to 80 per cent. (The original Microsoft staff is now aging into its thirties.) Since the company has recently experienced some serious challenge from the competition, the new twenty-something employees are even more driven, a lot less informal than the oldsters. As the organisation grows larger (15000 employees in all), it gets harder to control exactly what type of people are hired. Karen Fries notes, "We've just grown so fast. The real challenge is to find people who have the religion."

To instil the religion, Microsoft sends new hires such as marketing staff to Marketing Managers Boot Camp, a three week training camp in The Microsoft Way. One employee who lasted only three months recalls, "It was like camp. You all wear company T-Shirts; go through brainwashing on the Way." Rites and rituals, systems and procedures, even stories and myths are clearly part of the Way.

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How does Microsoft use its culture to create a sustained competitive advantage? First, as a leader Gates is never satisfied with being No. 2 in any arena Microsoft enters. He uses small, young, aggressive teams to get jobs done. And he maintains a vision: a computer in every home (with, of course, Microsoft products). Second, Microsoft is not shy about imbuing its employees with strong shared assumptions and values, which strengthen their productivity as individuals and as a whole. Finally, the company responds quickly to change because it values flexibility as an important factor in doing business. Certainly there are obstacles along the Information Highway. But Microsoft is likely to find a way around them, or through them. If not, the company will redefine them.

Questions

1. Do you believe the technique of brainwashing employees is ethically correct? Discuss.
2. "The Company responds quickly to change because its values are flexible". Discuss.

Sources: 1. "Going Private," *Entrepreneur*, November 1993, Page 10.
2. Michael Meyer, "Culture Club," *Newsweek*, July 11, 1994, pages 38-44.

12.2 Creating and Sustaining Culture

How Organisational Culture Begins

An organisation's current customs, traditions and general way of doing things are largely due to what it has done before and the degree of success it has had with those endeavours. The original source of an organisation's culture usually reflects the vision or mission of the organisation's founders. Because the founders had the original idea, they also may have biases on how to carry out the idea. Their focus might be on aggressiveness or it might be on treating employees as family. The small size of most new organisations helps the founders instil their vision in all organisational members. Organisational cultures can develop in a number of different ways. These steps are explained below:

1. ***A single person (founder) has an idea for a new enterprise:*** Some organisational cultures may be the direct, or at least, indirect, result of actions taken by the founders. The founders of an organisation traditionally have a major impact on that organisation's early culture. They have a vision of what the organisation should be.
2. ***Founders' creation of a core group:*** The founder brings in one or more other key people and creates a core group that shares a common vision with the founder. Founders only hire and keep employees who think and feel the way they do. These employees who form the core group believe that the idea is a good one, is worth the investment of time, money and energy. Sometimes founders create weak cultures, and if the organisation is to survive, a new top manager must be installed who will sow the seeds for the necessary strong culture.
3. ***Indoctrinate and Socialize:*** The founding core group begins to act in concert to create an organisation by raising funds, obtaining patents, incorporating, locating land, building infrastructure and so on. The core group indoctrinate and socialize employees to their way of thinking and feeling.
4. ***Build a Common History:*** The founders' own behaviour acts as a role model that encourages employees to identify with them and thereby internalize their beliefs, values, and assumptions. At this point, others are brought into the organisation, and a common history begins to be built. When the organisation succeeds, the founder's vision becomes seen as a primary determinant of that success. At this point, the founders' entire personalities become embedded in the culture of the organisation. Most of today's successful organisations follow the vision of their founders.

Notes

Sustaining a Culture

Once a culture is in place, there are practices within the organisation that act to maintain it by giving employees a set of similar experiences. Sustaining a culture depends on three forces. These forces are explained below:

1. ***Selection:*** The goal of the selection process is to identify and hire individuals who could make the organisation successful through their services. Therefore candidates who believe in the values of the organisation have to be selected. Thus, the selection process attempts to ensure a proper match in the hiring of people who have values essentially consistent with those of the organisation or at least a good portion of those values cherished by the organisation. In this way, the selection process sustains an organisation's culture by selecting those individuals who will fit into the organisation's core values.

2. ***Top Management:*** Top management have an important role to play in sustaining the organisation's culture. It is the top management who establish norms that filter down through the organisation. It is they through their conduct both implicit and explicit that shows what is desirable. They do this through pay raises, promotions and other rewards.

3. ***Socialization:*** Socialization is the process that adapts employees to the organisation's culture. Organisation wants to help new employees adapt to its culture. The adaptation is done through the process of "socialization". Socialization is made up of three stages:

   (a) ***The Pre-arrival Stage:*** This stage encompasses all the learning that occurs before a new member joins the organisation. The socialization process covers both the work to be done and the organisation. The pre-arrival stage is the period of learning in the socialization process that occurs before a new employee joins the organisation. For example, when students join a business school to pursue their MBA degree, they are socialized to have attitudes and behaviours that business firms want. This is so because their success depends on the degree to which the students have correctly anticipated the expectations and desires of those in the business school.

   (b) ***Encounter Stage:*** In this stage of the socialization process, the new employee sees what the organisation is really like and confronts the possibility that expectations and reality may diverge. If expectations prove to have been more or less accurate, the encounter stage merely provides a reaffirmation of the perceptions gained during the pre-arrival stage. Those employees who fail to learn the essential or pivotal role behaviours risk being labelled as "rebels" and face the risk of expulsion. This further contributes to sustaining the culture.

   (c) ***Metamorphosis Stage:*** Metamorphosis stage is that stage in the socialization process in which a new employee changes and adjusts to the job, work group and organisation. In this stage, relatively long-lasting changes take place. The employee masters the skills required for performing his or her job, successfully performs his or her new roles, and makes the adjustments to his or her work group's values and norms. The metamorphosis stage completes the socialization process. The new employee internalizes the norms of the organisation and his work group and understands and accepts the norms of the organisation and his work group. The success of this stage will have a positive impact on the new employee's productivity and his commitment to the organisation.

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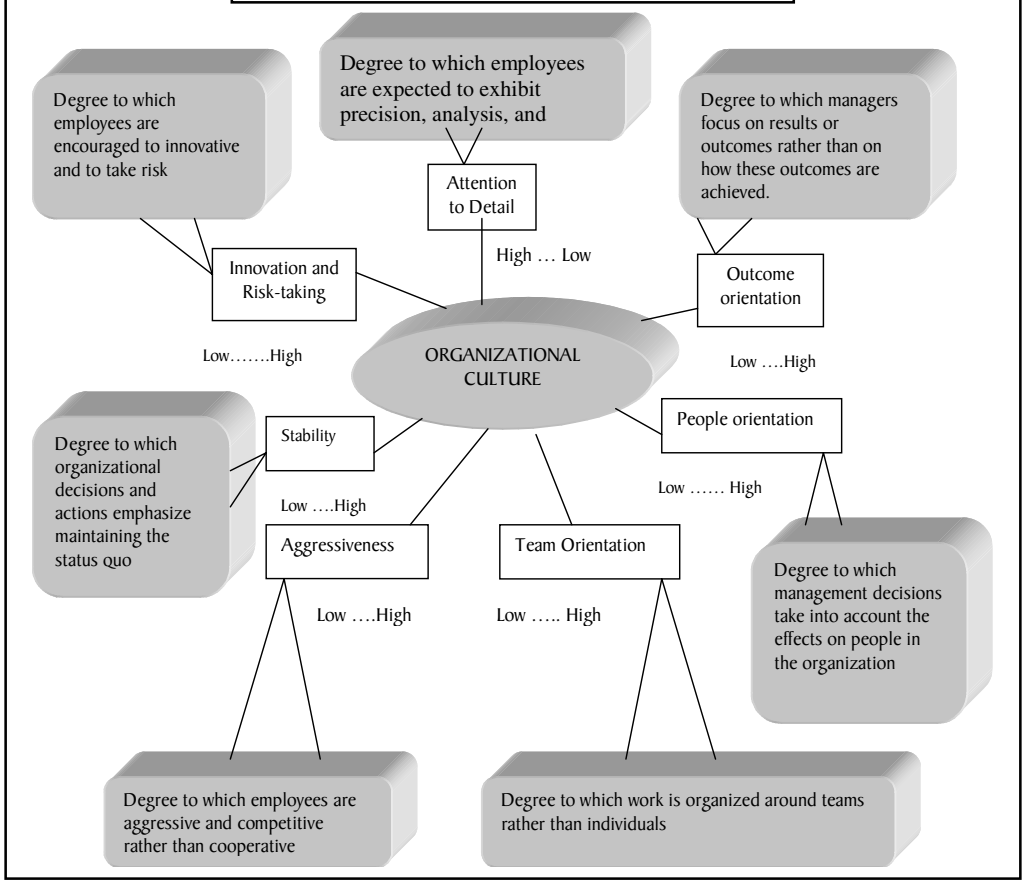
Figure 12.1: Dimensions of Organisational Culture



Notes **Strong vs. Weak Cultures**

- Strong Cultures are cultures in which the key values are deeply held and widely shared and have a greater influence on employees than do weak cultures.
- The more that employees accept the organisation's key values and the greater their commitment to those values, the stronger the culture is.
- Whether an organisation's culture is strong, weak or somewhere in between depends on factors such as (i) the size of the organisation (ii) how long it has been around (iii) how much turnover there has been among employees, and (iv) the intensity with which the culture was originated.

Source: Stephen P Robbins and Mary Coulter, "Management" (seventh edition) Prentice-Hall of India Private Limited, New Delhi (2003) Page 59.

Notes

How Employees Learn Culture? Culture is transmitted to employees in a number of ways. The most significant are stories, rituals, symbols, and language.

Stories: Organisational "stories" typically contain a narrative of significant events or people including such things as the organisation's founders, rules breaking, reactions to past mistakes, and so forth. Levinson and Rosenthal suggest that stories and myths about an organisation's heroes are powerful tools to reinforce cultural values throughout the organisation and specially in orienting new employees. These stories provide prime examples that people can learn from. Stories and myths are often filtered through a "cultural network" and remind employees as to "why we do things in a certain way". To help employees, learn the culture and organisational stories, anchor the present in the past, provide explanations and legitimacy for current practices, and exemplify what is important to the organisation.

Rituals and Ceremonies: Corporate rituals are repetitive sequences of activities that express and reinforce the values of the organisation, what goals are most important, and which people are important and which ones are superfluous. Ceremonies and rituals reflect such activities that are enacted repeatedly on important occasions. Members of the organisation who have achieved success are recognized and rewarded on such occasions. For example, awards given to employees on "Founders' Day", gold medals given to students on graduation day are reflections of the culture of that institution.

Material/Cultural Symbols: Symbols communicate organisational culture by unspoken messages. When you walk into different businesses, do you get a "feel" for the place—formal, casual, fun, serious, and so forth? These feelings that you get demonstrate the power of material symbols in creating an organisation's personality. Material artifacts created by an organisation also speak of its cultural orientation and make a statement about the company. These material symbols convey to employees exactly who is important, the degree of equality desired by top management and the kinds of behaviours that are expected and appropriate. Examples: assigned parking space for senior executives in the company premises, large offices given to senior managers, luxury automobiles given to senior or successful officers of the organisation.

Organisational Heroes: Top Management and prominent leaders of the organisation become the role models and a personification of an organisation's culture. Their behaviour and example become a reflection of the organisation's philosophy and helps to mould the behaviour of organisational members.

Language: Many organisations and units within organisations use language as a way to identify members of a culture. By learning this language, members attest to their acceptance of the culture and their willingness to help to preserve it.

Managerial Decisions affected by Culture: For any organisation to grow and prosper, it is important that its mission and its philosophy be respected and adhered to by all members of the organisation. Here, managers play a significant role in building the culture of the organisation. The manager pays continuous attention to maintaining the established standards and sends clear signals to all the employees in his group as to what is expected of them. Cultural consistency and strong adherence to cultural values become easy when the managers present themselves as strong role models. Good managers are able to support and reinforce an existing strong culture by being strong role models and by handling situations that may result in cultural deviations. Box 12.1 shows the major areas of a manager's job are influenced by culture.

Notes

Box 12.1: Managerial Decisions Affected by Culture

Planning

The degree of risk that plans should contain.

Whether plans should be developed by individuals or teams.

The degree of environmental scanning in which management will engage.

Organising

How much autonomy should be designed into employees' jobs?

Whether tasks should be done by individuals or in teams.

The degree to which department managers interact with each other.

Leading

The degree to which managers are concerned with increasing employee job satisfaction

What leadership styles are appropriate?

Whether all disagreements – even constructive ones – should be eliminated.

Controlling

Whether to impose external controls or to allow employees to control their own actions.

What criteria should be emphasized in employee performance evaluations?

What repercussions will occur from exceeding one's budget?

Source: Stephen P. Robbins, Mary Coulter, "Management" (7th Edition) Prentice-Hall of India Private Limited, New-Delhi (2003) Page 65.

How the Environment Affects Managers: The environment affects managers

(i) Through the degree of environmental uncertainty.

(ii) Through the various stakeholders relationships.

1. ***Environmental Uncertainty:*** The environmental uncertainty is the degree of change and complexity in an organisation's environment.

   Degree of Change: If the components in an organisation's environment reduces to a minimum, we call it a stable environment. A stable environment is characterized by

   - No new technological breakthroughs by current competitors.
   - No new competitors.
   - Little activity by pressure groups to influence the organisation.

   We call it a dynamic environment, if the components in an organisation's environment change frequently.

   Degree of Complexity: The degree of complexity refers to the number of components in an organisation's environment and the extent of the knowledge that the organisation has about those components.

Notes

Table 12.1 below explains the environmental uncertainty.

Table 12.1: Environmental Uncertainty

DEGREE OF COMPLEXITY		DEGREE OF CHANGE	
		STABLE	DYNAMIC
	SIMPLE	CELL 1 Stable and predictable environment Few components in environment Components are somewhat similar and remain basically the same Minimal need for sophisticated knowledge of components	CELL 2 Dynamic and unpredictable environment Few components in environment Components are somewhat similar but are in continual process of change Minimal need for sophisticated knowledge of components
	COMPLEX	CELL 3 Stable and predictable environment Many components in environment Components are not similar to one another and remain basically the same High need for sophisticated knowledge of components	CELL 4 Dynamic and unpredictable environment Many components in environment Components are not similar to one another and are in continual process of change High need for sophisticated knowledge of components

Source: Stephen P Robbins and Mary Coulter, "Management" (7th Edition) Prentice-Hall of India Private Limited, New Delhi (2003) Page 73.

Managers try to minimize uncertainty because it is a threat to the organisation's effectiveness. Given the choice, managers would prefer to operate in an environment which is simple and stable. However, managers rarely have full control over that choice.

Stakeholders' Relationship: Stakeholders are any constituencies in the organisation's external environment that are affected by the organisation's decisions and actions. Figure 12.2 identifies the various organisational stakeholders.

A few of the organisational stakeholders are explained below:

1. ***Stockholders:*** The shareholders are the persons who provide the funds to the business enterprise. The business should be managed efficiently so as to provide a fair return on the investments of the shareholders. They should be provided with comprehensive reports giving full information about its working. In the same way, the shareholders should also meet the obligations of the business enterprise by supporting the efforts of the business so that continuous development of the enterprise is possible. They should encourage the business to follow a dynamic policy and to plough back profit for the purpose of development and expansion.

2. ***Customers:*** Customers' satisfaction is the ultimate aim of all economic activity. This involves more than the offer of products at the lowest possible price. Adulteration of goods, poor

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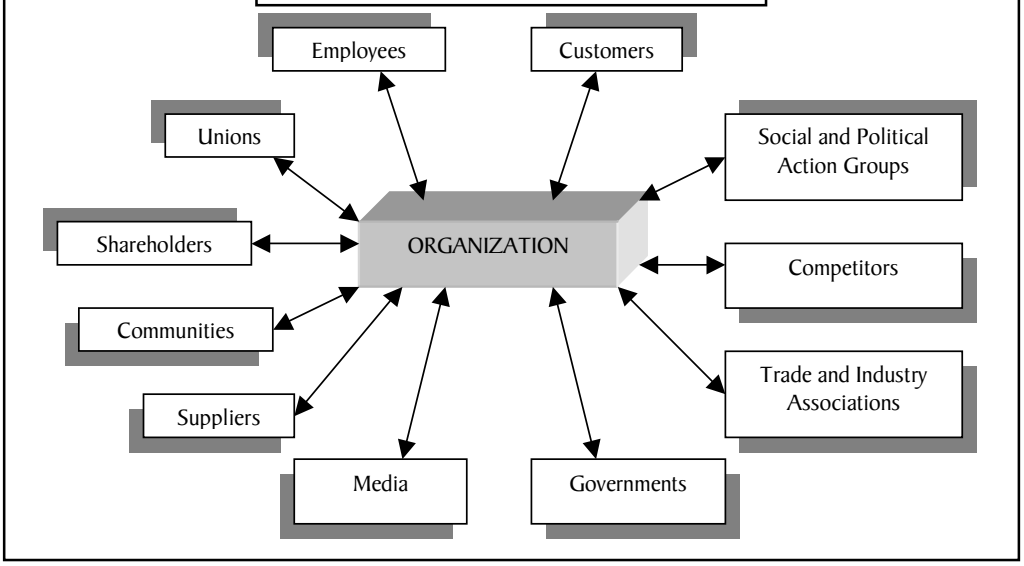
quality, failure to give fair service, misleading advertising, etc., are some of the violations by business towards its customers. A business enterprise has positive responsibility towards the consumers of its products. It has to provide quality goods to customers at the right time, right place, and at the right price.

Figure 12.2: Organisational Stakeholders



Source: Stephen P Robbins and Mary Coulter, "Management" (7th Edition) Prentice-Hall of India Private Limited, New Delhi (2003) Page 75.

3. ***Employees:*** Employees should be treated as human beings and their cooperation must be achieved for the realization of the business enterprises goals. The responsibilities of the business enterprises to its employees are—the security of employment with fair wages, equal opportunity for growth and development within the organisation, fair promotions, employee welfare, social security and profit sharing. Further, the business enterprise should also provide the employee welfare, social security and profit sharing. Further, the business enterprise should also provide the employees scope for improvement of educational qualification, training and upgrading of skills so that they may get a chance to improve their prospects.

   Workers are poor and hence they cannot afford to remain without job for a long period. Most of them are not educated and require advice and guidance from persons who have the genuine interest of the workers at heart. Each worker by himself is unable to fight against any injustice done to him. As such, all economists have recognized the right of the workers to organise themselves. As a group they can settle terms with the employers in a better way. In other words, the workers have been granted the right to bargain collectively.

   With a view to self-protection and self-help, labour has organised itself under employee associations and unions. The associations formed by workers have come to be known as "Trade Unions".

4. ***Suppliers:*** An important force in the environment of a business enterprise is the suppliers who supply the enterprise with inputs like raw materials and components. The importance of reliable source of supply is indispensable for the smooth functioning of a business enterprise. It is very risky to depend on a single supplier because the problems with that supplier are bound to seriously affect the business organisation. Therefore, multiple sources of supply are often helpful. A business organisation should deal with the suppliers

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judiciously. It should try for fair terms and conditions regarding price, quality, delivery of goods and payment. The dealings with the suppliers should be based on integrity and courtesy. The business must create healthy relations with its suppliers.

5. ***Competitors:*** A firm's competitors include not only the other firms that market the same or similar products but also those who compete for the discretionary income of the consumers. Thus, competition among different business organisations should be such that the customer is helped to satisfy his desires and is better off buying the enterprise's goods and services.

6. ***Government:*** The business enterprise should take responsibility for providing amenities in the locality where it is located. It should pay the taxes to the government regularly and honestly, so that the funds may be spent by the State for welfare activities. It should take measures to avoid toxic effluent, fouling the air, and conditions conducive to formation of slums and congested localities.

   The business enterprise should extend full-support to the Government in implementing its policies and programs relating to the solving of the national problems such as the unemployment, food-related shortcomings, wide disparity in income levels of the different sections of the society, regional imbalance in economic development, etc. It should also help the Government in the equitable distribution of commodities which are in scarce supply, in controlling prices and inflationary trend in the county and in the implementation of various development schemes of the Government. The business enterprise should realize that it cannot function without the support of the Government. If there are any differences between itself and the Government, they should be settled by mutual exchange of ideas and suggestions and not by restoring to non-cooperation with the Government.

   From the above discussion, it is clear that the interests of the various stakeholders interacting with the business enterprise are not identical. They are often conflicting: the owners want the highest possible dividend, the financial institutions want the highest interest, the workers want the highest possible wages, the Government wants the highest possible revenue and the consumers want the lowest possible price. It is therefore the duty of the business enterprise to bring about a compromise among the interests of various groups. The enterprise is an arbiter among the various groups. It should endeavour to provide a fair dividend to the shareholders, fair pay and working conditions to the workers, and good quality products at reasonable prices to the customers.

Stakeholders have a stake in or are significantly influenced by what the organisation does. In turn, these groups can influence that organisation. There are many reasons why managers should care about managing stakeholders' relationships. Some of the reasons are given below:

1. It can lead to other organisational outcomes such as improved predictability of environmental changes, more successful innovations, greater degree of trust among stakeholders, and greater organisational flexibility to reduce the impact of change.

2. An organisation depends on these external groups as sources of inputs (resources) and as outlets for outputs (goods and services) and organisations should take their interests into account while making decisions and taking action.

Steps in Managing External Stakeholders Relationships: There are four steps in managing external stakeholder relationships:

1. ***Identifying who the organisation's stakeholders are.*** Those external groups that are to influence organisational decisions and be influenced by organisational decisions are stakeholders.

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2. Determine what particular interests or concerns these stakeholders might have. For example:
   (a) Customers – product quality.
   (b) Shareholders – financial issues
   (c) Employees – safety/working conditions.
3. Decide how critical each stakeholder is to the organisation's decisions and actions. For example, some stakeholders are more critical to the organisation's decisions and actions than others.
4. Determine what specific approach they should use to manage the external stakeholder relationship. The more critical the stakeholder, the more uncertain the environment.

Tasks As a manager HR, how would you deal with a person who has an independent and aggressive work attitude due to his cultural background and is a better performer than the rest of the employees who do their work with full grit but lack that enthusiasm?

Self Assessment

Fill in the blanks:

5. The original source of an organisation's culture usually reflects the ..... or ..... of the organisation's founders.
6. ..... only hire and keep employees who think and feel the way they do.
7. When the organisation succeeds, the founder's vision becomes seen as a of that success.
8. ..... is the process that adapts employees to the organisation's culture.
9. In ..... stage of the socialization process, the new employee sees what the organisation is really like and confronts the possibility that expectations and reality may diverge.
10. ..... stage is that stage in the socialization process in which a new employee changes and adjusts to the job, work group and organisation.

12.3 Changing Organisational Culture

If organisations are to consciously create and manage their cultures, they must be able to take their employees into consideration. There are problems that managers face when they go about the business of changing organisational culture. Changing organisational culture takes patience, vigilance, and a focus on changing the parts of an organisational culture that managers can control:

1. ***Behaviours:*** One way of changing a corporate culture is to use behavioural addition or behavioural substitution to establish new patterns of behaviour among employees.
   (a) *Behavioural Addition:* Behavioural Addition is the process of having managers and employees perform new behaviours that are central to and symbolic of the new organisational culture that a company wants to create.
   (b) *Behavioural Substitution:* Behavioural substitution is the process of having managers and employees perform new behaviours central to the "new" organisational culture in place of behaviours that used to be central to the "old" organisational culture.

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2. ***Visible Artifacts:*** Another way in which managers can begin to change corporate culture is to change visible artifacts of their old culture. Visible artifacts are visible signs of an organisation's culture, such as office design and layout, company dress codes, and company benefits and perks like stock options, personal parking spaces, etc. These need to change keeping the new corporate culture in mind.

Corporate cultures are very difficult to change. Consequently, there is no guarantee that behaviour-substitution, behavioural addition or changing visible artifacts will change a company's organisational culture. Clearly, an open display of top management commitment and support for the new values and beliefs is critically important to enable employees to change.

Self Assessment

State whether the following statements are true or false:

11. Southwest's culture had three themes: love, hate and deficiency
12. Behavioral Addition is the process of having managers and employees perform new behaviors that are central to and symbolic of the new organisational culture that a company wants to create.
13. Behavioral substitution is the process of having managers and employees perform new behaviours central to the "new" organisational culture in place of behaviours that used to be central to the "old" organisational culture.
14. Visible artifacts are visible signs of an organisation's culture, such as office design and layout, company dress codes, and company benefits and perks like stock options, personal parking spaces, etc.
15. Corporate cultures are very easy to change.

12.4 Cross Cultural Management in MNCs

There is increased awareness that well-developed global diversity programmes and policies can provide many benefits in terms of equality management and cross-cultural management. To succeed in the international business environment, MNCs need to manage cultural diversity effectively in order to expand and grow their operations and knowledge bases. The challenge of managing cultural diversity is assessing the degree of cultural fit between parent companies and their subsidiaries in order to minimise the 'cultural gap'

Globalization is capturing pace across the borders of different nations, for its contribution in developing global economy and world progress. Because of World Trade Organization (WTO), Indian government has liberalized trade and commerce, and MNC's are looking at India in a big way.

Cross Cultural Management basically covers the behaviour of people from different cultures in a single organization and comparisons of the behaviour of people in a organization located in two or more different culture.

Multinational companies have been seriously considering behavioral resources and leadership competencies in particular, as a source for competitive advantage and sustainable strategic development, while trying to balance global and local perspectives on effective leadership behavior. Universal standards in this area have not been developed yet, and, taking into consideration the contingent nature of strategy and leadership, probably would not be finalized.

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Over the past couple of years Multinational Companies (MNC) had to face a number of new challenges in their daily business. Globalization changed numerous things for global players. Normally the structure of a typical MNC shows a focus on their main resources and departments like finance, technology, marketing, sales and production. This is because they want to have a large number of customers and also want to make a good profit.

But if they neglect these new challenges coming up with the globalization they might not be successful anymore. A big challenge MNC's have to manage is their workforce diversity. Diversity means any sort of difference between two or more people.

These differences might exist in terms of age, gender, race, education, social status and other terms. To manage this diversity MNC's have to implement strategies that knit all employees together into a dynamic workforce.

Because of this enormous diversity one of the key success factors of MNC's is the recruitment and selection of labor who offer valuable individuality. These individuals are forming the values and beliefs of an organization.

The management of this diversity is a challenge of the human resource management. In this paper I will focus on how MNC's can improve their HRM and make their company staying successful in terms of managing diversity. It is hard to become a major player in the global market without an effective HRM.

There are two major challenges within Cross Cultural Management namely building global corporate cultures and developing global leaders that have to be mastered in order to manage diversity and be successful in the global business environment.

Basically human races came with different background. "Cultural background". The way of doing things in one culture may not be the way in other culture. What is good in one culture, may be bad in other culture. Some time the activities are all the same in two different cultures, but two different meanings, two different interpretations.

When person from one cultural background, meet, interact with, understand and deal with person from other cultural background. That is cross-cultural management.

Nowadays cultural diversity plays an important role in a company. The criteria discriminating these groups include race, geographic origin, ethnicity, gender, age, functional or educational background, physical and cognitive capability, language, lifestyles, beliefs, cultural background, economic category, tenure with the organization and sexual preference (Seyman, 2006).

The situation within global enterprises has been changing for many years. According to the cheap labor in eastern world and other factors, there has never been such a need for understanding the different cultures in multinational companies). Cultural empathy, integrity, and comfortability in dealing with people from various cultures, along with effective performance, highlight the necessity to think and act in relevant cultural terms. This does not mean that today's managers must know in detail the cultural and historical backgrounds of other nations. Rather, it means that global managers need to think and act with an open mind and in socially responsive ways to events at home and abroad (Ali & Camp, 1996)

The company can't offer quality products or services to the customers if it doesn't understand and take in account the impact that the culture has in all the processes (Maddock, Lois Viton, 2008). Workers usually think that their behavior hasn't got any influence on the final product or service, but to be effective, every part must have a clear vision of the company and a clear mission on it.

Notes

The social, political and enterprise structure depends on everyone in the company, so the internal area and the human resources, one of the most important areas of a company, must be developed with the rest of the company to achieve their goals.

The misunderstanding and ignoring of different cultures, language and historical background lead to disasters in the field of setting up multinational business. To avoid this, a general knowledge of another nation's culture and history is essential. So general cultural knowledge, if coupled with prejudice and prejudgment, is an obstacle to effective global management.

Multinational companies, of course, vary in the effectiveness of their behavioral practices. Successful multinationals propose internationally recognized competitive elements: various "packages" of motivation programs, broad employee participation in decision-making, encouragement of creativity, environments favorable to employees' continuous education, in-corporate training and self-improvement, and promotion of shared company values. Multinational companies' experiences in the belief that managers are innovative and dynamic professionals. They clearly articulate values and share them with the majority of employees. They underline their commitment to long-term presence in the country and focus on key issues of social commitment, including charitable and educational activities, mutual respect, and trust, encouragement of innovation and entrepreneurship, and equal rights and opportunities for organizational members.

To manage workforce diversity in MNC's it's a challenge for the human resource management to establish a global corporate culture. To identify with the corporate culture of the company is the most important thing for the staff. That is why building a global corporate culture is one of the most important challenges for Multinational Companies.

But also the management in MNC's has been changing. There is a need for global leaders. The formation of such global leaders is also a part of the human resource management.

To be able to work efficiently in the global market and industry it is very important to build a corporate business culture. A corporate culture can be explained by convening several different cultures represented by numerous different workers, working in a Multinational enterprise (Mendenhall et al., 2003). As the word Multinational enterprise already expresses that the company is acting global, it is common that numerous different people with different cultures are working for this company (Stern, 2008).

Furthermore every culture has its own methods, values, beliefs, habits, language and so on. Organizations acting global can never work without interference of the leader board to create a global corporate culture. That is why a Multinational company has to offer corporate values, beliefs, methods, habits and working processes all set in the global corporate culture.

Of course it is necessary to respect local cultures because if an organization does not respect the local cultures, workers will not be satisfied and can never identify with the company they are working for .

Changes have taken place not only in quality of life (better living standards than in past) but also in the social architect of society (conventional to modern). Cultural values (for which India is known), have changed due to liberalization and globalization. As a result a global culture is emerging. The main effect of spread of MNC's in the reason has taken a toll on family structure. Indian society was considered a conservative society during pre-liberalization period but changes are clearly visible in post liberalization.

Notes

Case Study

Organisational Culture at Southwest Airlines

In 1967, Air Southwest Co. (later Southwest Airlines Co.) was started by Rollin King and, John Parker, who were later joined by Herbert D. Kelleher. They wanted to provide the best service with the lowest fares for short-haul, frequent-flying and point-to-point 'non-interlining' travelers. The trio decided to commence operations in the state of Texas, connecting Houston, Dallas and San Antonio (which formed the 'Golden Triangle' of Texas). These cities were growing rapidly and were also too far apart for travelers to commute conveniently by rail or road. With other carriers pricing their tickets unaffordably high for most Texans, Southwest sensed an attractive business opportunity.

Southwest's objective was to provide safe, reliable and short duration air service at the lowest possible fare. With an average aircraft trip of roughly 400 miles, or a little over an hour in duration, the company had benchmarked its costs against ground transportation. Southwest focused on short-haul flying, which was expensive because planes spent more time on the ground relative to the time spent in the air, thus reducing aircraft productivity. Thus it was necessary for Southwest to have quick turnarounds of aircraft to minimize the time its aircraft spend on the ground.

Since its inception, Southwest attempted to promote a close-knit, supportive and enduring family-like culture. The company initiated various measures to foster intimacy and informality among employees. Southwest encouraged its people to conduct business in a loving manner. Employees were expected to care about people and act in ways that affirmed their dignity and worth. Instead of decorating the wall of its headquarters with paintings, the company hung photographs of its employees taking part at company events, news clippings, letters, articles and advertisements. Colleen Barrett even went on to send cards to all employees on their birthdays.

The organisational culture of the company was shaped by Kelleher's leadership also. Kelleher's personality had a strong influence on the culture of Southwest, which epitomized his spontaneity, energy and competitiveness. "Culture is the glue that holds our organisation together. It encompasses beliefs, expectations, norms, rituals, communication patterns, symbols, heroes, and reward structures. Culture is not about magic formulas and secret plans; it is a combination of a thousand things", he used to say.

Southwest's culture had three themes: love, fun and efficiency. Kelleher treated all the employees as a "lovely and loving family". Kelleher knew the names of most employees and insisted that they referred to him as Herb or Herbie. Kelleher's personality charmed workers and they reciprocated with loyalty and dedication. Friendliness and familiarity also characterized the company's relationships with its customers.

Kelleher was so much into this culture that he once said, "Nothing kills your company's culture like layoffs. Nobody has ever been furloughed [at Southwest], and that is unprecedented in the airline industry. It's been a huge strength of ours. It's certainly helped us negotiate our union contracts. One of the union leaders came in to negotiate one time, and he said, "We know we don't need to talk with you about job security." We could have furloughed at various times and been more profitable, but I always thought that was shortsighted. Post-September 11, 2001, when most airlines in the US went in for massive layoffs, Southwest avoided laying off any employee.

Contd...

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Southwest showed its people that it valued them and it was not going to hurt them just to get a little more money in the short term. The culture at the organisation spoke about its belief in the thought that not furloughing people breeds loyalty. At Southwest, it bred a sense of security and trust. So in bad times the organisation took care of them, and in good times they're thought, perhaps, "We've never lost our jobs. That's a pretty good reason to stick around."...

As a result, Southwest was the only airline to remain profitable in every quarter since the September 11 attack. Although its stock price dropped 25% since September 11, it was still worth more than all the others big airlines combined. Its balance sheet looked strong with a 43% debt-to-equity ratio and it had a cash of $1.8 billion with an additional $575 million in untapped credit lines. The entire credit to the profit was given to the loyal employee base the company had and it could be developed only as a result of the organisational culture at Southwest. The company left no stone unturned to boost employee loyalty and morale and made many a competitors to follow suit.

Questions

1. What do you analyse as the most influential characteristic of Southwest's culture?
2. Do you really think that the reason behind Southwest's profit's was its culture or the leadership was just playing it humble?
3. Do you think that following the Southwest way, the other airlines would have also made profits?

Case Study

Cross-cultural Management

Bill Evans, Managing Director of English Foods Ltd., Cardiff was very unhappy after he received a call from the Home Office. He was asked to explain about the discrimination, racial intolerance and harassment meted out to his Indian employees. It all started about 3 weeks ago when Indian employee Mira's bangle got caught in the machine and cut her wrist. The safety committee then decided that no one would be allowed to wear bangles, figure rings, earrings, or necklaces at work. The order was passed with immediate effect. Almost all girls – Asian, African and English – wore bangles. After the order, the English and African girls had taken the bangles off. However, most of the Asian girls continued to wear bangles even after the ban.

The supervisor in the food processing unit, Mr. Jack Straw, tried to explain to one of his employees, Sheila, why she should remove her bangles. The conversation went as follows:

Jack: Sheila, you must have heard about the accident last week when Mira's bangle got caught in the machine and she cut her wrist. I am afraid that you will have to take off your bangles.

Sheila: I am sorry, but I cannot take off my bangles. I am a Hindu wife; the bangles are important to my religion.

Jack: There is an order and I am afraid that you will have to take it off.

Sheila: I will have to ask my husband.

Contd...

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Jack: Come on, Sheila, don't make a fuss. I had to shout at Saroja, and Elena before they took off their bangles! I'd hate to do that again…

Sheila could see that Jack was very angry, so - almost in tears - she removed the bangles.

That evening, the conversation among the Indian girls was about bangles. Girls from Africa thought that it was a lot of fuss about nothing. However, many of the girls were very worried.

After going home Sheila spoke to her husband, Raman Singh. Mr Singh was a close friend of the Regional Race Relations Employment Advisor, Mr. Major and he decided to explain things to him. Mr Singh explained that "the bangles are not only a mark of marriage but also of the esteem in which a wife is held by her husband. The more the bangles and the greater their value, the higher her esteem and the greater her social standing. The most sentimental part of the whole problem is that women remove their bangles only if they are widowed, and they fear that the removal of bangles might lead to their husband's death".

The next week was an anxious time for Sheila. She wore a single bangle every day. Sometimes the supervisor made her take it off. Sheila was sure that she would have to lose her job, and her husband supported her even though her income was needed.

After several weeks of consultations with workers unions and supervisors, Mr. Evans decided that the ban on the wearing of bangles and dangling exterior jewellery would have to be enforced. It was however decided to permit the wearing of wedding rings and nose rings.

Soon after the ban was imposed, Sheila and her husband attended a meeting held by an organisation called the Asian Advisory Committee (AAC). This organisation was set up to help members of the Asian Community.

Within a few days, Sheila's connection with Mr. Major and the AAC helped her to present her case before the Home Office alleging discrimination regarding race, intolerance and harassment. Mr. Bill Evans, Managing director of English Foods Ltd., was summoned before the select committee of the Home Office where he had a lot of explanation to do.

Questions

1. If you were Bill Evans, how would you have handled this case?
2. Do you feel that English Foods Ltd discriminated against its Indian workers? Give reasons.
3. If you were the MD of English Foods Ltd., how would you explain the matter to the Home Office?

Source: www.ibscdc.org

12.5 Summary

- The presence of a strong and appropriate organisational culture has become essential for an organisation to function effectively and efficiently in the modern era.
- Organisational culture is the consciously or subconsciously accepted and followed way of life or manner of performing day-to-day activities in an organisation.
- It plays an important role in determining and controlling employee behavior at workplace.

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- The core values, assumptions, norms, procedures, etc. that are followed in an organisation constitute its culture.
- These are more often than not, accepted and followed throughout the organisation, without much deviation.
- However, the presence of individuals from various social cultures and backgrounds in an organisation, may lend a slight variation to the beliefs and ideologies of the organisational members. This difference results in the formation of subcultures within organisations.
- The presence of subcultures may be advantageous to an organisation as the deviations from the norm may throw up alternatives to existing practices, which are often useful to the organisation in adapting to changes in the external environment. Such adaptability is essential for the organisation to survive.
- Nevertheless, if the differences in ideologies go beyond a desirable level, they may have a negative effect on the organisation and undermine it.
- The strength of an organisational culture depends on the sharedness and intensity of the core values of the organisation.
- A strong culture tends to enhance employee commitment and loyalty towards the organisation.
- Organisational cultures have been classified into four major types - market culture, adhocracy, clan culture and hierarchical culture.
- Many analysts have given different analysis of organisation culture and the issues to be dealt with.

12.6 Keywords

Adhocracy Culture: This type of culture is visible in those organisations which are dynamic entrepreneurial and creative places to work. People stick their necks out and take risks.

Clan Culture: This type of culture is visible in those organisations which are very friendly place to work where people share a lot of themselves. It is like an extended family.

Encounter Stage: In this stage of the socialization process, the new employee sees what the organisation is really like and confronts the possibility that expectations and reality may diverge.

Hierarchy Culture: This type of culture is visible in those organisations which are much formalized structured place to work. Procedures govern what people do.

Market Culture: This type of culture is visible in those organisations which are results oriented organisations whose major concern is with getting the job done. People are competitive and goal-oriented.

Metamorphosis Stage: Metamorphosis stage is that stage in the socialization process in which a new employee changes and adjusts to the job, work group and organisation.

Organisational Culture: Organisational culture is an idea in the field of organisational studies and management which describes the psychology, attitudes, experiences, beliefs and values, both personal and cultural, of an organisation.

Shareholders: The shareholders are the persons who provide the funds to the business enterprise.

Socialization: Socialization is the process that adapts employees to the organisation's culture.

The Pre-arrival Stage: This stage encompasses all the learning that occurs before a new member joins the organisation.

Notes

12.7 Review Questions

1. Critically evaluate Schein's model of organisational culture.
2. Assess the culture of an organisation of your choice on the basis of the following:
   (a) How is the space allocated? Where are the offices located?
   (b) How much space is given to whom? Where are people located?
   (c) What is posted on bulletin boards or displayed on walls?
   (d) What is displayed on desks or in other areas of the building? In the work groups? On lockers or closets?
   (e) How are common areas utilized?
   (f) What do people write to one another?
   (g) What is said in memos or email? What tone is of messages (formal or informal, pleasant or hostile, etc.)?
   (h) How often do people communicate with one another? Is all communication written, or do people communicate verbally?
   (i) What interaction between employees do you see? How much emotion is expressed during the interaction?
3. What would be the one thing you would most like to change about the organisation you discussed in the answer of question 2?
4. What are the reasons for mangers to care about their relationship with the stakeholders?
5. Coaching, mentoring and other forms of training can help define an organisation's culture-true/false? Justify your statement.
7. What would you determine as an index/as indices of the adaptability trait?
8. How do you analyse the significance of team orientation as discussed in Denison Model?
9. Do you agree with the five step model of organisation culture as suggested by Schein? Justify your answer with reasons.
10. Why should a top performing company not take its company culture for granted?
11. What would be the advantage of a company turning into a learning organisation?
12. Critically examine Human relations Model of organisation behaviour.

Answers: Self Assessment

1.	True	2.	False
3.	True	4.	False
5.	Vision, mission	6.	Founders
7.	Primary determinant	8.	Socialization
9.	Encounter	10.	Metamorphosis
11.	False	12.	True
13.	True	14.	True
15.	False		

Notes

12.8 Further Readings

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Online links

managementhelp.org

http://en.wikipedia.org/wiki/Organisational_culture

www.organisationalculturesurvey.com

humanresources.about.com

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Unit 13: Change Management

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13.10 Further Readings

Objectives

After studying this unit, you will be able to:

- Define the term change
- Discuss forces for change in organisations
- State the relevance of various forms of change in an organisation
- Explain the concept of resistance to change
- Know, how to overcome resistance to change

Introduction

There is nothing permanent except change. It has become an inescapable fact of life; a fundamental aspect of historical evolution. Change is inevitable in a progressive culture. Change in fact, is accelerating in our society. Revolutions are taking place in political, scientific, technological and institutional areas. Organisations cannot completely insulate themselves from this environmental instability. Change is induced by the internal and external forces. Meeting this challenge of change is the primary responsibility of management. An organisation lacking adaptability to change has no future. Adaptability to change is a necessary quality of good management. Modern managers have the responsibility to devise management practices that best meet the new challenges and make use of the opportunities for the growth of the organisation.

The topic of managing change is one that comes closest to describing the totality of a manager's job. Practically everything a manager does is in some way concerned with implementing change.

1. Hiring a new employee—Changing the work group

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2. Purchasing a new piece of—Changing work methods equipment
3. Rearranging work station—Changing work flows

All require knowledge of how to manage change effectively.

Organisational change refers to a modification or transformation of the organisation's structure, processes or goods. Flexibility requires that organisations be open to change in all areas, including the structure of the organisation itself. In a flexible organisation, employees can't think of their roles in terms of a job description. They often have to change the tasks they perform and learn new skills. The most flexible organisations have a culture that (a) values change, and (b) managers who know how to implement changes effectively.

13.1 Forces for Change in Organisations

More and more organisations today face a dynamic and changing environment that, in turn requires these organisations to adapt. Change has become the norm in most organisations. Plant closing, business failures, mergers and acquisitions, and downsizing have become common experiences for most organisations. Adaptiveness, flexibility and responsiveness are terms used to describe organisations that will succeed in meeting the competitive challenges that businesses face. In the past, organisations could succeed by claiming excellence in one area— quality, reliability or cost. But this is not the case today. The current environment demands excellence in all areas. Table 13.1 below summarizes six specific forces that are acting as stimulants for change.

Table 13.1: Forces for Change

Force	Examples
Nature of the work force	• More cultural diversity • Increase in professionals • Many new entrants with inadequate skills
Technology	• More computers and automation • TQM programs • Re-engineering programs
Economic shocks	• Security market crashes • Interest rate fluctuations • Foreign currency fluctuations
Competition	• Global competitors • Mergers and consolidations • Growth of specialty retailers
Social trends	• Increase in college attendance • Delayed marriages by young people • Increase in divorce rate
World politics	• Collapse of Soviet Union • Iraq's invasion of Kuwait • Overthrow of Haitian dictator

Source: Stephen P Robbins, "*Organisational Behaviour – Concepts, Controversies, Applications*" (7th Edition) Prentice-Hall, Englewood Cliffs, NJ (1996) page 717.

Why is organisational change so important? From outside and inside the organisation, a variety of forces press for change. "We live in the midst of constant change" has become a well-worn but relevant cliché. Pressures for change are created both inside and outside the organisation.

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Organisations must forge ahead on these forces to survive. Some of these are external, arising from outside the company, whereas others are internal arising from sources within the organisation.

1. ***External Forces:*** When the organisation's general or task environment changes, the organisation's success often rides on its ability and willingness to change as well. The modern manager is change-conscious and operating in the constantly changing environment. Many external changes bombard the modern organisations and make change inevitable. The general environment has social, economic, legal, political and technological dimensions. Any of these can introduce the need for change. In recent years, far-reaching forces for change have included developments in information technology, the globalization of competition, and demands that organisations take greater responsibility for their impact on the environment. These forces are discussed below:

   (a) *Technological Change:* Rapid technological innovation is a major force for change in organisations, and those who fail to keep pace can quickly fall behind. It is perhaps the greatest factor that organisations reckon with. According to C. Handy, "the rate of technological changes is greater today than any time in the past and technological changes are responsible for changing the nature of jobs performed at all levels in the organisation". For example, the substitution of computer control for direct supervision is resulting in wider spans of control for managers and flatter organisations.

   Technological innovations bring about profound change because they are not just changes in the way work is performed. Instead, the innovation process promotes associated changes in work relationships and organisational structures. Sophisticated information technology is also making organisations more responsive. The team approach adopted by many organisations leads to flatter structures, decentralized decision making and more open communication between leaders and team members.

   (b) *Globalization:* The global economy means competitors are likely to come from across the ocean. The power players in the global market are the multinational and trans-national organisations. This has led companies to think globally. There are no longer any mental distinctions between domestic and foreign operations. Globalization of an organisation means rethinking the most efficient ways to use resources, disseminate and gather information and develop people. It requires not only structural changes but also changes in the minds of employees. Successful organisations will be the ones that can change in response to the competition. They will be fast on their feet, capable of developing new products rapidly and getting them to market quickly.

   (c) *Social and Political Changes:* A firm's fate is also influenced by such environmental pressures as social and political changes. Many new legal provisions in the corporate sector get introduced every time that affects organisations.

   (d) *Workforce Diversity*: Related to globalization is the challenge of workforce diversity. Workforce diversity is a powerful force for change in organisations. The demographic trends contributing to workforce diversity are

      (i) The workforce will see increased participation from females, as the majority of new workers will be female.

      (ii) The workforce will be more culturally diverse than ever (part of this is attributable to globalization).

      (iii) The workforce is aging. There will be fewer young workers and more middle aged workers.

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(e) *Managing Ethical Behaviour:* Employees face ethical dilemmas in their daily work lives. The need to manage ethical behaviour has brought about several changes in organisations. Most centre on the idea that an organisation must create a culture that encourages ethical behaviour. Society expects organisations to maintain ethical behaviour both internally and in relationship with other organisations. Ethical behaviour is expected in relationships with customers, environment and society. These expectations may be informal or they may come in the form of increased legal requirements.

These challenges are forces that place pressures to change on organisations. Organisations cannot afford to be rigid and inflexible in the wake of environmental pressures, rather they must be dynamic and viable so that they survive.

Example: For Tata Iron and Steel Company, foreign investors (suppliers of capital) are a new force for change. In the past, Tata emphasized the creation of jobs in its community of Jamshedpur, a city in eastern India.

Tata's 78,000 workers receive lifetime employment, along with free housing, education and medical care. The company, in turn has benefited from a complete lack of strikes in 60 years. But investors interested in Tata have asked how the company might improve its profit margin of only 3.7 percent. (Note: Tata's managing director Jamshed Irani, "We will now be forced to balance loyalty against productivity.)

2. ***Internal Forces:*** Besides reacting to or anticipating changes on the outside, an organisation may change because someone on the inside thinks a new way of doing things will be beneficial or even necessary. Pressures for change that originate inside the organisation are generally recognizable in the form of signals indicating that something needs to be altered. These internal forces are discussed below:

   (a) *Changes in Managerial Personnel:* One of the most frequent reasons for major changes in an organisation is the change of executives at the top. No two managers have the same styles, skills or managerial philosophies. Managerial behaviour is always selective so that a newly appointed manager might favour different organisational design, objectives procedures and policies than a predecessor. Changes in the managerial personnel are thus a constant pressure for change.

   (b) *Declining Effectiveness:* Declining effectiveness is a pressure to change. A company that experiences losses is undoubtedly motivated to do something about it. Some companies react by instituting layoffs and massive cost cutting programmes, whereas others view the loss as symptomatic of an underlying problem, and seek out the cause of the problem.

   (c) *Changes in work climate:* Changes in the work climate at an organisation can also stimulate change. A workforce that seems lethargic, unmotivated, and dissatisfied is a symptom that must be addressed. This symptom is common in organisations that have experienced layoffs. Workers who have escaped a layoff may find it hard to continue to be productive. They may fear that they will be laid off as well and may feel insecure in their jobs.

   (d) *Deficiencies in the Existing System:* Another internal pressure for organisational change is the loopholes in the system. These loopholes may be unmanageable spans of control, lack of coordination between departments, lack of uniformity in politics, non-cooperation between line and staff etc.

   (e) *Crisis:* A crisis also may stimulate change in an organisation; strikes or walkouts may lead management to change the wage structure. The resignation of a key decision

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maker is one crisis that causes the company to rethink the composition of its management team and its role in the organisation.

(f) *Employee Expectations:* Changes in employee expectations also can trigger change in organisations. These forces may be:

(i) Employees' desire to share in decision-making.

(ii) Employees' demand for effective organisational mechanism.

(iii) Higher employee expectation for satisfying jobs and work environment.

(iv) Employees' desire for higher wages.

All these forces necessitate change in organisations. Besides these forces, a company that hires a group of young newcomers may be met with a set of expectations very different from those expressed by older workers.

Although organisational changes are important, managers should try to institute changes only when they make strategic sense. A major change or two every year can be overwhelming to employees and create confusion about priorities. A logical conclusion is that managers should evaluate internal forces for change with as much care as they evaluate external forces.

Self Assessment

State whether the following statements are true or false:

1. There is nothing permanent except change.
2. Change in fact, is accelerating in our society
3. The topic of managing change is one that comes closest to describing the totality of a manager's job
4. Organisational change refers to a modification or transformation of the organisation's structure, processes or goods.
5. Employees face ethical dilemmas in their daily work lives

13.2 Forms of Change

Change has become the norm in most organisations. Adaptiveness, flexibility and responsiveness are terms used to describe the organisations that will succeed in two basic forms of change in organisations that will succeed in meeting the competitive challenges that businesses face. There are two basic forms of change in organisations: Planned change and unplanned change.

1. ***Planned Change:*** Planned change is change resulting from a deliberate decision to alter the organisation. It is an intentional, goal-oriented activity. The goals of planned change are:

   First, it seeks to improve the ability of the organisation to adapt to changes in its environment.

   Second, it seeks to change the behaviour of its employees.

2. ***Unplanned Change:*** Not all change is planned. Unplanned change is imposed on the organisation and is often unforeseen. Responsiveness to unplanned change requires tremendous flexibility and adaptability on the part of organisations. Examples of unplanned changes are changes in government regulations and changes in the economy.

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The Role of Change Agents

Change in organisations is inevitable, but change is a process that can be managed. The individual or group that undertakes the task of introducing and managing a change in an organisation is known as a change agent. Change agents can be of two types:

1. ***Internal Change Agents:*** Change agents can be internal, such as managers or employees who are appointed to oversee the change process.

   Internal change agents have certain advantages in managing the change process. They are:

   (i) They know the organisation's past history, its political system, and its culture.

   (ii) Internal change agents are likely to be very careful about managing change because they must live with the results of their change efforts.

   There are also disadvantages of using internal change agents:

   (i) They may be associated with certain factions within the organisation and may easily be accused of favouritism.

   (ii) Internal change agents may be too close to the situation to have an objective view of what needs to be done.

2. ***External Change Agents:*** Change agents can also be external, such as outside consultants. They bring an outsider's objective view to the organisation.

   External change agents have certain advantages:

   (i) They may be preferred by employees because of their impartiality.

   (ii) They have more power in directing changes if employees perceive the change agents as being trustworthy, possessing important expertise, and having a track record that establishes credibility.

   There are also disadvantages of using external change agents:

   (i) External change agents face certain problems, including their limited knowledge of the organisation's history.

   (ii) They may be viewed with suspicion by organisation members.

Case Study

Reorganisation as Rebirth

Like many organisations in the 1980's, St. Francis Regional Medical Center of Wichita, Kansas, tried downsizing. A layoff of 400 people was a horrible experience, both for those who left and for those who stayed. The 1990's brought a change in the health care environment, and the hospital's administration needed to change the structure and culture in order to remain competitive.

The management team re-mapped the ideal management structure to run things without regard to the structure that was actually in place. To make such radial change work, they defined specific job titles, but not specific people. They dissolved the old organisational chart and created a new one, unveiling a chart that had all the new titles on it with no names. Those who wanted to be part of the new organisation had to apply for whatever position they felt they were most qualified to fill. Imagine having to apply for whatever

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position they felt they were qualified to fill. Imagine having to apply to a company you'd been with for fifteen years! The restructuring also meant a rethinking of corporate culture. An examination of culture revealed that making decisions at the hospital become bogged down by management and dictated by policy.

Eliminating old policies allowed the team to look at things as possibilities rather than restrictions. Two task forces were formed to look at service lines and functional realignment. A consulting firm was called in to help the hospital make the transition. The consulting firm helped strategize and create a time line for the changes.

At the reorganisation meeting, each employee was given an 80-page bound booklet complete with vision statement, the organisational chart, timetable, reorganisation fact sheet, copies of all position descriptions, and a question and answer section. The result was terror, confusion, upheaval, and little by little, understanding co-operation and success. Instead of approaching the reorganisation as a shameful secret, the task forces highlighted the changes in the new culture and tied the internal changes to the changes in the health care industry. Each week "The Grapevine: Reorganisation Update" was distributed. In the first official day of the new organisation, employees were given flowers and a message stating "Today starts a new beginning focused on you".

The new corporate culture involves management by contract. The new VPs walk the hallways and touch base constantly with what's going on. The result of the reorganisation is decision making at lower levels, which results in faster actions. No more ideas die because of red tape. The reorganisation is fluid and ongoing with employees and managers still incorporating the new management philosophy and corporate culture into their daily work lives.

Questions

1. Had you been a part of such a situation, how had your initial reaction been and why?
2. After analysing the case, do you think that such massive change was indeed required for St. Francis Regional Medical Center or was there a mid way out?

Source: M.S. Egan, "Reorganisation as Rebirth," *HR Magazine* (January 1995) Page 84-88.

Self Assessment

Fill in the blanks:

6. Adaptiveness, flexibility and responsiveness are terms used to describe the organisations that will succeed in two basic forms of change in organisations that will succeed in meeting the ..... that businesses face.
7. There are two basic forms of change in organisations: ..... change and ..... change.

13.3 Resistance to Change

As the manager contemplates and initiates change in the organisation, one phenomenon that is quite likely to emerge anytime in the change process is the resistance to change. People often resist change in a rational response based on self-interest. Resistance to change doesn't necessarily surface in standardized ways. Resistance can be overt, implicit, immediate, or deferred. It is easiest for management to deal with resistance when it is overt and immediate. The greater challenge is managing resistance that is implicit or deferred.

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13.3.1 Sources of Resistance

The sources of resistance to change can be categorized into two sources: individual and organisational.

1. ***Individual Resistance:*** One aspect of mankind that has remained more or less constant is his innate resistance to change. Individuals resist change because they attach great preference to maintaining the status quo. Individual sources of resistance to change reside in basic human characteristics such as perceptions, personalities and needs. The following are the reasons:

   (a) *Economic Reasons:* The economic reasons to fear change usually focus on one or more of the following:

   (i) Fear of technological unemployment.

   (ii) Fear of reduced work hours and consequently less pay.

   (iii) Fear of demotion and thus reduced wages.

   (iv) Fear of speed-up and reduced incentive wages.

   Changes in job tasks or established work routines can also arouse economic fears if people are concerned they won't be able to perform the new tasks or routines to their previous standards, especially when pay is closely tied to productivity.

   (b) *Fear of the unknown:* Change often bring with it substantial uncertainty. Employees facing a technological change, such as the introduction of a new computer system, may resist the change simply because it introduces ambiguity into what was once a comfortable situation for them. This is especially a problem when there has been a lack of communication about the change.

   (c) *Fear of Loss:* When a change is impending, some employees may fear losing their jobs, particularly when an advanced technology is introduced. Employees may also fear losing their status because of a change. Another common fear is that changes may diminish the positive qualities the individual enjoys in the job. For example, computerizing the customer service positions, threaten the autonomy that sales representatives previously enjoyed.

   (d) *Security:* People with a high need for security are likely to resist change because it threatens their feeling of safety.

   (e) *Status quo:* Perhaps the biggest and most sound reason for the resistance to change is the status quo. As human beings, we are creatures of habit. Change may pose disturbance to the existing comforts of status quo. When confronted with change, this tendency to respond in our accustomed ways becomes a source of resistance. Change means they will have to find new ways of managing them and their environment—the ways that might not be successful as those currently used.

   (f) *Peer Pressure:* Individual employees may be prepared to accept change but refuse to accept it for the sake of the group. Whenever change is unwilling to the peers, they force the individuals who want to accept change to resist change.

   (g) *Disruption of Interpersonal Relationships:* Employees may resist change that threatens to limit meaningful interpersonal relationships on the job.

   (h) *Social Displacement:* Introduction of change often results in disturbance of the existing social relationships. Change may also result in breaking up of work groups. Thus

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when social relationships develop, people try to maintain them and fight social displacement by resisting change.

2. ***Organisational Resistance:*** Organisations, by their very nature are conservative. They actively resist change. Some of the organisational resistances are explained below:

   (a) *Resource Constraints:* Resources are major constraints for many organisations. The necessary financial, material and human resources may not be available to the organisation to make the needed changes. Further, those groups in organisation that control sizable resources often see change as a threat. They tend to be content with the way things are.

   (b) *Structural Inertia:* Some organisational structures have in-built mechanism for resistance to change. For example, in a bureaucratic structure where jobs are narrowly defined and lines of authority are clearly spelled out, change would be difficult. This is so because formalization provides job descriptions, rules, and procedures for employees to follow. The people who are hired into an organisation are chosen for fit; they are then shaped and directed to behave in certain ways. When an organisation is confronted with change, this structural inertia acts as a counterbalance to sustain stability.

   (c) *Sunk Costs:* Some organisations invest a huge amount of capital in fixed assets. If an organisation wishes to introduce change, then difficulty arises because of these sunk costs.

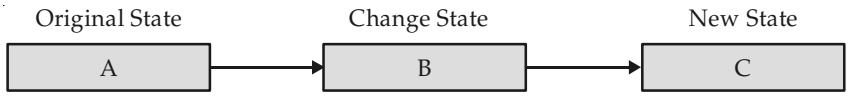
   (d) *Politics:* Organisational change may also shift the existing balance of power in an organisation. Individuals or groups who hold power under the current arrangement may be threatened with losing these political advantages in the advent of change.

   (e) *Threat to established power relationships:* Any redistribution of decision-making authority can threaten long established power relationships within the organisation. Managers may therefore resist change that introduces participative decision making because they feel threatened.

   (f) *Threat to expertise:* Change in organisational pattern may threaten the expertise of specialized groups. Therefore, specialists usually resist change.

   (g) *Group Inertia:* Even if individuals want to change their behaviour, group norms may act as a constraint. For example, if union norms dictate resistance to any unilateral change made by management, an individual member of the union who may otherwise be willing to accept the changes may resist it.

Notes One of the reasons why managing change is so difficult is because change is so final. That is, once a change is made, one cannot go back to the original conditions. The reason for this can be explained by the diagram below.



Each of the boxes describes a state of nature. A is the situation as it exists prior to a change. State B is the state after change. Assume that after state B it is decided that the change was a poor idea and we wish to go back to state A. This is impossible because A did not include having experienced state B. Therefore, the only possibility is to move on to State C, a new

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state of nature. The lessons here are: (1) when a change is made it should be thought out carefully because the conditions before the change will never exist again; and (2) to overcome a mistake in managing change usually means that new changes must be made (state C) rather than trying to go back to where everything started.

Source: Jerry L Gray and Frederick A Starke, "Organisational Behaviour – Concepts and Applications", (3rd Edition), Charles E. Merrill Publishing Company, Columbus (1984) Page 556.

Self Assessment

Multiple Choice Questions:

8. As the manager contemplates and initiates change in the organisation, one phenomenon that is quite likely to emerge anytime in the change process is the .....

   (a) Assistance to change (b) Resistance to change.

   (c) Existence to change (d) Relevance to change

9. Even if individuals want to change their behaviour, group norms may act as a .....

   (a) Constant (b) Variables

   (c) Constraint (d) None

13.4 Overcoming Resistance to Change

Although resistance to change is a common phenomenon in organisations, it must be noted that not all changes are resisted. In fact, if we look at any organisation closely we would probably find that far more changes are accepted than resisted. The traditional view of resistance to change treated it as something to be overcome, and many organisational attempts to reduce the resistance have only served to intensify it. The contemporary view holds that resistance is simply a form of feedback and that this feedback can be used very productively to manage the change process. One key to managing resistance is to plan for it and to be ready with a variety of strategies for using the resistance as feedback and helping employees negotiate the transition. Some tactics have been suggested for use in dealing with resistance to change.

1. ***Education and Communication:*** Communication about impending change is essential if employees are to adjust effectively. The details of the change should be provided, but equally important is the rationale behind the change. Employees want to know why change is needed. If there is no good reason for it, why should they favour the change? Providing accurate and timely information about the change can help prevent unfounded fears and potentially damaging rumours from developing. It is also beneficial to inform people about the potential consequences of the change. Educating employees on new work procedures is often helpful.

2. ***Participation:*** It is difficult for individuals to resist a change decision in which they participated. Prior to making a change, those opposed can be brought into the decision process. When employees are allowed to participate, they are more committed to the change.

3. ***Empathy and Support:*** Another strategy for managing resistance is providing empathy and support to employees who have trouble dealing with the change. Active listening is an excellent tool for identifying the reasons behind resistance and for uncovering fears. An expression of concerns about the change can provide important feedback that managers can use to improve the change process.

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4. ***Negotiation:*** Another way to deal with potential resistance to change is to exchange something of value for a lessening of the resistance. Where some persons in a group clearly lose out in a change, and where groups have considerable power to resist, negotiation and agreements are helpful. It becomes relatively easy to avoid major resistance through negotiation. Negotiation as a tactic may be necessary when resistance comes from a powerful source.

5. ***Manipulation and Co-optation:*** Manipulation refers to covert influence attempts. Twisting and distorting facts to make them appear more attractive, withholding undesirable information and creating false rumours to get employees to accept a change are all examples of manipulation. It involves giving individuals a desirable role in design or implementation of change.

6. ***Coercion:*** Coercion is the application of direct threats or force on the resisters. They essentially force people to accept a change by explicitly or implicitly threatening them with the loss of their jobs, promotion possibilities and transferring them. Coercion is mostly applied where speed is essential in implementing change and the change initiator possesses considerable power.

Tasks Suggest three measures to handle resistance to change in an organisation which employs people usually in their 40s.

Self Assessment

State whether the following statements are true or false:

10. Although resistance to change is a common phenomenon in organisations, it must be noted that not all changes are resisted.

11. Coercion as a tactic may be necessary when resistance comes from a powerful source.

12. Negotiation is the application of direct threats or force on the resisters

13.5 Behavioural Reactions to Change

According to H. Woodward and S. Beechholz, people show four basic identifiable reactions to change: disengagement, dis-identification, disenchantment and disorientation. These reactions are shown in Table 13.2 below:

Table 13.2: Reactions to Change and Managerial Interventions

Reaction	Expression	Managerial intervention
Disengagement	Withdrawal	Confront, identify
Disidentification	Sadness, Worry	Explore, transfer
Disenchantment	Anger	Neutralize, acknowledge
Disorientation	Confusion	Explain, plan

Source: H. Woodward and S Beechholz, *Aftershock: Helping People through Corporate Change*, John Wiley and Sons (1987) page 15.

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1. ***Disengagement:*** Disengagement is psychological withdrawal from change. The employee may appear to lose initiative and interest in the job. Disengaged employees lack drive and commitment. They are physically present but mentally absent. Typical disengagement statements include "no problem" or "this won't affect me". The basic managerial strategy for dealing with disengaged individuals is to confront them with their reaction and draw them out so that they can identify the concerns that need to be addressed.

2. ***Dis-identification:*** Dis-identification is a reaction to change in which employees reacting feel that their identity has been threatened by change, and they feel very vulnerable. Dis-identified employees often display sadness and worry. They often feel like victims in the change process. Dis-identified employees need to see that work itself and emotion are separable, i.e., they can let go of old ways and experience positive reactions to new ways of performing their jobs. Managers explore their feelings and help them transfer their positive feelings into the new situation.

3. ***Disenchantment:*** Disenchantment is usually expressed as negativity or anger. Disenchanted employees may try to enlist the support of other employees by forming coalitions. Destructive behaviours like sabotage and backstabbing may result. Typical verbal signs of disenchantment are "this will never work" and "I'm getting out of this company as soon as I can". One of the particular dangers of disenchantment is that it is quite contagious in the work place. It is often difficult to reason with disenchanted employees. Thus, the first step in managing this reaction is to shift these employees from their highly negative, emotionally charged mental states; the opening strategy being to acknowledge that the employees' anger is normal and that the manager does not hold it against them.

4. ***Disorientation:*** Disorientated employees are lost and confused, and often they are unsure of their feelings. They ask a lot of questions and become very detail oriented. "Analysis paralysis" is characteristic of disoriented employees. They ask questions like, "Now what do I do?" or "What do I do first?" The managerial strategy for dealing with this reaction is to explain the change in a way that minimizes the ambiguity that is present. Once the disoriented employee sees the broader context of the change, the manager can plan a series of steps to help the employee adjust. The employee needs a sense of priorities to work on.

   Managers need to be able to diagnose these four reactions to change. Because each reaction brings with it significant and different concerns, no single universal strategy can help all employees adjust.

Did u know? **Why do some change programs succeed and others fail?**

One major factor is change readiness. Research by Symmetrix, a Massachusetts consulting firm, identified 17 key elements to successful change. The more affirmative answers you get to the following questions, the greater the likelihood that change efforts will succeed.

1. Is the sponsor of change high up enough to have power to effectively deal with resistance?
2. Is day-to-day leadership supportive of the change and committed to it?
3. Is there a strong sense of urgency from senior management about the need for change and is it shared by the rest of the organisation?
4. Does management have a clear vision of how the future will look different from the present?

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5. Are there objective measures in place to evaluate the change effort, and are reward systems explicitly designed to reinforce them?
6. Is the specific change effort consistent with other changes going on within the organisation?
7. Are functional managers willing to sacrifice their personal self-interest for the good of the organisation as a whole?
8. Does management pride itself on closely monitoring changes and actions taken by competitors?
9. Is the importance of the customer and a knowledge of customer needs well accepted by everyone in the work force?
10. Are managers and employees rewarded for taking risks, being innovative, and looking for new solutions?
11. Is the organisation structure flexible?
12. Are communication channels open, both downward and upward?
13. Is the organisation's hierarchy relatively flat?
14. Has the organisation successfully implemented major changes in the recent past?
15. Is employee satisfaction and trust in management high?
16. Is there a high degree of cross-boundary interactions and cooperation between units in the organisation?
17. Are decisions made quickly, taking into account a wide variety of suggestions?

Self Assessment

State whether the following statements are true or false:

13. Disengagement is psychological withdrawal from change.
14. Disenchantment is usually expressed as negativity or anger.

13.6 Approaches/Models to Managing Organisational Change

For most people, change is not easy. Even when we know things could be better, we get a certain comfort from a familiar setting; familiar people and familiar ways of doing things. Because of this, change is most likely to succeed when managers follow a well-thought-out path to implement it.

13.6.1 Lewin's Three Stage Model

Kurt Lewin a social psychologist, noted for his work in organisational theory, developed a model of the change process that has stood the test of time and continues to influence the way organisations manage planned change. Lewin's model is based on the idea of force field analysis.

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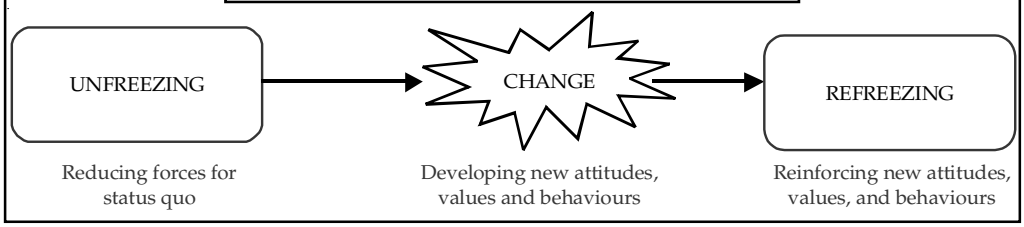
Lewin proposed the three-step model as shown in the Figure 13.1 below.

Figure 13.1: Lewin's Model of Organisational Change



Steps in the Change Process

1. ***Unfreezing:*** The process begins with unfreezing, which is a crucial first hurdle in the change process. 'Unfreezing' means melting resistance to change; the people who will be affected by the change come to accept the need for it. People tend to resist change because it increases anxiety and stress, and it may threaten their self-interests. Unfreezing involves encouraging individuals to discard old behaviours by shaking up the equilibrium state that maintains the status quo. Unfreezing on the part of individuals is an acceptance that change needs to occur. Resistance to change "melts" when events or information-customer complaints, mounting losses, an accident – causes people to conclude that the status quo is unacceptable and that change is worth the effort. In essence, individuals surrender by allowing the boundaries of their status quo to be opened in preparation for change.

2. ***Change or moving:*** If unfreezing succeeds, people want to make a change, but they still need to see a path to a better state. In the moving stage, new attitudes, values and behaviours are substituted for old ones. Organisations accomplish moving by initiating new options and explaining the rationale for the change, as well as by providing training to help employees develop the new skills needed.

   The transformation stage requires altering one or more characteristics of the work setting:

   (a) The structure and systems of the organisation;

   (b) Social factors – characteristics of employees, the way they interact, the organisational culture;

   (c) The organisation's technology and/or

   (d) The physical setting.

   The implication is that changes in the work setting will lead to changes in individual behaviour, which in turn will improve the organisation's outcomes.

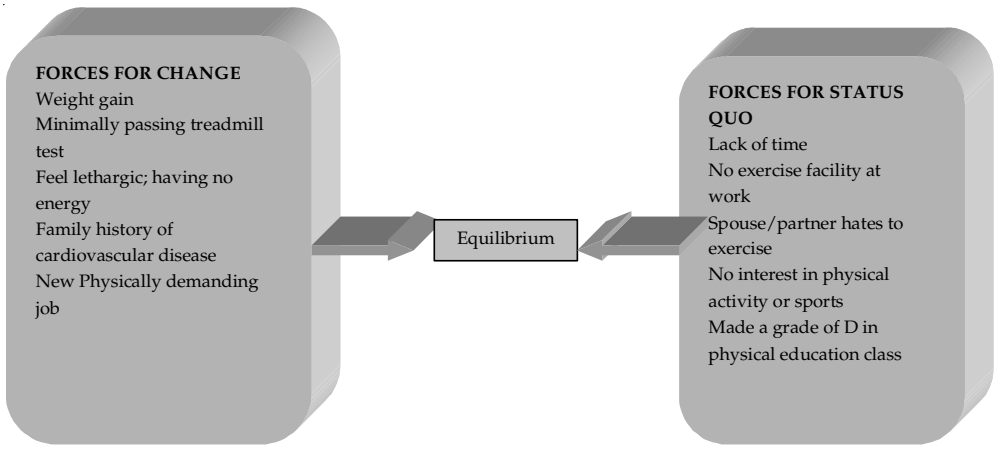
3. ***Refreezing:*** For the change to endure, it must be reinforced as part of a new system. Lewin calls this step 'refreezing'. Refreezing is the final step in the change process. In this step, new attitudes, values and behaviours are established as the new status quo. In some cases, the people affected by the change will clearly benefit from it. The resulting benefits will themselves reinforce the change. In other cases, the manager needs to take an active role in reinforcing the change. The new ways of operating should be cemented and reinforced. Managers should ensure that the organisational culture and formal reward system encourage the new behaviours and avoid rewarding the old ways of operating.

Force Field Analysis

Notes

A useful technique for analyzing change situations is Kurt Lewin's force-field analysis method. This technique describes and analyses the various forces that operate in social systems to keep the system either in balance or in state of change. Lewin's method proposes that two sets of forces operate in any system: forces that operate for change (the driving forces) and forces that operate against change (the resisting forces). If the two sets of forces are equal in strength, then the system is in equilibrium. This is explained through the Figure 13.2 which shows a force field analysis of a decision to engage in exercise behaviour.

Figure 13.2: Force-field Analysis of Equilibrium



Source: Debra L Nelson and James Campbell Quick "*Organisation Behaviour – Foundations, Realities and Challenges*" (Second Edition) West Publishing Company, Minneapolis (1997) Page 552.

For behavioural change to occurs, the forces maintaining status quo must be overcome. This can be accomplished by increasing the forces for change, by weakening the forces for status quo, or by a combination of these actions.

Tasks **Applying Force Field Analysis**

Think of a problem you are currently facing. An example would be trying to increase the amount of study time you devote to a particular class.

1. Describe the problem, as specifically as possible.
2. List the forces driving change on the arrows at the left side of the diagram.
3. List the forces restraining change on the arrows at the right side of the diagram.
4. What can you do, specifically, to remove the obstacles to change?
5. What can you do to increase the forces driving change?
6. What benefits can be derived from breaking a problem down into forces driving change and forces restraining change?

Source: Debra L Nelson and James Campbell Quick *Organisation Behaviour – Foundations, Realities and Challenges* (Second Edition), West Publishing Company, Minneapolis (1997) Page 553.

Notes

Case Study

Using Force Field Analysis

A good example of how force-field analysis can be used is described by Lewin. During World War II, female factory workers objected to the requirement that safety glasses be worn in a plant. Many strategies were tried, most of which were increases in the driving forces, but no consistent change occurred. Force-field analysis was then used to diagnose the situation.

Driving forces were identified as being:

1. The necessity to protect one's eyes.
2. Desire to cooperate with the company.
3. Willingness to follow rules.

Resisting forces were identified as being:

1. Feeling that the glasses were too heavy.
2. Feelings that the glasses were unattractive.
3. Feelings that compliance infringed on the individual's freedom of choice.

By concentrating on the resisting forces, the company decided to substitute lighter and more comfortable frames for the glasses. Then each employee was encouraged to decorate her glasses and a contest was held to determine the most attractive glasses, and this individual expression removed the feelings of loss of freedom.

Questions

1. Among all the restricting forces, what do you find as the main reason for the objections of female workers?
2. Don't you think decorating the glasses would have been too childish on part of the workers?
3. Do you think that the objection was justified? Give reasons to support your argument.

Source: Jerry L. Gray and Frederick A. Starke, *Organisational Behaviour–Concepts and Applications*, (3rd Edition) Charles E. Merrill Publishing Company, Columbus (1984) page 565.

Self Assessment

State whether the following statements are true or false:

15. Change is less likely to succeed when managers follow a well-thought-out path to implement it.
16. Kurt Lewin a social psychologist, noted for his work in organisational theory, developed a model of the change process .
17. Lewin's model is based on the idea of force field analysis.
18. Lewin's method proposes that two sets of forces operate in any system: forces that operate for change (the driving forces) and forces that operate against change (the resisting forces). If the two sets of forces are equal in strength, then the system is in equilibrium.

Notes

Case Study

Fear of Going Private

Several small communities in the same area decide to hire one private ambulance company to serve their population. A state environmental protection agency hires an independent contractor to clean up a hazardous waste site. A town hires civilians instead of police officers to direct traffic around local road construction sites. All of these are examples of privatization, or contracting public services to the private sector.

Forces of change bring together two different types of organisational culture – public and private. Sometimes, these cultures clash on shared assumptions and espoused values as well as artefacts. They may also clash in the way managers decide what to measure and control, how they allocate scarce resources, and how they set criteria for employee selection and promotion. Indeed, the shift from public to private service can be painful for many involved, and managers must make decisions carefully.

The biggest fear that privatization raises is loss of public jobs. "You need to make sure that privatization doesn't mean that hundreds of [public] employees are suddenly without jobs," says Chris Goodman, a contract coordinator for Los Angeles County. Los Angeles County has been on the frontier of privatization since the mid-1980s and tries to counter the problem of layoffs by offering displaced employees jobs in related departments.

But the big payoff to the county – and others that follow suit – is savings. Los Angeles County saves about $50 million each year by contracting out services such as security and training. In addition, the county offers opportunities to small entrepreneurs, particularly women and minorities.

In a tight economy with an increasingly complex society, even the public sector is forced to change. "Change comes slowly in government," notes Chris Goodman. "People are generally inclined to go with the old tools, and the old tools are to reduce services or raise taxes. But as their problems increase, local and state governments are becoming more open to new ways of dealing with their problems." Managers at all levels – both public and private – must be willing to accept and implement changes that will affect their organisation's culture.

Questions

1. What might be some differences in shared assumptions and espoused values between government agencies and private organisations?
2. How might the manager of a state agency work with a private contractor to blend organisational cultures successfully?
3. How might the same manager use Lewin's model for change to help state employees adjust to the change?

13.7 Summary

- For organisations to develop, they often must undergo significant change at various points in their development.
- Organisational Change occurs when an organisation evolves through various life cycle.
- Significant organisational change occurs, when an organisation changes its overall strategy for success, adds or removes a major section or practice, and/or wants to change the very nature by which it operates.

Notes

- Leaders and managers continually make efforts to accomplish successful and significant change.
- The changes that bring a complete overhaul are most often than not resisted by the others first.
- It is very important that the staff be made to understand the necessity for the change.
- There are many approaches to guiding change – some planned, structured and explicit, while others are more organic, unfolding and implicit.
- Different people often have very different – and strong – opinions about how change should be conducted.
- Whatever resistances or objections, if the change is essential and justified, it must be undertaken, as they say- the only constant factor is change.

13.8 Keywords

Coercion: Coercion is the application of direct threats or force on the resisters.

Disengagement: Psychological withdrawal from change.

Dis-identification: The absence of identification, the absence of the self-image.

***Global Economy*:** The global economy means competitors are likely to come from across the ocean.

Globalization: Globalization of an organisation means rethinking the most efficient ways to use resources, disseminate and gather information and develop people

Manipulation: Manipulation refers to covert influence attempts.

Organisational Change: Organisational change refers to a modification or transformation of the organisation's structure, processes or goods.

***Planned Change*:** Planned change is change resulting from a deliberate decision to alter the organisation.

Power Players: The power players in the global market are the multinational and trans-national organisations.

Refreezing: Refreezing is the third of Lewin's change transition stages, where people are taken from a state of being in transition and moved to a stable and productive state.

Unfreezing: Unfreezing is the first of Lewin's change transition stages, where people are taken from a state of being unready to change to being ready and willing to make the first step.

***Unplanned Change*:** Unplanned change is imposed on the organisation and is often unforeseen.

13.9 Review Questions

1. Suppose you have inherited a business of your father who nurtured employees like a family, thus turning the organisation into an informal type. How will you ensure commitment to your plans of fast growth and profit maximization?
2. How will you minimize resistance from middle management in implementing the change in the situation given in question 1?
3. What will be the common pitfalls when implementing organisational change?

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4. What would you choose–implementing the change yourself or hiring a consultant? If latter, how would you benefit from a consultant?
5. How would you measure the inherent risks/costs of not embracing the change?
6. How would you choose the processes that would need to change/introduce?
7. How will success be measured and what value will success have for the business and individual?
8. "Give an example of how you changed the direction of an organisation or group. Provide examples of the process, procedures and techniques used to change the direction."
9. As a change manager, would you resort to negotiation and agreement with the main resistors of the organisational change?

Answers: Self Assessment

1.	True	2.	True
3.	True	4.	True
5.	True	6.	Competitive challenges
7.	Planned, unplanned	8.	(b)
9.	(c)	10.	True
11.	False	12.	False
13.	True	14.	True
15.	False	16.	True
17.	True	18.	True

13.10 Further Readings

Books

Aquinas PG, *Organisational Behavior*, Excel Books.

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Online links

info.emeraldinsight.com

www.12manage.com

Notes

Unit 14: Stress and Conflict Management

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Objectives

After studying this unit, you will be able to:

- Define the term stress
- Discuss sources and consequences of stress
- Know about stress management,
- Realize the role of personality in stress management
- Explain the concept of conflict management
- Elaborate on negotiation

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Introduction

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

According to J.C. Quick and J.D. Quick "Stress, or the stress response, is the unconscious preparation to fight or flee a person experiences when faced with any demand".

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

14.1 Sources of Stress

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

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

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

1. ***Inner Conflicts:*** For many people, stress is a constant companion regardless of how favourable or unfavourable external conditions may be. Non-specific fears, anxiety and guilt feelings maintain the body in a state of readiness for emergency action on a continuing basis.
2. ***Perceptual Influences:*** Perception is influenced by a number of internal factors. Certainly people with inner conflicts sufficient to cause stress are more likely than self-confident people to perceive environmental conditions as threatening. Because the environment is presumed to be full of danger, evidences of danger are perceived everywhere. They are selectively perceived in exaggerated form.
3. ***Thresholds of Stress:*** The threshold of stress is not independent of the two factors just discussed. People who have few internal conflicts and a minimum of perceptual distortion can withstand external conflict and pressure that weaker personalities would find intolerable. People who have high thresholds for stress have high levels of resistance to it.
4. ***Motivational Level:*** People who are ambitious and highly motivated to achieve are more likely to experience stress than those who are content with their career status. Persons whose self-expectations exceed their abilities and opportunities are especially stress prone.

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Environmental Stressors

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

1. ***Task Demands:*** Task demands are factors related to a person's job. They include the design of the individual's job, working conditions, and the physical work layout. Changes and lack of control are two of the most stressful demands people face at work. Change leads to uncertainty, a lack of predictability in a person's daily tasks and activities and may be caused by job insecurity related to difficult economic times. Technology and technological innovation also create change and uncertainty for many employees, requiring adjustments in training, education and skill development.

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

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

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

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

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

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

3. ***Interpersonal Demands:*** These are pressures created by other employees. Lack of social support from colleagues and poor interpersonal relationships can cause considerable stress, especially among employees with a high social need. Abrasive personalities, sexual harassment and the leadership style in the organisation are interpersonal demands for people at work.

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

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(b) *Sexual Harassment:* The vast majority of sexual harassment is directed at women in the workplace, creating a stressful working environment for the person being harassed, as well as for others.

(c) *Leadership Styles:* Whether authoritarian or participative, create stress for different personality types. Employees who feel secure with firm, directive leadership may be anxious with an open, participative style. Those comfortable with participative leadership may feel restrained by a directive style.

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

Self Assessment

State whether the following statements are true or false:

1. According to J.C. Quick and J.D. Quick "Stress, or the stress response, is the unconscious preparation to fight or flee a person experiences when faced with any demand".
2. According to Mikhail A "Stress refers to a psychological and physiological state that results when certain features of an individual's environment challenge that person, creating an actual or perceived imbalance between demand and capability to adjust that results in a non-specific response".
3. The Sources of stress are found outside the environment, the group, and non-interaction between the two.
4. The internal sources of stress are complex and difficult to isolate.

14.2 Consequences of Stress

An individual who is experiencing a high level of stress may develop high blood pressure, ulcers, loss of appetite, etc. Stress shows itself in a number of ways. All the consequences need not be negative. The consequences of healthy, normal stress (called eustress, for "euphoria + stress") include a number of performance and health benefits to be added to the more commonly known costs of stress listed above known as distress. The Table 14.1 below lists the benefits of Eustress and costs of Distress.

Table 14.1: Benefits of Eustress and Costs of Distress

Benefits of Eustress	
Performance	**Health**
Increased Arousal Bursts of Physical Strength	Cardiovascular Efficiency Enhanced Focus in an Emergency
Costs of Distress	
Individual	**Organizational**
Psychological disorders Medical illnesses Behavioural problems	Participation problems Performance decrements Compensation awards

Source: Debra L Nelson, James Campbell Quick "Organisational Behavior – Foundations, Realities and Challenges" (second edition). West Publishing Company, Minneapolis (1997) page 195.

Notes

The three consequences of stress are explained below:

1. ***Performance and Health benefits of Stress:*** The stress response is not inherently bad or destructive. Performance and health benefits of stress indicate that stress leads to improved performance up to an optimum point. Beyond the optimum point, further stress and arousal have a detrimental effect on performance. Therefore, healthy amounts of eustress are desirable to improve performance by arousing a person to action. The stress response does provide momentary strength and physical force for brief periods, thus providing a basis for peak performance.

   The various individual and organisational forms of distress often associated with the word stress are the result of prolonged activation of the stress response, mismanagement of the energy induced by the response, or unique vulnerabilities in a person.

2. ***Individual Distress:*** In general, individual distress usually takes one of the three basic forms:

   (a) *Physiological Symptoms:* A number of medical illnesses have a stress-related component. The most significant medical illnesses of this form are heart disease and strokes, backaches, peptic ulcers, and headaches. Most of the early concern with stress was directed at physiological symptoms. This was primarily because specialists in the health and medical sciences researched the topic. The link between stress and particular physiological symptoms is not clear. There is no clear evidence that stress is a direct causal agent. However, stress may play an indirect role in the progression of disease. For example, an extreme preoccupation with work may result in acute individual distress, such as the unique Japanese phenomenon of "Karoshi" (death by overwork).

   (b) *Psychological Symptoms:* The most common types of psychological distress are depression, burnout, and psychogenic disorders. In the early stages, depression and burnout result in decline in efficiency; diminished interest in work; fatigue; and an exhausted run-down feeling. Psychogenic disorders are physical disorders with a genesis (beginning) in the psyche (mind). For example, the intense stress of public speaking may result in a psychogenic speech disorder; that is, the person is under so much stress that the mind literally will not allow speech to occur.

   (c) *Behavioural Symptoms:* Behavioural problems are the third form of individual distress. These problems include violence, substance abuse of various kinds, and accidents. Behaviourally related stress symptoms include changes in productivity, absence and turnover as well as changes in eating habits, increased smoking or consumption of alcohol, rapid speech, fidgeting and sleep disorders. Accidents, both on and off the job, are another behavioural form of distress that can sometimes be traced to work-related stressors. For example, an unresolved problem at work may continue to preoccupy or distract an employee driving home and result in the employee having an automobile accident.

   These three forms of individual distress cause a burden of personal suffering.

3. ***Organisational Distress:*** The University of Michigan studies on organisational stress identified a variety of indirect costs of mismanaged stress for the organisation, such as low morale, dissatisfaction, breakdowns in communication and disruption of working relationships. The problems caused by organisational distress are:

   (a) *Participation problems:* Participation problems are the costs associated with absenteeism, tardiness, strikes and work stoppages and turnover.

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(b) *Performance decrements:* Performance decrements are the costs resulting from poor quality or low quality of production, grievances and unscheduled machine downtime and repair.

(c) *Compensation awards:* Compensation awards are a third organisational cost resulting from court awards for job distress.

Self Assessment

Fill in the blanks:

5. Stress shows itself in a ..... ways.
6. The consequences of healthy, normal stress (called eustress, for "euphoria + stress") include a number of performance and health benefits to be added to the more commonly known costs of stress listed above known as .....
7. The University of Michigan studies on organisational stress identified a variety of indirect costs of ..... for the organisation, such as low morale, dissatisfaction, breakdowns in communication and disruption of working relationships

14.3 Stress Management

Stress is an inevitable feature of work and personal life. As organisations and their employees have come to perceive the consequences of stress as serious, they have tried to manage it. Some of these efforts have sought to limit the amount of stress employees experience; most are directed at improving employees' coping ability. Both kinds of efforts may be conducted at the individual level and at the organisational level.

14.3.1 Individual Level

An employee can take personal responsibility for reducing his or her stress level. At the individual level, stress management usually focuses on becoming more able to cope with stress. Individual strategies that have proven effective include implementing time-management techniques, increasing physical exercise, relaxation training and expanding the social support network.

1. ***Time Management:*** A practical way to manage stress is to better control your use of time. Many people manage their time poorly. The well-organised employee can often accomplish twice as much as the person who is poorly organised. The basic principle beyond time management is to decide what tasks are most important, then do those things first. So an understanding and utilization of basic time-management principles can help individuals better cope with tensions created by job demands. A few of the more well-known time-management principles are:

   (a) Make daily or weekly lists of activities to be accomplished.

   (b) Prioritizing activities by importance and urgency. Therefore you must rate them A (must be performed), B (should be performed) or C (optional).

   (c) Scheduling activities according to the priorities set. You then structure your time to ensure you do the A-level items. If time remains, you devote it to the B-level items and then the C-level items.

   (d) Knowing your daily cycle and handling the most demanding parts of your job during the high part of your cycle when you are most alert and productive.

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To be truly effective, time management should include making sure you are clear about what is expected of you and saying no to activities that are not required or that you feel you cannot fit into your schedule. This requires being realistic about making promises. Improving time management skills can give people a greater sense of control. Furthermore, because time management emphasizes focusing on the most important task, it provides the satisfaction of accomplishing worthwhile goals.

2. ***Non-competitive Physical Exercise:*** Employees can seek to improve their physical health by exercising regularly. Non-competitive physical exercise such as aerobics, walking, jogging, swimming and riding a bicycle have long been recommended by physicians as a way to deal with excessive stress levels. When people exercise regularly, they improve their physical health. In addition, they tend to feel more confident, more optimistic and less stressed. These forms of physical exercise increase heart capacity, lower at-rest pulse rates, provide a mental diversion from work pressures, and offer a means to let off steam.

3. ***Relaxation and Biofeedback:*** Individuals can teach themselves to reduce tension through relaxation techniques such as meditation, hypnosis, and biofeedback. People can also benefit from a variety of tactics that helps them slow down.

   (a) Relaxation decreases muscle tension, lowers heart rate and blood pressure and slows breathing. The objective is to reach a state of deep relaxation, where one feels physically relaxed, somewhat detached from the immediate environment and detached from body sensations. 15 to 20 minutes a day of deep relaxation releases tension and provides a person with a pronounced sense of peacefulness.

   (b) Meditation provides the conditions for relaxation: a quite environment, closed eyes, comfortable posture, and a word or phrase to repeat silently or aloud.

   (c) Simply taking regular vacations is a basic but important part of relaxation.

   (d) Biofeedback or monitoring physiological responses such as brain waves, heart rate, muscle tension, and blood pressure, then using the information to control those responses. In this way, biofeedback helps people relax. It also helps with stress management by showing people they have some control over their bodies.

4. ***Development of Social Support Systems:*** Having friends, family or work colleagues to talk to provides an outlet when stress levels become excessive. Developing a social support system to help with the routine stress of organisational life requires committing time to family and friends. Regularly laughing, crying or discussing problems, helps people to let blow off steam before problems become intolerable. Research also demonstrates that social support moderates the stress-burnout relationship. That is, high support reduces the likelihood that heavy work stress will result in job burnout.

5. ***Adjustment of Perceptions:*** Effective stress management may require conscious adjustment of your thinking because perceptions of a stressor play a role in the way the stressor is experienced. A basic type of looking at the stressor is to view yourself as facing challenges rather than problems.

6. ***Learned Optimism:*** Optimism and pessimism are two different thinking styles people use to explain the good and bad events in their lives to themselves. Pessimism is an explanatory style leading to depression, physical health problems and low levels of achievement. Optimism is an alternative explanatory style that enhances physical health and achievement and averts susceptibility to depression. Optimistic people avoid distress by understanding the bad events and difficult times in their lives as temporary, limited and caused by something other than themselves. Learned optimism begins with identifying pessimistic thoughts and them distracting oneself from these thoughts or disputing them with evidence

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and alternative thoughts. These explanatory styles are habits of thinking learned over time, not inborn attributes. Learned optimism is non-negative thinking.

7. ***Leisure Time Activities:*** Leisure time activities provide employees an opportunity for rest and recovery from strenuous activities either at home or at work. Leisure is increasingly a luxury among working people. The key to the effective use of leisure time is enjoyment. Leisure time can be used for spontaneity, joy and connection with others in our lives.

8. ***Diet:*** Diet may play an indirect role in stress and stress management. Good dietary practises contribute to a person's overall health, making the person less vulnerable to distress.

9. ***Opening Up:*** Everyone experiences a traumatic stressful or painful event in life at one time or another. One of the most therapeutic, curative responses to such an event is to confide in another person. Confession need not be through personal relationship with friends. It may occur through a private diary. For example, a person might write each evening about all of his or her most troubling thoughts, feelings and emotions during the course of the day. Confession and opening up may occur through professional helping relationships. The process of opening up and confessing appears to counter the detrimental effects of stress.

Tasks How have you been managing stress under conditions of pressure. Enlist the activities.

14.3.2 Organisational Level

Management controls several of the factors that cause stress-particularly task and role demands, and organisation structure. As such, they can be modified or changed. In some cases, organisations recognize that they can improve performance by reducing the amount of work-related stress employees' experience. Ways to do this include improving the work environment and clarifying roles. In addition, the organisation can support employees' efforts to cope with stress by offering wellness programmes, which can foster a supportive organisational culture.

1. ***Job Redesigning:*** Redesigning jobs to give employees more responsibility, more meaningful work, more autonomy, and increased feedback can reduce stress because these factors give the employee greater control over work activities and lessen dependence on others. Job redesign to increase worker control is one strategy of preventive stress management. It can be accomplished in a number of ways, the most common being to increase job decision latitude. Increased job decision latitude might include greater decision authority over the sequencing of work activities, the timing of work schedules, the selection and sequencing of work tools, or the selection of work teams. A second objective of job redesign should be to reduce uncertainty and increase predictability in the workplace. Uncertainty is a major stressor.

2. ***Goal Setting:*** Organisational preventive stress management can also be achieved through goal-setting activities. These activities are designed to increase task motivation, while reducing the degree of role conflict and ambiguity to which people at work are subject.

3. ***Role Negotiation:*** Role negotiation begins with the definition of a specific role, called the focal role, within its organisational context. The person in the focal role then identifies the expectations understood for that role, and key organisational members specify their expectations of the person in the focal role. The actual negotiation follows from the comparison of the role incumbent's expectations and key members' expectations. The

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point of confusion and conflict are opportunities for clarification and resolution. The final result of the role negotiation process should be a clear well-defined focal role with which the incumbent and organisational members are both comfortable.

4. ***Organisational Communication:*** Increasing formal organisational communication with employees reduces uncertainty by lessening role ambiguity and role conflict. Given the importance that perception enjoys in moderating the stress-response relationship, management can also use effective communications as a means to shape employee perceptions.

5. ***Employee Wellness Programmes:*** Organisations may sponsor wellness programmes, which are designed to promote employee health and well-being. Evidence suggests that wellness programmes make economic sense. Employees have access to exercise equipment and may participate in educational programmes. An ethical issue with regard to wellness programmes is whether the employer has the right to have input in what employees eat, whether they smoke and how much they exercise. Often, some employees are not receptive to involvement in wellness programmes. This implies that employees who could most benefit from a wellness programme are least likely to benefit from it.

6. ***Social Support System at the Work Place:*** Team building is one way to develop supportive social relationships at the work place. However, team building is primarily task oriented, not socio-emotional in nature. Although employees may receive much of their socio-emotional support from personal relationships outside the workplace, some socio-emotional support within the workplace is also necessary for psychological well-being. Social support systems can be enhanced through the work environment in a number of ways. These relations provide emotional caring, information, evaluative feedback, modelling and instrumental support.

7. ***Organisational Culture:*** The organisation's culture can help employees manage stress by limiting stress, strengthening coping skills and providing shared values and beliefs. Such a culture recognizes that employees are human beings in need of rest, social support, and a good laugh once in a while.

Case Study

Stressed-out Managers

Losing a job is an obvious source of stress. But being the manager who has to do the firing is also a tremendous source of work-related stress. A manager who has to lay off too many people, too many times can experience the symptoms of burnout. "Victims are lethargic, feel empty, and are no longer able to take satisfaction in what they once enjoyed", explains Dr. Donald E Rosen, a psychiatrist who directs the Professionals in Crisis program at the Menninger Clinic in Topeka, Kansas. They also exhibit the physical signs of prolonged stress. "When there's a threat – whether it's to our bodies or to our self-esteem – the mind ratchets up a few notches," says Dr. Gerald Kraines, a Harvard psychiatrist and CEO of the Levinson Institute. This is the body's natural response to short-term stress; but over the long haul, physical and mental reserves begin to break down, leading to burnout.

"I began wondering how many miscarriages this was causing…how many divorces, how many suicides?" Recalls David Sokol, a former partner with California Energy and former president of an even larger company. He had to preside over massive layoffs at both organisations. He managed the stress by "working harder so that I wouldn't have to think

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about it". A former marketing vice president at IBM lasted through several "reorganisations" at Big Blue but felt greater stress with each successive one. "I came home every night worried how this [laid-off worker] or that one was going to support himself. I snapped at my husband. I had trouble sleeping." Eventually, she left the company.

David Sokol adjusted his perceptions somewhat so that he could deal with the stress. The IBM manager handled it by leaving, and this is one of the costs to organisations created by the stress of burnout. Absenteeism and substance abuse are also common enough to impel many companies to now approach psychologists for help.

Companies can do something about the stress piled on the surviving managers when they are involved in restructuring or downsizing. Kraines recommends that top management – which usually doesn't do the firing itself – lead middle managers through the decision-making process that resulted in the necessary layoffs. That way, managers understand that they are not to blame for the decision. Companies also must reassure survivors that the organisational culture and values will remain intact. "People join companies for more than paychecks," says Kraines. "You don't want people signing a new psychological contract they can't live with." Restructuring, downsizing – whatever an organisation wants to call it – is a stressful time for all involved. But it doesn't have to end in burnout.

Questions

1. What kind of intrapersonal conflict do you think a manager who has to fire people experiences? How might he or she resolve it?
2. In addition to those mentioned above, what other steps might organisations take to manage the stress caused to managers who "survive" a downsizing effort but must fire people?
3. In addition to organisational interventions, what steps can individuals take to manage or reduce the stress caused by having to lay people off?

Managerial Implications of Stress

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

Self Assessment

State whether the following statements are true or false:

8. Stress is an evitable feature of work and personal life.
9. At the individual level, stress management usually focuses on becoming unable to cope with stress.
10. When people exercise regularly, they improve their physical health

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14.4 Role of Personality in Stress Management

Research has shown that some people are more resistant to stress and better able to cope with it than others. This is partly due to the fact that some people have a number of personality traits that protect them from the effects of stress; psychologists call this the stress-hardy personality.

Instead of looking for what makes people susceptible to the effects of stress, some psychologists have focused on identifying and describing people who resist illness when exposed to stressors. This view considers people's appraisal to stressors as well as the stressors themselves. People who have personality hardiness resist strain reactions when subjected to stressful events more effectively than do people who are not hardy. The components of personality hardiness are:

- Commitment (versus alienation)
- Control (versus powerlessness) and
- Challenge (versus threat).

Commitment: Commitment is a curiosity and engagement with one's environment that leads to the experience of activities as interesting and enjoyable. Commitment therefore refers to a person's belief in the truth, importance and interest value of self and work.

Control: Control is a person's belief that he or she can influence events, coupled with the tendency to act accordingly. Control therefore is an ability to influence the process and outcomes of events that lead to the experience of activities as personal choices.

Challenge: Challenge is the belief that people seek change rather than routine and stability.

The hardy personality appears to use these three components actively to engage in transformational coping in actively changing an event into something less subjectively stressful by viewing it in a broader life perspective, by altering the course and outcome of the event through action and/or by achieving greater understanding of the process. The alternative to transformational coping is regressive coping, a much less healthy form of coping with stressful events characterized by a passive avoidance of events by decreasing interaction with the environment. Regressive coping may lead to short-term stress reduction at the cost of long-term healthy life adjustment.

People experiencing significant stressors are less likely to become mentally or physically ill if they have a high level of hardiness. These people are likely to use such coping strategies as keeping the stressors in perspective, knowing that they have the resources to cope, and seeing stressors as opportunities rather than threats.

Self Assessment

State whether the following statements are true or false:

11. Some people are more resistant to stress and better able to cope with it than others.
12. Commitment means having a purpose to life and involvement in family, work, community, social, friends, religious faith, ourselves, etc., giving us a meaning to our lives.
13. Control is a person's belief that he or she can influence events, coupled with the tendency to act accordingly.
14. Challenge is the belief that people seek change rather than routine and stability

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14.5 Conflict

All of us have experienced conflict of various types, yet we probably fail to recognize the variety of conflicts that occur in organisations. Conflict can be a serious problem in any organisation. A better understanding of the important areas of conflict will help managers to use the people in the organisation more effectively to reach the organisation's objectives. Failure to be concerned about conflict is very costly, since ignoring it will almost guarantee that work and interpersonal relations will deteriorate.

14.5.1 Definition of Conflict

One of the problems in organisational conflict is that the term has been defined in many different ways by academics and managers. But despite the divergent meanings the term has acquired, several common themes underlie most definitions. A few definitions are reproduced below:

According to *Gray and Starke* – "Conflict is behaviour by a person or group that is purposely designed to inhibit the attainment of goals by another person or group. This 'purposeful inhibition' may be active or passive."

R.W. Woodman defines conflict "As any situation in which incompatible goals, attitudes, emotions or behaviours lead to disagreement or opposition between two or more parties."

K.W. Thomas defines conflict as "A process that begins when one party perceives that another party has negatively affected or is about to negatively affect, something the first party cares about."

According to *B. Kabanoff*, "Conflict refers to a disagreement, opposition, or struggle between two or more individuals or groups. It results from incompatible influence attempts between and within individuals, groups or organisations."

From the above definitions we can state that conflict most commonly arises from four circumstances:

1. Conflict can occur when individuals or groups perceive they have mutually exclusive goals or values.
2. Behaviour designed to defeat, reduce or suppress an opponent may cause conflict.
3. Groups that face each other with mutually opposing actions and counteractions cause conflict, and
4. If each group attempts to create a relatively favoured position vis-à-vis the other, conflict may ensue.

Today's organisations may face greater potential for conflict than ever before. The marketplace, with its increasing competition and globalization, magnifies difference among people in terms of personality, values, attitudes, perceptions, languages, cultures and national backgrounds. With the increasing diversity of the workforce, furthermore, comes potential incompatibility and conflict.

14.5.2 Outcomes of Conflicts

Not all conflicts are bad. In fact, some types of conflict encourage new solutions to problems and enhance the creativity in the organisations. In these cases, managers will want to encourage the conflicts. Functional conflicts are conflicts that support the goals of the group and improve its performance. There are also conflicts that hinder group performance. These are dysfunctional or destructive forms of conflict. Therefore, managers should stimulate functional conflict and prevent

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or resolve non-dysfunctional conflict. This is the key to conflict management. The consequences of conflict can be positive or negative, as shown in the Table 14.2 below:

Table 14.2: Ordinary HTML: the "brochure" Site

Positive Consequences	Negative Consequences
1. Leads to new ideas.	7. Diverts energy from work.
2. Stimulates creativity.	8. Threatens psychological well-being.
3. Motivates Change.	9. Wastes resources.
4. Promotes organizational vitality.	10. Creates a negative climate.
5. Helps individuals and groups establish identities.	11. Breaks down group cohesion.
6. Serves as a safety valve to indicate problems.	12. Can increase hostility and aggressive behaviours.

Source: Debra L. Nelson, James Campbell Quick, "*Organisational Behavior – Foundations, Realities, and Challenges*". (Second Edition) (1997), West Publishing Company, Minneapolis, Page 378.

14.5.3 Sources of Organisational Conflict

1. ***Line and Staff Competition:*** The growth of highly specialized, creative, well-educated staff poses unique problems for line managers. Faced with a growing dependence on staff, line managers must adjust to a reduction in organisational power and prestige. Conflict in most organisations persists between line and staff because it is virtually impossible to define precisely the responsibility and authority relationships between the two.

2. ***Organisation-Individual Disagreements:*** From one perspective, the conflict between the organisation and the individual centres around the individual's failure to fulfil the organisation's expectations regarding productivity or compliance with rules. From another, the conflict is often seen as resulting from excessive organisational demands. Such conflict may be overt or hidden from view, depending on the perception each side has of the power of the other.

3. ***Overlapping Responsibilities:*** Organisations constantly change in response to personnel turnover, expansion or contraction, the adoption of new policies, changes in external environment, and so forth. As a result, it is impossible to establish job responsibilities once and for all. When a change occurs, one person reaches out to assume more responsibility, another retrenches and still another tentatively assumes responsibility for certain functions without knowing definitely who should be performing them. Thus, the stage is set for conflict.

4. ***Functional Interdependence:*** Conflicts between an organisation's functional units, such as sales, accounting and manufacturing are commonplace. The sales department is at odds with manufacturing because quality is too low or prices are too high to meet the competition. Although departments are separated on the basis of function, they can never function as completely autonomous units. They must somehow resist the constant urge to view the organisation in terms of their narrow self-interests.

5. ***Personality Clashes:*** Individual differences in such personal qualities as values, attitudes, abilities and personality traits are often the cause of conflict. Two managers may learn to despise each other thoroughly for reasons totally unrelated to their work, but their performance on the job may suffer because of it.

6. ***Disagreement Over Goals:*** Conflict among managers is often caused by the fact that there is poor agreement over goals. Perhaps an even more common source of conflict is the clash of the personal goals of managers and employees with the goals of the organisation.

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7. ***Bottlenecks in the Flow of Work:*** Line supervisors in manufacturing must meet production deadlines, but they are dependent upon production schedules, warehousing shipping, and others for effective performance. A bottleneck at any point can prevent the line supervisors from being effective and is quite naturally an occasion for interpersonal conflict.

14.5.4 Causes of Conflict

There are numerous sources of conflict within formal organisations. To manage it effectively, managers should understand these sources of conflict.

Case Study

A Consultant's View of Conflict

Part and parcel of any organisation is the presence of conflict. Kenneth Sole, president of Kenneth Sole and Associates, training and consulting firm, believes that since conflict is inevitable, his task is to reduce its adverse impact on corporations. Sole says every conflict can be turned into a positive or negative situation, depending upon the attitudes participants bring to it. The worst mistake is to suppress conflict once it has been perceived. Sole says if people were better able to allow conflict to surface naturally, there would be more battles, but less costly ones.

Sole argues that it is better to react initially than to let trouble brew over time. By suppressing conflict, misattribution may arise and the conflict is taken out on innocent bystanders.

Talking around the issue is another problem resulting from suppressed conflict. Sole says this situation damages the people and the organisation until someone realizes it rests on one basic conflict.

Questions

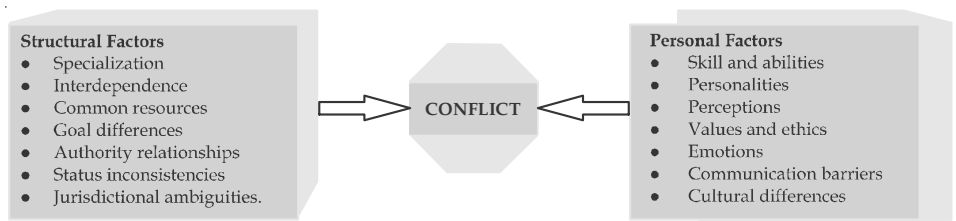
1. What do like most in Sole's attitude?
2. What do you analyse as the learning from the above case?

Those discussed below have been analyzed extensively by researchers. They can be classified into two broad categories:

1. Structural factors
2. Personal factors.

Figure below illustrates the causes of conflict.

Figure 14.1: Force-field Analysis of Equilibrium



Source: Debra L. Nelson, James Campbell Quick "Organisational Behavior – foundations, realities and challenges". (Second edition), West Publishing Company, Minneapolis (1997) Page 380.

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Structural Factors

Structural factors stem from the nature of an organisation and the way in which work is organised. The causes of conflict related to the organisation's structure include specialization, interdependence, common resources, goal differences, authority relationships, status inconsistencies and jurisdictional ambiguities.

1. ***Common and Limited Resources:*** Perhaps the most fundamental fact of organisational life is that resources are finite. Any time multiple parties must share resources, there is potential conflict. Even the most successful companies have found that they are limited in what they can accomplish. With this realization, groups and individuals see that there will be times when they will have to fight for what they want. One resource often shared by managers is secretarial support. It is not uncommon for a secretary to support ten or more managers, each of whom believes his or her work is most important. This puts pressure on the secretaries and leads to potential conflicts in prioritizing and scheduling work. The most obvious manifestation of this problem comes when the annual budget is set. Each department typically submits a request for its needs during the next fiscal year and top management adjusts the request based on its knowledge of the total organisation. Department heads often see their requests cut back because the resources for the total organisation are limited. When cutbacks occur, however, the potential for conflict increases because the heads of various departments begin making value judgements about why management decided to cut back one department but not another. As a general rule, "the greater the scarcity of resources, the greater the potential for conflict".

2. ***Interdependent Work Activities:*** Added to the basic problem of finite resources is the problem of organisational units having to work together. Work that is interdependent requires groups or individuals to depend on one another to accomplish goals. Depending on other people to get work done is fine when the process works smoothly. However, when there is a problem, it becomes very easy to blame the other party and conflict escalates.

   It is important for managements to know the nature of work interdependence so systems of work can be implemented that will reduce the potential for dysfunctional conflict. As a general rule, "the more interdependent the work activities, the greater the potential for conflict".

3. ***Specialization and Differentiation of Activities:*** We noted above that interdependence of work activities is an important source of conflict in organisations. Backing up one step further, we can see that the mere existence of groups doing different functions creates the potential for conflict. Especially when jobs are highly specialized, employees become experts at certain tasks. Highly specialized jobs can lead to conflict, because people have little awareness of the tasks that other perform.

   A classic conflict of specialization is one between salespeople and engineers. Engineers are technical specialists responsible for product design and quality. Salespeople are marketing experts and liaison with customers. Salespeople are often accused of making delivery promises to customers that engineers cannot keep because the sales force is felt to lack the technical knowledge necessary to develop realistic delivery deadlines.

4. ***Authority Relationship:*** The traditional boss-employee relationship makes employees feel uncomfortable. The boss is superior to the employees and can dictate terms to his subordinates. For many employees, this relationship is not a comfortable one because another person has the right to tell them what to do. In addition, some bosses are autocratic and manipulative and this increases the potential for conflict. To add to the problem, some employees resent authority more than others, and obviously this creates conflicts.

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5. ***Goal Differences:*** The differentiation in work activities leads to differentiation in goals. When work groups have different goals, these goals may be incompatible. For example, production's goals may be to have long production runs with few changes in product style, because this allows the production facilities to operate at peak efficiency. Marketing's goal, on the other hand, may be to give customers what they want when they want it. This means rush orders, special orders, and other demands that conflict directly with production's goals.

6. ***Jurisdictions Ambiguities:*** Jurisdictional ambiguity is tantamount to unclear lines of responsibility within an organisation. When a problem occurs for which there is no definite fixation of responsibility, workers tend to "pass the buck" or avoid dealing with the problem. Conflicts emerge over who has responsibility for the problem. For example, if you are a customer of a company and have a problem with the product you brought and you telephone the company to set it right, you would have had your call transferred through several different people and departments.

7. ***Status Inconsistencies:*** Some organisations have a strong status difference between managers and workers. Managers enjoy many privileges like flexible schedules, personal telephone calls at work and longer lunch hours. These privileges are not available to other employees resulting in resentment and conflict.

Personal Factors

Personal factors arise from differences among individuals. These differences include skills and abilities, personalities, perceptions, emotions, values and ethics and communication barriers.

1. ***Differences in Perceptions:*** We all "see" the world slightly differently because we have all had different experiences. Differences in perception can also lead to conflict. One area in which perceptions can differ is the perception of what motivates employees. If managers and workers do not have a shared perception of what motivates people, the reward system can create conflicts. It is hard to make unequivocal statements about how differences in perception will influence conflict. It is also difficult to deduce exactly how a person views the world unless the person is well-known to the manager. Nevertheless, a realization that differences in perception (by groups or individuals) is crucial to conflict means that it must be included in any discussion of conflict.

2. ***Communication Problems:*** Communication problems develop because not all groups have the same information. Each group therefore takes a position based on its view of the world and the information it has. The obvious solution to this problem is to give all groups equal information. However, this is generally not feasible because individuals with important information may want to use it for their own advantage and not share it.

   The various communication barriers that lead to conflict include:

   (i) Communication barriers such as physical separation and language can create distortions in messages and these can lead to conflict.

   (ii) Another communication barrier is value judgement, in which a listener assigns a worth to a message before it is received. For example, suppose X is a chronic complainer. When X enters the manager's office, the manager is likely to devalue the message before it is even delivered. Conflict can then emerge.

   (iii) Communication barriers are also caused by technical jargon that is so frequently used in organisations.

3. ***Value and Ethics:*** Differences in values and ethics can be sources of disagreement. When conflicts over values or ethics do arise, heated disagreement is common because of the personal value systems giving rise to such differences.

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4. ***Skills and Abilities:*** Diversity in skills and abilities hold potential for conflict, especially when jobs are interdependent. Experienced workers may find it difficult to work alongside new and unskilled recruits. Employees can become resentful when their new boss, fresh from business school, knows a lot about managing people but is unfamiliar with the technology with which they (employees) are working.

5. ***Emotions:*** Moods and emotions can be a source of conflict in the workplace. Personal problems at home often take their toll at the work place and the resultant mood-swings can be hard for others to deal with.

6. ***Personalities:*** Personality conflicts are realities in organisations. To expect that you will like all of your co-workers may be a naïve expectation. One personality trait that many people find difficult to deal with is abrasiveness. Abrasive individuals create stress and strain for those around them.

Self Assessment

Fill in the blank:

15. ..... is behaviour by a person or group that is purposely designed to inhibit the attainment of goals by another person or group.

14.6 Types of Conflict

We can analyze the effects of conflicts from many different perspectives. They are:

Intra-individual or Intrapersonal Conflict

This refers to conflict within an individual about which work activities to perform. An individual may experience

1. ***Cognitive Conflict:*** An intellectual discomfort created by trying to achieve incompatible goals.

2. ***Affective Conflict:*** Occurs when competing emotions accompany the incompatible goals and result in increased stress, decreased productivity or decreased satisfaction for the individual.

There are several types of intrapersonal conflict, including inter-role, intra-role and person-role conflicts.

1. ***Inter-role Conflict:*** Occurs when a person experiences conflict among the multiple roles in his or her life. One inter-role conflict that many employees experience is work/home conflict, in which their role as worker clashes with their role as spouse or parent.

2. ***Intra-role Conflict:*** Is conflict within a single role. It often arises when a person receives conflicting message from role senders (the individuals who place expectations on the person) about how to perform a certain role.

3. ***Person-role Conflict:*** Occurs when an individual in a particular role is expected to perform behaviours that clash with his or her values. For example, salespeople may be officially required to offer the most expensive item in the sales line first to the customer, even when it is apparent the customer does not want or cannot afford the item. This may conflict with the salesman's values or past experience, and he may experience person-role conflict.

   Analyzing this type of conflict is difficult because "inner states" of the individual must be assessed.

Inter-individual Conflict

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When two individuals disagree about issues, actions, or goals and where joint outcomes become important, there is inter-individual conflict. Research on this type of conflict (e.g., marriage counselling) often focuses on personality differences and why individuals feel obliged to block the goal attainment of the other person. Inter-individual or interpersonal conflict often arises from differences in individuals' status, perceptions and orientations. Such conflict may motivate individuals to reveal additional relevant issues or it may prevent any further communication. To further complicate matters, some individuals are more likely to engage in conflict than others.

To manage interpersonal conflict, it is helpful to understand power networks in organisations, defence mechanisms exhibited by individuals and ways of coping with difficult people.

1. ***Power Networks:*** According to Mastenbrock, individuals in organisations are organised in three basic types of power networks:

   (a) The first relationship is equal versus equal, in which there is a horizontal balance of power among the parties. The behavioural tendency is the focus on a win-lose approach to problems (sub-optimization) and each party tries to maximize its power at the expense of the other party.

   (b) The second power network is a powerful versus a less powerful relationship. Conflicts that merge here take the basic form of the powerful individuals trying to control others, with the less powerful people trying to become more autonomous.

   (c) The third power network is high versus middle versus low. Two particular conflicts are evident for middle managers: role conflict, in which conflicting expectations are placed on the manager from bosses and employees, and role ambiguity in which the expectations of the boss are unclear.

   The Table 14.3 below illustrates the three basic kinds of power relationships in organisations.

Table 14.3: Power Relationships in Organisation

Types of Power	Behavioural Tendencies and Problems	Interventions
Equal vs Equal	Sub optimization 1. Tendency to compete with one another. 2. Covert fighting for positions. 3. Constant friction in border areas	1. Defining demarcation lines. 2. Improving coordination procedures. 3. Integrating units. 4. Teaching negotiating skills. 5. Clarifying common interest. 6. Activating central authority.
High vs Low	Control vs autonomy 1. Resistance to change. 2. Motivation problems.	7. Bureaucratizing power through rules. 8. Using a different style of leadership. 9. Structural and cultural interventions.
High vs Middle vs Low	Role Conflict, role ambiguity, stress 1. Concessions, double-talk, and use of sanctions and rewards to strengthen the position.	10. Improving communication. 11. Clarifying tasks. 12. Horizontalization, vertical task expansion. 13. Teaching power strategies.

Source: W. F. G Mastenbrock, "Conflict Management and Organisational Development", John Wiley and Sons Ltd (1987)

2. ***Defence Mechanism:*** When individuals are involved in conflict with other human beings, frustration often results. Defence mechanisms are common reactions to the frustration that accompanies conflict.

   (a) Aggressive mechanisms are aimed at attacking the source of the conflict. Some of these are fixation, displacement and negativism.

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(b) Compromise mechanisms are used by individuals to make the best of a conflict situation. Compromise mechanisms include compensation, identification and rationalization.

(c) Withdrawal mechanisms are exhibited when frustrated individuals try to flee from a conflict using either physical or psychological means. Flight, conversion and fantasy are examples of withdrawal mechanism.

3. ***Coping with Difficult People:*** Many interpersonal conflicts arise when one person finds another person's behaviour uncomfortable, irritating or bothersome in one way or another. Robert Baramsom has identified seven basic types of difficult people that may be encountered at work.

(a) *Hostile-aggressive:* Bully other people by bombarding them with cutting remarks, or throwing a tantrum when things do not go their way.

(b) *Complainers:* Gripe constantly but never take action about what they complain about, usually because they feel powerless or they do not want to take responsibility.

(c) *Clams:* Are silent and unresponsive when asked for opinions. They react to conflict by closing up and refusing to discuss problems.

(d) *Superagreeables:* Are often charming individuals who are sincere and helpful to your face, but they fail to do what they promise when you leave.

(e) *Negativists:* Respond to any attempts to solve a problem with pessimism.

(f) *Know-it-alls:* Display superior attitudes, wanting you to know that they know everything there is to know about everything. If they really know what they are talking about, they are bulldozers. Phoney experts are known as balloons. Balloons only think they know everything. To deal with them, state your position, as your own perception of the situation.

Individual-Group Conflict

In organisations, there are two important situations where individuals find themselves in conflict with groups. The first situation is one in which an individual is violating group norms. The reason for this conflict is that groups have a greater ability to block an individual's goal achievement than the other way around. Only in unusual cases will an individual be able to mobilize the resources to block the group's movement toward its goals.

The second case of individual-group conflict is one in which subordinates of one boss collectively disagree with a course of action the boss wants to take. A conflict exists here because the subordinates are blocking the goal achievement plans of the boss. Although the boss can exercise formal authority to suppress this type of conflict, this is generally an unwise course, since subordinates often find a way to retaliate.

Intergroup Conflict

This involves conflict between groups of people, irrespective of the size of the group. Included in this category, therefore, is interdepartmental conflict within organisations. Intergroup conflict exists between or among groups. Such conflicts can be traced to competing goals, competition for limited resources, cultural differences, power discrepancies and attempts to preserve the groups' separate identities.

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Organisational Level Conflict

Conflict can also exist between organisations. The amount of conflict may depend on the extent the organisations create uncertain conditions for competitors, suppliers, or customers; attempt to access or control the same resources; encourage communication; attempt to balance power in the marketplace; and develop procedures for resolving existing conflict. Recent attempts to manage such conflict and ensure that it has a positive impact on organisational performance have emphasized the formation of strategic alliances and partnerships.

Functional Conflict

Some conflicts support the goals of the group and improve its performance; these are functional, constructive disagreements between two or more people. Functional conflict can produce new ideas, learning and growth among individuals; when they engage in constructive conflict, they develop a better awareness of themselves and others.

Dysfunctional Conflict

There are conflicts that hinder group performance, and are therefore known as dysfunctional or destructive forms of conflict. Dysfunctional conflict is an unhealthy, destructive disagreement between two or more people. A key for recognizing a dysfunctional conflict is that its origin is often emotional or behavioural. Disagreements that involve personalized anger and resentment directed at specific individuals rather than specific ideas are dysfunctional. In dysfunctional conflict, the losses to both parties may exceed any potential gain from the conflict.

The demarcation between functional and dysfunctional conflict is neither clear nor precise. The criterion that differentiates functional and dysfunctional conflict is group performance. Since groups exist to attain a goal or goals, it is the impact the conflict has on the group, rather than on any individual member, that determines functionality. The manager must look at the issue, the context, and the parties involved. The following questions can be used to diagnose the nature of the conflict a manager faces:

1. Are the parties approaching the conflict from a hostile standpoint?
2. Is the outcome likely to be a negative one for the organisation?
3. Do the potential losses of the parties exceed any potential gains?
4. Is energy being diverted from goal accomplishment?

If the majority of the answers to these questions are 'yes', than the conflict is probably dysfunctional. Once the manager has diagnosed the type of conflict, he or she can either work to resolve it (if it is dysfunctional) or to stimulate it (if it is functional).

Self Assessment

Multiple Choice Questions:

16. Some conflicts support the goals of the group and improve its performance. These are:

    .....between two or more people

    (a) Functional disagreements (b) Constructive disagreements

    (c) Both (a) and (b) (d) None

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17. ..... is an unhealthy, destructive disagreement between two or more people.

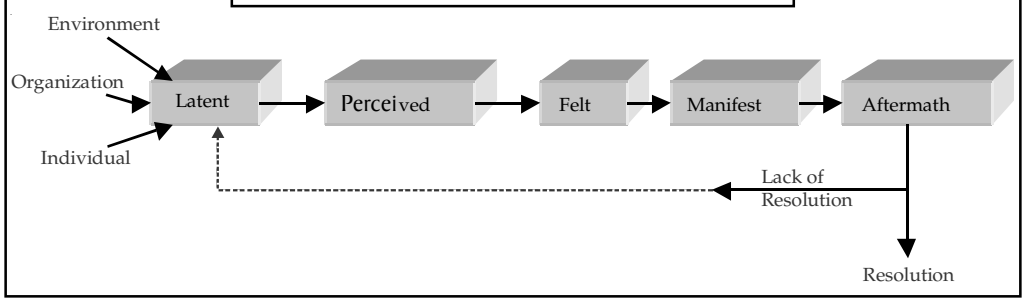
(a) Conflict (b) Functional conflict

(c) Dysfunctional conflict (d) None

14.7 Conflict Process

Diagnosing the nature of conflict is aided by considering it as a sequence of conflict episodes. Regardless of the level of conflict, each conflict episode proceeds through one or more of five possible stages. They are shown in the Figure 14.2 below.

Figure 14.2: Stages of Conflict



1. ***Latent Conflict:*** The first step in the conflict process is the presence of conditions that create opportunities for conflict to arise. Individuals or groups may have power differences, compete for scarce resources, strive for autonomy, have different goals, or experience diverse role pressures. These differences are the genesis of disagreement and ultimately conflict.

2. ***Perceived Conflict:*** If the conditions cited in stage I negatively affect something that one party cares about, then the potential for opposition or incompatibility becomes actualized in the second stage. This stage is important because:

   (a) It is where conflict issues tend to be defined.

   (b) Emotions play a major role in shaping perceptions.

   In this stage,

   (a) Differences of opinion are voiced.

   (b) Incompatible goals or values become apparent.

   (c) Individuals demean others or try to enact opposing actions.

3. ***Felt Conflict:*** When one or more parties feel tense or anxious as a result of such disagreements or misunderstandings, conflict has moved beyond 'perceived' to 'felt' conflict. Here, the conflict becomes personalized to the individuals or groups involved: intentions intervene between people's perceptions and emotions and their overt behaviour. These intentions are decisions to act in a given way.

Notes

K. Thomas has identified the primary conflict-handling intentions using two dimensions:

(a) *Co-operativeness:* The degree to which one party attempts to satisfy the other party's concerns; and

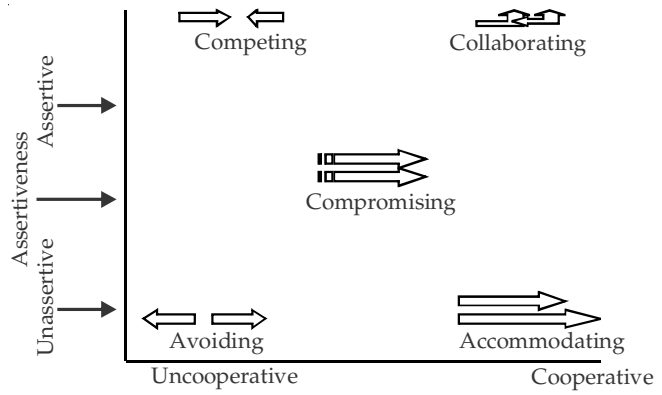
(b) *Assertiveness:* The degree to which one party attempts to satisfy his or her own concerns.

Using the above mentioned dimensions, five conflict handling intentions can be identified as shown in the Figure 14.3.

(a) *Competing:* A desire to satisfy one's interests, regardless of the impact on the other party to the conflict.

(b) *Collaborating:* A situation where the parties to a conflict desire to satisfy fully the concerns of all parties.

Figure 14.3: Dimensions of Conflict-handling Intentions



Source: K. Thomas, "Conflict and Negotiation Process in Organisations", in M.D Dunnette and L.M Hough (eds.), Handbook of Industrial and Organisational Psychology (2nd ed., Vol.3) Page 668.

(c) *Avoiding:* The desire to withdraw from or suppress a conflict.

(d) *Accommodating:* The willingness of one party in a conflict to place the opponent's interests above his or her own interest.

(e) *Compromising:* A situation in which each party to a conflict is willing to give up something.

4. ***Manifest Conflict:*** Observable behaviour designed to frustrate another's attempts to pursue his or her goals is manifest conflict, the most overt form of conflict. Both open aggression and withdrawal of support illustrate manifest conflict. At this stage, conflict must be used constructively resolved if effective organisational performance is to occur.

When most people think of conflict situations, they tend to focus on "manifest conflict" because this is where conflicts become visible. These conflict behaviours are usually overt attempts to implement each party's personal agenda.

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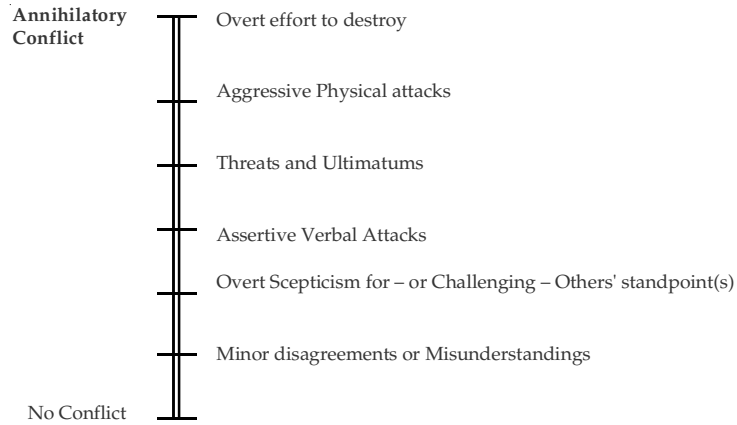
The Figure 14.4 below shows the conflict intensity continuum.

Figure 14.4: Conflict Intensity Continuum



Source: S.P. Robbins, "Managing Organisational Conflict: A non-traditional Approach", Prentice Hall, Englewood Cliffs, NJ (1974) Page 93-97.

5. ***Conflict Aftermath:*** The conflict episode ends with its aftermath, after the conflict has been managed and the resulting energy heightened, resolved or suppressed. If the conflict is resolved, the parties may experience a new reality as they adjust their perceptions. Unresolved conflict, which exists everywhere, simply sows the seeds for manifest conflict later. The process continues and is a normal part of organisational life.

Tasks Analyse the situation when you managed conflict between two or more people. How could you have managed it better?

14.7.1 Changing View of Conflict

If we look back over the happenings of the last century, it becomes obvious that assumptions about whether conflict is good or bad for organisations have changed substantially. The traditional view is that conflict must be avoided because it indicates a malfunctioning within the group. The Human Relations view is that conflict is a natural and inevitable outcome in any group. The third view is that conflict is absolutely necessary for groups to perform effectively. These three views are explained below:

1. ***Traditional View:*** This view of conflict, which was popular until the early 1940s, assumed that conflict was bad for organisations. In the view of the traditionalists, organisational conflict was proof that there was something "wrong" with the organisation. The view that all conflict is bad certainly offers a simple approach to looking at the behaviour of people who create conflict. Since all conflict is to be avoided, we need merely direct our attention to the causes of conflict and correct such malfunctions in order to improve group and organisational performance.

   Because conflict was viewed as bad, considerable attention was given to reducing, eliminating or even suppressing it. While these tactics sometimes worked, they were largely ineffective because

   (a) They did not get at the exact cause of the conflict, and

Notes

(b) Suppressing the conflict did not allow any of the positive aspects of conflict emerge.

The traditional view of conflict appears to be losing ground as time passes, despite the fact that many people still subscribe to that viewpoint.

2. ***Human Relations View:*** According to this view, organisational conflict is neither good nor bad per se, but is inevitable. Thus, conflict will occur even if organisations have taken great pains to prevent it. Thus, organisations will experience conflict even if they have well defined job descriptions, and their managers are reasonable people who treat employees well. Since conflict was inevitable, the human relations school advocated acceptance of conflict. In other words, they rationalize its existence.

3. ***Interactionist View:*** This approach encourages conflict on the ground that a harmonious, peaceful and co-operative group is prone to becoming static, and non-responsive to needs for change and innovation.

   According to the Interactionist view of conflict, when the amount of conflict (low to high) is related to organisational performance (low to high), we see that there is an optimum level of conflict which maximizes organisational performance. This optimum level is neither low nor high. At moderate levels of conflict, employees are motivated to resolve conflicts, but these do not disrupt the normal work activities.

14.7.2 Conflict Management Strategies

Managers have at their disposal a variety of conflict management styles: avoiding, accommodating, competing, compromising and collaborating. The way they handle conflict depends on the degree to which they seek to satisfy their own concerns (assertiveness) and the degree to which they try to satisfy the other person's concerns (co-operativeness).

The Figure 14.5 shows the five conflict management styles using these two dimensions:

1. ***Avoiding:*** Managing a conflict with an avoiding strategy involves just what the term sounds like: not seeking to meet your own objectives or the objectives of the other person. Avoiding is a style low on both assertiveness and co-operativeness. Avoiding is a deliberate decision to take no action on a conflict or to stay out of a conflict situation.

2. ***Accommodating:*** In an accommodating strategy, one person attempts to satisfy another person's objectives. Appropriate situations for accommodating include those when you find you are wrong, when you want to let the other party have his or her way. Accommodating is cooperative but unassertive.

3. ***Competing:*** A competing strategy involves attempting to win, with the presumption that others will lose. Under this strategy, you want to satisfy your own interests and are willing to do so at the other party's expense. Competing is a style that is very assertive and uncooperative.

4. ***Compromising:*** In a compromising strategy, the parties reach a mutually acceptable solution in which each person gets only part of what he or she wanted. Often, this means the parties decide to "split the difference". The compromising style is intermediate in both assertiveness and co-operativeness, because each party must give up something to reach a solution to the conflict.

5. ***Collaborating:*** This strategy seeks to make everyone a winner. Working towards collaborating involves an open and thorough discussion of the conflict and arriving at a solution that is satisfactory to both parties. Collaborating is a win-win style that is high on both assertiveness and co-operativeness. The Table 14.4 shows the appropriate conflict-handling situation.

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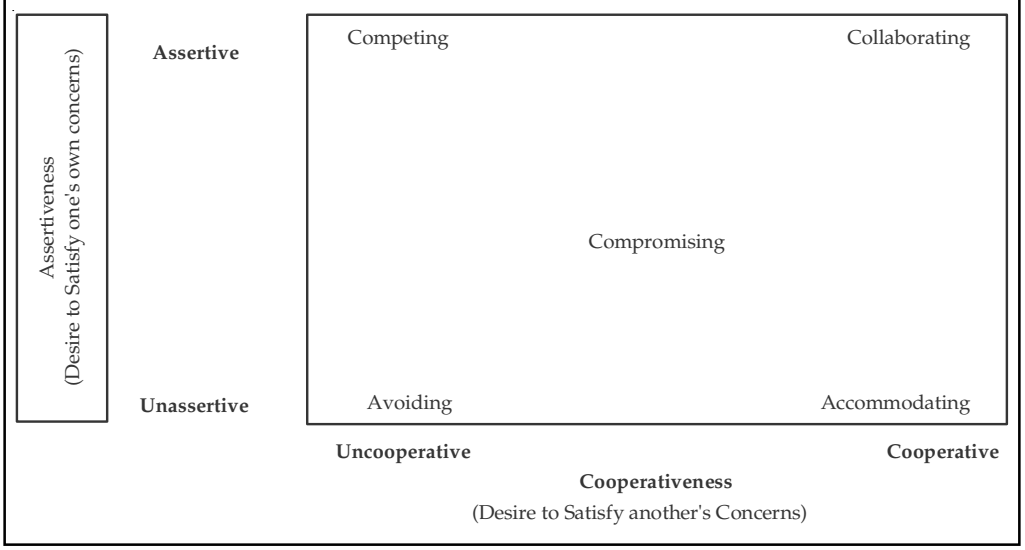
Figure 14.5: Conflict Management Styles



Source: K.W Thomas, "Conflict and Conflict Management," in M. D Dunnette, "Handbook of Industrial and Organisational Psychology" Chicago, IL: Rand McNally. (1976).

Table 14.4: Uses of Five Styles of Conflict Management

Conflict-handling style	Appropriate situation
Competing	1. When quick, decisive action is vital (e.g., emergencies). 2. On important issues where unpopular actions need implementing (e.g., cost cutting, enforcing unpopular rules, discipline). 3. On issues vital to company welfare when you know you are right. 4. Against people who take advantage of non-competitive behaviour.
Collaborating	5. To find an integrative solution when both sets of concerns are too important to be compromised. 6. When your objective is to learn. 7. To merge insights from people with different perspectives. 8. To gain commitment by incorporating concerns into a consensus. 9. To work through feelings that have interfered with a relationship.
Compromising	10. When goals are important, but not worth the effort or potential disruption of more assertive modes. 11. When opponents with equal power are committed to mutually exclusive goals. 12. To achieve temporary settlements to complex issues. 13. To arrive at expedient solutions under time pressure. 14. As a backup when collaboration or competition is unsuccessful.
Avoiding	15. When an issue is trivial, or more important issues are pressing. 16. When you perceive no chance of satisfying your concerns. 17. When potential disruption outweighs the benefits of resolution. 18. To let people cool down and regain perspective. 19. When others can resolve the conflict more effectively. 20. When issues seem tangential or symptomatic of other issues.
Accommodating	21. When you find you are wrong – to allow a better position to be heard, to learn, and to show your reasonableness. 22. When issues are more important to others than to yourself – to satisfy others and maintain cooperation. 23. To build social credits for later issues. 24. To minimize loss when you are outmatched and losing. 25. When harmony and stability are especially important. 26. To allow employees to develop by learning from mistakes.

Source: D. Tjosvold, "The Conflict Positive Organisation", Addison-Wesley Publishing Company (1991).

Notes

The Table 14.5 below gives the examples and uses of conflict management strategy.

Table 14.5: Examples and Uses of Conflict Management Strategies

Strategy	Examples	Appropriate for
Avoiding	Buffer created between groups Discussions postponed.	Trivial issues. Explosive issues – used to calm parties involved before resolving some other way.
Accommodating	Acceptance of customer returns Modification of product or process according to manager's ideas.	Gaining good will. Building up social credits for other conflicts. Strategy emphasizing that customer is always right.
Compromising	Negotiation in which parties each gain part of what they sought.	Quickly reaching a temporary solution. Goals that are too important to concede by competition.
Competing	Making needs or solutions clear while maintaining respect for others (i.e., assertiveness).	Situations in which a best solution is obvious or other party is obviously wrong or untrustworthy. Emergencies – can lead to faster solutions since parties work more independently.
Collaborating	Competing groups are shown how they need to work together for productivity.	Problems requiring new insight. Situations in which building commitment is important. Significant conflicts – because of high time and energy requirements.

Source: Patrick M Wright and Raymond A Noe "Management of Organisations" Irwin McGraw-Hill Boston (1996) page 690.

Self Assessment

State whether the following statements are true or false:

18. Diagnosing the nature of conflict is aided by considering it as a sequence of conflict episodes.

19. The conflict episode ends with its aftermath, after the conflict has been managed and the resulting energy heightened, resolved or suppressed.

14.8 Negotiation

Negotiation is the process through which the parties to a conflict define what they are willing to give and accept in an exchange. Negotiation permeates the interactions of almost everyone in groups and organisations. If the conflict is complex, the negotiation process may incorporate different strategies for different issues: avoiding some, compromising on others, and so on.

14.8.1 Steps in Negotiation

We can identify four basic steps in the negotiation process. They are:

1. ***Preparation:*** Preparation for negotiations should begin long before the formal negotiation begins. Each party gathers information about the other side—its history, likely behaviour, previous interactions and previous agreements reached by the parties. Each party polls its members to determine their wishes, expectations, and preferences regarding a new agreement.

2. ***Evaluation of Alternatives:*** The two sides attempt to identify the bargaining range (i.e., the range in which both parties would find an agreement acceptable). The bargainers determine the alternatives acceptable to them and also identify their best alternative if a negotiated settlement is not reached. Identifying a set of alternatives, including the best one, helps individuals determine whether to continue the negotiation or seek another course of action.

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3. ***Identifying Interests:*** Negotiators act to satisfy their own interests, which may include substantive, relationship, personal or organisational ones. The person or group must assess the other party's interests and then decide how to respond to those interests in their offers. Effective negotiations call for satisfying interests by identifying and exploring a range of possible positions on specific issues.

4. ***Making Trade-offs and Creating Joint Gains:*** Bargainers use trade-offs to satisfy their own and others' interests. Either position would meet the interests of maintaining a certain standard of living. One way to assess trade-offs is

   (a) Begin by identifying the best and worst possible outcomes.

   (b) Next, specify what impact trade-offs will have on these outcomes.

   (c) Finally, consider whether the changed outcomes will better meet the parties' interest.

Negotiators need to overcome the idea that a fixed pie of outcomes exists, avoid non-rational escalation of conflict, pay attention to others' cognitions and avoid devaluating the others' concessions while overvaluing their own.

Notes

Negotiating

Once you've taken the time to assess your own goals, consider the other party's goals and interests, and develop a strategy, you're ready to begin actual negotiations. The following suggestions should improve your negotiating skills.

1. ***Begin with a positive overture:*** Studies on negotiation show that concessions tend to be reciprocated and lead to agreements. As a result, begin bargaining with a positive overture – perhaps a small concession – and then reciprocate your opponent's concessions.

2. ***Address problems, not personalities:*** Concentrate on the negotiation issues, not on the personal characteristics of your opponent. When negotiations get tough, avoid the tendency to attack your opponent. It's your opponent's ideas or position that you disagree with, not him or her personally. Separate the people from the problem, and don't personalize differences.

3. ***Pay little attention to initial offers:*** Treat an initial offer as merely an initial offer, as merely a point of departure. These initial offers tend to be extreme and idealistic.

4. ***Emphasize win-win solutions:*** Inexperienced negotiators often assume their gain must come at the expense of the other party. As noted with integrative bargaining, that needn't be the case. There are often win-win solutions. But assuming a zero-sum game means missed opportunities for trade-offs that could benefit both sides. So if conditions are supportive, look for an integrative solution. Frame options in terms of your opponent's interests and look for solutions that can allow your opponent, as well as yourself, to declare a victory.

5. ***Create an open and trusting climate:*** Skilled negotiators are better listeners, ask more questions, focus their arguments more directly, are less defensive, and have learned to avoid words and phrases that can irritate an opponent (i.e., "generous offer," "fair price," "reasonable arrangement"). In other words, they are better at creating the open and trusting climate necessary for reaching an integrative settlement.

Source: J. A Wall Jr. and M. W Blum, "Negotiations", page 278-282.

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14.8.2 Cultural Differences in Negotiations

While there appears to be no significant direct relationship between an individual's personality and negotiation style, cultural background does seem to be relevant. Negotiating styles clearly vary between national cultures as we can see from the Table 14.6.

Table 14.6: Negotiation Styles of Three Cultures

Japanese	North American	Latin American
Emotional sensitivity highly valued.	Emotional sensitivity not highly valued.	Emotional sensitivity valued.
Hiding of emotion.	Dealing straightforwardly or impersonally.	Emotionally passionate.
Subtle power plays; conciliation.	Litigation not as much as conciliation.	Great power plays; use of weakness. Loyalty to employer (who is often family).
Loyalty to employer; employer takes care of its employees.	Lack of commitment to employer; Breaking of ties by either, if necessary.	Decisions come down from one individual.
Group decision-making consensus Face-saving crucial; decisions often made on basis of saving someone from embarrassment.	Team work provides input to a Decision Maker.	Face-saving crucial in decision making to preserve honour, dignity.
Decision makers openly influenced by special interests.	Decision maker influenced by special Interests, but often not considered ethical.	Execution of special interests of decision maker expected, condoned.
Not argumentative; quiet when right.	Argumentative when right or wrong, but impersonal.	Argumentative when right or wrong; passionate.
What is put down in writing must be accurate, valid.	Great importance given to documentation as evidential proof.	Impatient with documentation as obstacle to understanding general principles.
Step-by-step approach to decision making.	Methodically organized decision making.	Impulsive, spontaneous decision making.
Good of group is the ultimate aim.	Profit motive or good of individual ultimate aim.	What is good for group is good for the individual.
Cultivate a good emotional-social setting for decision making; get to know decision makers.	Decision making impersonal; avoid involvements, conflict of interest.	Personalization necessary for good decision making.

Source: Nancy J Adler, "International Dimensions of Organisational Behavior" (2nd Edition) FWS-Kent, Boston (1991) Page 179-217.

14.8.3 Negotiating Approaches

There are two major negotiating approaches:

1. ***Distributive Bargaining:*** Distributive bargaining is an approach in which the goals of one party are in direct conflict with the goals of the other party. Each party wants to maximize its share of the limited resources. Distributive bargaining is a competitive or win-lose approach to negotiations.

2. ***Integrative Negotiation:*** Under this approach to negotiation, the parties' goals are not seen as mutually exclusive; the focus is on making it possible for both sides to achieve their objectives. Integrative negotiation focuses on the merits of the issues and is a win-win approach.

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14.8.4 Third-Party Negotiations

When individuals and groups reach a stalemate and are unable to resolve their differences through direct negotiations, especially when a conflict is emotionally charged, they may turn to a third party to help them find a solution. The third party may be a manager, a well-respected colleague or someone whose formal role is to resolve conflicts.

1. ***Mediator:*** A mediator is neutral third party who facilitates a negotiated solution by using reasoning and persuasion, suggesting alternatives, etc. A mediator's role involves exerting high control over the process but not the outcome. A mediator interviews the parties separately, and then tries to help them reach a solution by bringing those together or ferrying messages back and forth during labour-management negotiations.
2. ***Arbitrator:*** An arbitrator is a third party with the authority to dictate an agreement. An arbitrator's role involves exerting low control over the process and high control over the outcome. The arbitrator allows each party to present facts or arguments and then decides on the outcome and may even enforce it. Arbitration can be voluntary or compulsory.
3. ***Consultant:*** A consultant is a skilled and impartial third party who attempts to facilitate problem solving through communication and analysis, aided by his or her knowledge of conflict management. This approach has a longer term focus to build new and positive perception and attitude between the conflicting parties.
4. ***Inquisitor:*** The role of an inquisitor involves high control over both the process and the outcome of conflict resolution. An inquisitor asks questions, directs the way evidence is presented, calls for additional evidence and referees arguments, then decides the outcome of the dispute and enforces his or her decision.
5. ***Avoider, delegator or impetus provider:*** A category of roles that involve exerting little control over the process and the outcome. They are:
   (a) *Avoider:* tries to ignore the conflict and minimize its significance.
   (b) *The delegator:* asks another person to help in the negotiation.
   (c) *Impetus provider:* delegates the conflict to the parties along with a threat that if they fail to resolve it, the manager will dictate a solution they are sure to dislike.

Self Assessment

State whether the following statements are true or false:

20. Negotiation does not permeates the interactions of almost everyone in groups and organisations.
21. The Second party may be a manager, a well-respected colleague or someone whose formal role is to resolve conflicts.

Case Study

James Farris

James Farris was a college student who, during the summer, worked in the Denver plant of Western Gypsum Company, a manufacturer of drywall material, various ready-mix patching compounds, and other assorted home-improvement products.

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The plant was a small one and employed only twenty-five people. Farris worked on the second floor and mixed raw materials (diatomaceous earth, dolomite, limestone, sand, etc.) together in specified proportions to make the ready-mix compounds. Consumers needed only to add water in the right amount to use the product. Because of this, quality control was a key function in the production process.

Farris hated his job but felt it was necessary to pay his way through college. On several occasions, he had argued with his foreman about the level of work demanded, but to no avail. One hot afternoon, the foreman approached Farris and the following discussion took place:

Foreman: Farris, you've got to be more careful when mixing the compound. Walters (the quality control inspector) tells me that six of the last eight batches you mixed were no good. All that stuff has to be remixed and that's going to cost the company a lot of money. We're paying you to mix those batches right! And another thing, you're not mixing the required seventeen batches a day. What's the problem?

Farris: I'm making mistakes because you're too demanding. I'm doing only fourteen batches a day instead of seventeen because I physically can't do seventeen. I'm not about to kill myself running around up here in this heat just so I can mix seventeen batches a day. Look, I'm the fifth guy to have this job in the last seven months, right?

Foreman: Right.

Farris: Doesn't that tell you something?

Foreman: Yeah, it tells me that most people today don't want to do an honest day's work!

Farris: Don't give me that! To do this job right, I can only do eleven batches a day. Besides, I'm not so sure those batches were actually bad. I've heard that Walters is very picky when checking batches because it gives him a sense of power over the other workers. Besides, he's just trying to get me because he thinks I scraped his new car in the parking lot the other day.

Foreman: You college guys are all alike! I used to do this job and I never had any trouble. You're just too lazy. And stop blaming Walters; he's been here for twenty-three years and knows a lot more about ready-mix compounds than you'll ever know! Now get back to work and start pulling your weight around here.

One week later, the foreman was told by the personnel manager that Farris had quit.

Questions

1. Analyze this conflict? What would you do if you were the foreman?
2. How might this conflict have been resolved?

Source: Jerry L Gray and Frederick A Starke, "Organisational Behaviour – Concepts & Applications" (3rd edition) Charles E. Merrill Publishing Company, Columbus, Page 503-504.

14.9 Summary

- Stress management is the need of the hour.
- However hard we try to go beyond a stress situation, our work-life seems to find new ways of stressing us out and plaguing us with anxiety attacks.
- Moreover, be it our anxiety, mind-body exhaustion or our erring attitudes, we tend to overlook causes of stress and the conditions triggered by those.

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- In such unsettling moments we often forget that stressors, if not escapable, are fairly manageable and treatable.
- Stress, either quick or constant, can induce risky body-mind disorders.
- Immediate disorders such as dizzy spells, anxiety attacks, tension, sleeplessness, nervousness and muscle cramps can all result in chronic health problems.
- They may also affect our immune, cardiovascular and nervous systems and lead individuals to habitual addictions, which are inter-linked with stress.
- We cope better with stressful situation, when we encounter them voluntarily.
- Adopting a humorous view towards life's situations can take the edge off everyday stressors.
- Also, there are techniques like Naturopathy, Medication and Drugs, Lifestyle and Time Management Skills, Relaxation Techniques, etc., that make stress management quite easy.
- Conflict management refers to the long-term management of intractable conflicts.
- A conflict can be internal or external.
- Conflict is inevitable and often good. Getting the most out of diversity means often-contradictory values, perspectives and opinions.
- Conflict helps to raise and address problems, energizes work to be on the most appropriate issues, helps people "be real learn how to recognize and benefit from their differences."
- Conflict is a problem when it hampers productivity, lowers morale, causes more and continued conflicts or results in inappropriate behaviors.
- There are many reasons for conflicts.
- Similarly, there are many reasons to settle a conflict.
- One must try to make only the positive use of a conflict and not vice versa.

14.10 Keywords

Assertive: An assertive style of behavior is to interact with people while standing up for your rights.

Biofeedback: Biofeedback is a process that involves measuring a person's specific and quantifiable bodily functions such as blood pressure, heart rate, skin temperature, and muscle tension, conveying the information to the patient in real-time.

Compromise: A concept of finding agreement through communication, through a mutual acceptance of terms.

Conflict: Actual or perceived opposition of needs, values and interests.

Distress: A kind of suffering that occurs when an individual cannot adapt to stress.

Negotiation: Negotiation is a dialogue intended to resolve disputes, to produce an agreement upon courses of action, to bargain for individual or collective advantage, or to craft outcomes to satisfy various interests.

Stressor: An agent, condition, or other stimulus that causes stress.

Transcendental Meditation: The Transcendental Meditation or TM technique is a form of mantra meditation used worldwide as a stress management technique.

14.11 Review Questions

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1. How do analyse that you are under stress or not?
2. What are the activities that you would involve yourself in, while being bogged down by a project that is extremely demanding in terms of quality. And to make the things worse, the deadline is too short.
3. What do you suggest a person who is not able to maintain work life balance due to insurmountable odds in his personal life?
4. What do you think stresses more and affects the other domain–Work stress or personal stress?
5. How do analyze the difference between the work stress being faced by middle level management, top management, and the highest authority of an organisation?
6. A little stress is always welcome for better performance. Comment.
7. Many people have a tendency to procrastinate the things till the last moment and come with statements like- "I perform very well in pressure". What is your opinion on such people?
8. What happens to an employee's mental state when the stressor is not short term?
9. Examine various internal stimuli for stress. Are they necessarily a stimulus for stress always?
10. Which type of role conflict is an employee who has a sick child at home suffers from when he might have to make a major sales presentation three days afterwards? Is there any remedy to it?
11. Some employees are affected by workplace stress because they experience life events requiring change outside of work. What might the phrase "life events" refer to in the statement?
12. Is being stressful always counterproductive? What can be the benefits of Type A behaviour?
13. What does the commitment of an employee reveal about his values? How can it be important to lessen stressful environment at work?
14. Suggest some distressing ways at the individual level in teams where the members are hard pressed against meeting deadlines.
15. What are the various defense mechanisms that you would employ to overcome a conflicting boss? Remember, you don't have the option of leaving the organisation.
16. If the member with the highest performance says "no" to work with another team member with a low performance, how would you tackle the situation as a leader of such a team?
17. If the team of yours is not performing up to the mark because of some internal conflicts, though you know each is a great performer, how would you manage the conflict?
18. Identify the structural and personal factors that contribute to conflict.
19. Have you ever engaged in a third party negotiation? If yes, explain the experience. If no, think of such a situation and elucidate upon possible benefits.
20. Can the conflict also have positive consequences? Support your answer with reasons.
21. The growth of highly specialized, creative, well educated staff poses unique problems for line managers. Why/Why not?

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22. Why is it impossible to establish job responsibilities once and for all?
23. Conflict among managers is often caused by the fact that there is poor agreement over goals. What should be done to bring an alignment among them?
24. Examine various types of intra-individual conflicts.
25. When would you encounter tendencies of sub optimization in an organisation? What kind of power network is the organisation most likely to possess in such a case?
26. Have you ever been a part of person-role conflict? How did you emerge as a winner out of it?
27. Suppose an important employee of your organisation gets married to a complaining know-it-all wife. Frustrated at home front, he descends on the productivity chart of the organisation. How would you handle the situation?
28. With the help of examples, illustrate structural factors causing employee conflict.

Answers: Self Assessment

1.	True	2.	True	3.	False
4.	True	5.	Number of	6.	Distress
7.	Mismanaged stress	8.	False	9.	False
10.	True	11.	True	12.	True
13.	True	14.	True	15.	Conflict
16.	(c)	17.	(c)	18.	True
19.	True	20.	False	21.	False

14.12 Further Readings

Books

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Unit 15: Power and Politics

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Objectives

After studying this unit, you will be able to:

- Define the term power and politics
- Discuss basis of power
- State the relevance of power tactics
- Explain responses to organisational politics
- Describe ethics of political behaviour

Introduction

Power refers to the potential or actual ability to influence others in a desired direction. As an exchange relationship, power occurs in transactions between an agent and a target. The agent is the person using the power, and the target is the recipient of the attempt to use power. Different individuals and groups within and outside the organisation can exert power. Individual employees, including top and middle management, technical analysts and specialists, support staff, and other non-managerial workers can influence the actions an organisation takes to reach its goals. Formal groups of employees, such as various departments, work teams, management councils, task forces, or employee unions, as well as informal groups such as those workers with offices near each other or those who see each other socially, can similarly exercise power. Non-employees may also try to influence the behaviour of an organisation and its members. Owners, suppliers' clients, competitors, employee unions, the general public and directors of the organisation may exert power that affects the organisation. Thus, we may define power as the ability of a person (or group A) to induce another person (or group B) to behave in a way that the former desires.

Because power is an ability, individuals can learn to use it effectively. Influence is the process of affecting the thoughts, behaviour and feelings of another person. Authority is the right to

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influence another person. It is important to understand the subtle differences between these terms. For example, a manager may have authority but no power. He or she may have the right, by virtue of his or her position as boss, to tell someone what to do. But he or she may not have the skill or ability to influence other people.

Interpersonal source of power: Interpersonal sources of power involve the relationship between the person who holds power and those who are influenced by him or her. Interpersonal sources or power are further classified as:

1. Reward Power
2. Coercive Power
3. Legitimate Power
4. Referent Power and
5. Expert Power

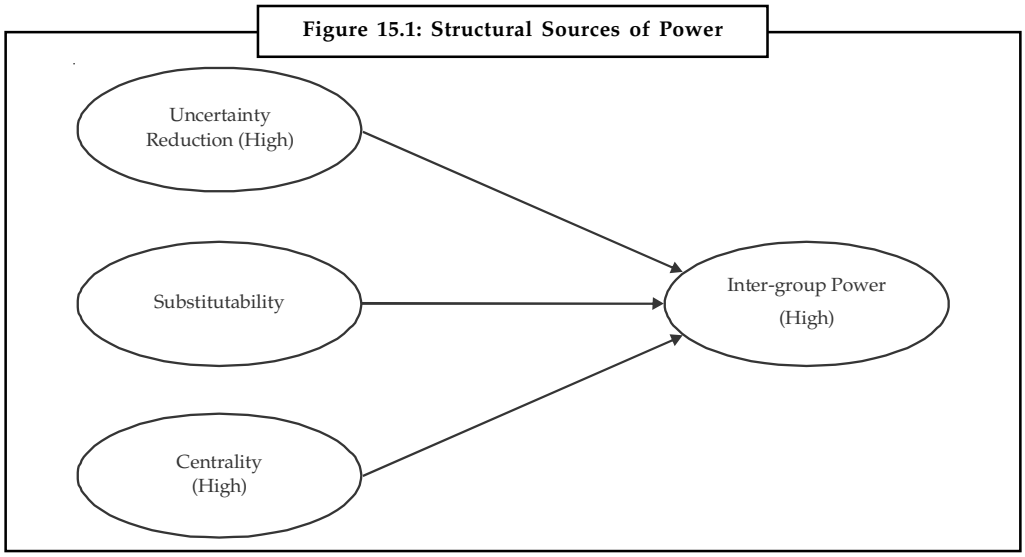
15.1 Basis of Power in Organisations

There is much more to managing than simply taking charge. Even if employees settled for being ordered around, attaining a competitive advantage depends on manager's skills at bringing out the best in their employees. This enlightened view of management implies that power comes not only from having a job that gives you the right to issue orders, but from other Basis as well. Managers therefore need to recognize multiple Basis of power. These Basis may be interpersonal or structural.

Structural Basis of Power

The degree of power wielded by a particular group/individual also depends on the structure of work activities and communications in the organisation. Figure 15.1 below shows a group's/individual's power base on three variables: ability to reduce uncertainty, lack of substitutes and centrality of activities to achieve organisation's objectives.

Figure 15.1: Structural Sources of Power



Source: David J Hickson, C Robin Hinings, Cynthia A Lee, Rodney H Schneck and Johannes M Pennings, "A strategic Contingencies Theory of Intra-organisational Power," Administrative Science Quarterly 16 (1971) Page 216-229.

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1. ***Uncertainty Reduction:*** Organisations must operate in the face of uncertainty about their key reBasis: Human capital, raw materials, supplies and equipment, money and technology. Those who are able to reduce uncertainty have power in the organisation. Basic ways of reducing uncertainty are:

   (a) *Resource Control:* Groups or individuals gain resource control when they acquire hard-to-get reBasis and maintain access to them. In these cases, groups that have resource control can reduce uncertainty for other groups by providing access to the necessary reBasis.

   (b) *Information Control:* The organisation members who can provide needed information have power because they can reduce uncertainty for others. Changes in technology and organisational structures are intensifying the importance of information power. Hence a person's power may be more closely related to his or her ability and willingness to share information with those who can apply it toward maintaining a competitive advantage.

   (c) *Decision-making Control:* The groups and individuals who make decisions about the use of reBasis also have relatively great power. Logically, the decision makers can reduce uncertainty by making and communicating decisions affecting others in the organisation. Those who gain the power from decision-making control are the ones who make decisions about basic policies and practices such as, what the organisation will produce and who its target market will be.

2. ***Substitutability:*** The power of an individual or group is inversely related to the person's or group's substitutability. People are powerful because they cannot easily be replaced. In other words, organisations cannot find a substitute for their skills or knowledge. Being a hard-to-replace employee is not always advantageous. If a manager views an employee as indispensable for a particular job, that employee may miss opportunities for promotion or career development. And if the employee becomes associated with a particular job or way of doing things, changes in the organisation can render him or her highly dispensable.

3. ***Centrality:*** Central groups are those that have many connections with other groups and a large effect on work flow. Thus, groups and individuals in a central position are generally more powerful than those at the periphery. These people have command of key information and other reBasis, and others in the organisation are likely to be aware of what they control and how they affect the organisation.

Self Assessment

Fill in the blanks:

1. ..... refers to the potential or actual ability to influence others in a desired direction.

2. As an exchange relationship, power occurs in transactions between an ..... and a .....

3. The ..... is the person using the power, and the target is the recipient of the attempt to use power.

4. ..... involve the relationship between the person who holds power and those who are influenced by him or her.

5. ..... are those that have many connections with other groups and a large effect on work flow

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15.2 Power Tactics

Influence is the process of affecting the thoughts, behaviour or feelings of another person. The other person could be the boss (upward influence), an employee (downward influence), or a co-worker (lateral influence). To understand how employees strengthen their power in organisations, we can look at certain political behaviour. The ways people obtain and use power to meet personal and other objectives in an organisation basically involve some form of assessing and using existing resources or obtaining additional resources. There are eight basic types of influence tactics. They are listed and described in Table 15.1 below:

Table 15.1: Influence Tactics used in Organisations

Tactics	Description	Examples
Pressure	The person uses demands, threats, or intimidation to convince you to comply with a request or to support a proposal.	If you don't do this, you're fired. You have until 5:00 to change your mind, or I'm going without you.
Upward appeals	The person seeks to persuade you that the request is approved by higher management, or appeals to higher management for assistance in gaining your compliance with the request.	I'm reporting you to my boss. My boss supports this idea.
Exchange	The person makes an explicit or implicit promise that you will receive rewards or tangible benefits if you comply with a request or support a proposal, or reminds you of a prior favour to be reciprocated.	You owe me a favour. I'll take you to lunch if you'll support me on this.
Coalition	The person seeks the aid of others to persuade you to do something or uses the support of others as an argument for you to agree also.	All the other supervisors agree with me. I'll ask you in front of the whole committee.
Ingratiation	The person seeks to get you in a good mood or to think favourably of him or her before asking you to do something.	Only you can do this job right. I can always count on you, so I have another request.
Rational persuasion	The person uses logical arguments and factual evidence to persuade you that a proposal or request is viable and likely to result in the attainment of task objectives.	This new procedure will save us $150,000 in overhead. It makes sense to hire John; he has the most experience.
Inspirational appeals	The person makes an emotional request or proposal that arouses enthusiasm by appealing to your values and ideals, or by increasing your confidence that you can do it.	Being environmentally conscious is the right thing. Getting that account will be tough, but I know you can do it.
Consultation	The person seeks your participation in making a decision or planning how to implement a proposed policy, strategy, or change.	This new attendance plan is controversial. How can we make it more acceptable? What do you think we can do to make our workers less fearful of the new robots on the production line?

Source: G. Yukl and C. M Falb, "Influence Tactics and Objectives in Upward, Downward, and Lateral Influence Attempts," Journal of Applied Psychology (1990): Page 132-140.

In impression management, individuals use influence tactics to control others' impressions of them. Which influence tactics are more effective? It depends on the target of the influence attempt and the objective. Individuals use different tactics for different purposes, and they use different tactics for different people. Besides the above mentioned political strategies and tactics, some other tactics are defined below. They are:

1. Sponsorship
2. Whistle blowing
3. Control of resources
4. Attacks on others

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Table 15.2 gives the information in tabular form.

Table 15.2: Some other Political Strategies and Tactics

Strategy or Tactic	Description	Example
Sponsorship	Commitment to an idea or project by a manager who uses his or her political power to support it.	Through rational persuasion or appeals, you convince a higher level manager that your idea is a good one.
Whistle blowing	Inform an outsider such as a news reporter or government agency about an organization's unethical or illegal behaviour.	Charges of sexual harassment or other misdeeds that hurts the organization's reputation.
Control of resources	Seeking and exercising control over information, funding and other resources.	Managers with relatively greater power may keep people waiting.
Attack on others	Minimizing the successes of others and drawing attention to their failures	For example, scapegoats, people blamed for negative outcomes.

15.3 Response to Organisational Politics

When people get together in groups, power will be exerted. People want to carve out a niche from which to exert influence, to earn awards, and to advance their careers. Power is tightly linked to the concept of politics: Activities aimed at acquiring power and using it to advance interests, which may be personal or organisational. D. Farrell and J.C. Petersen define political behaviour in organisations as "those activities that are not required as part of one's formal role in the organisation, but that influence, or attempt to influence, the distribution of advantages and disadvantages within the organisation". Table 15.3 below summarizes basic ways people use political behaviour.

Table 15.3: Ways People Use Political Behaviour in Organisations

	What They Can Influence	Advantages	Drawbacks
Face- To-Face Methods			
Exercise of power based on position.	Behaviour within zone that the other perceives as legitimate in light of the obligation.	Quick – requires no outlay of tangible resources.	If the request is outside the acceptable zone, it will fail; if it is too far outside, others might see it as illegitimate.
Exercise of power based on perceived expertise.	Attitudes and behaviour within the zone of perceived expertise.	Quick – requires no outlay of tangible resources.	If the request is outside the acceptable zone, it will fail; if it is too far outside, others might see it as illegitimate
Exercise of power based on identification with a manager.	Attitudes and behaviour that are not in conflict with the ideals that underlie the identification.	Quick – requires no expenditure of limited resources.	Restricted to influence attempts that are not in conflict with the ideals that underlie the identification.
Exercise of power based on perceived dependence.	Wide range of behaviour that can be easily monitored.	Quick – can often succeed when other methods fail.	Repeated influence attempts encourage the other to gain power over the influencer.
Coercive exercise of power based on perceived dependence.	Wide range of behaviour that can be easily monitored.	Quick – can often succeed when other methods fail.	Invites retaliation – very risky.
Use persuasion.	Very wide range of attitudes and behaviour.	Can produce internalized motivation that does not require monitoring; requires no power or outlay of scarce material resources.	Can be very time-consuming – requires other person to listen.
Combine these methods.	Depends on the exact combination.	Can be more potent and less risky than using a single method.	More costly than using a single method.

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Indirect Methods			
Manipulate the other's environment by using any or all of the face-to-face methods.	Wide range of behaviour and attitudes.	Can succeed when face-to-face methods fail.	Can be time-consuming; is complex to implement; is very risky, especially if used frequently.
Change the forces that continuously act on the individual; formal organizational arrangements, informal social arrangements, technology, resources available, statement of organizational goals.	Wide range of behaviour and attitudes on a continuous basis.	Has continuous influence, not just a one-shot effect; can have a very powerful impact.	Often requires a considerable power outlay to achieve.

Source: John P Kotter, "Power, Dependence and Effective Management," in John J. Gabaero, ed. "Managing People and Organisations" McGraw-Hill, New York (1991) page 43.

Many organisational conditions encourage political activity. Among them are:

1. Unclear Goals
2. Autocratic decision making
3. Ambiguous lines of authority
4. Scarce resources, and
5. Uncertainty

Individuals who use power in organisations are organisational politicians. Political behaviour is actions not officially sanctioned by an organisation that are taken to influence others in order to meet one's personal goals. Table 15.4 below shows the personal characteristics of effective organisational politicians.

Study the contents of the table and try to answer the questions that follow it:

Table 15.4: Personal Characteristics of Effective Political Actors

Personal Characteristic	Behavioural example
Articulate	▪ Must be able to clearly communicate ideas.
Sensitive	▪ Must be sensitive to other individuals, situations, and opportunities.
Socially adept	▪ Must understand the social norms of the organization and behave so as to be perceived by influential others as "fitting in well".
Competent	▪ Must have the necessary skills and qualifications.
Popular	▪ Must be interested in what happens outside of him or her.
Extraverted	▪ Must have confidence in his or her abilities.
Self-confident	▪ Must be self-assertive and forceful.
Aggressive	▪ Must be eager to attain success.
Ambitious	▪ Must be willing to use any tactic to get his or her way.
Devious	
"organization man or woman"	▪ Must emphasize the well-being of the organization.
Highly intelligent	
Logical	▪ Must be able to use his or her knowledge to solve problems.
	▪ Must be capable of reasoning.

Political behaviour may be legitimate or illegitimate.

Legitimate Political Behaviour refers to normal everyday politics

1. Complaining to your supervisor.
2. Bypassing the chain of command.
3. Forming coalitions.

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4. Obstructing organisational policies.
5. Excessive adherence to rules, and
6. Developing contacts outside the organisation through one's professional activities.

Illegitimate Political Behaviours are those activities that violate the implied rules of the game. Illegitimate activities include:

1. Sabotage.
2. Whistle-blowing.
3. Symbolic protests.
4. Group of employees simultaneously applying for casual leave.

The extreme illegitimate forms of political behaviour pose a very real risk of loss to organisations.

Self Assessment

State whether the following statements are true or false:

6. When people get together in groups, power will be non exerted.
7. People never want to carve out a niche from which to exert influence, to earn awards, and to advance their careers.
8. Power is lightly linked to the concept of politics.
9. Illegitimate Political Behaviours are those activities that violate the implied rules of the game

15.4 Politics and Ethics of Political Behaviour

Politics is a fact of life in organisations. People play politics for the following reasons:

1. Organisations are made up of individuals and groups with different values, goals and interests.
2. Resources in organisations are limited. This forces members to compete for the organisation's limited resources.
3. Most decisions have to be made in a climate of ambiguity. People within organisations will use whatever influence they can to tweak the facts to support their goals and interests.

Politics cannot – and should not – be eliminated from organisations. Managers can, however, take a proactive stance and manage the political behaviour that inevitably occurs.

1. Uncertainty is a condition that tends to increase political behaviour, while transparency and open communication reduces this uncertainty.
2. Regarding performance, clarify expectations. This can accomplished through the use of clear, quantifiable goals and through the establishment of a clear connection between goal accomplishment and rewards.
3. Often, people engage in political behaviour when they feel excluded from decision-making processes in the organisation. Therefore, the key is participative management.
4. Managing scarce resources is important. Clarify the resource allocation process. This discourages dysfunctional political behaviour.

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5. Encourage co-operation among work groups. This can instil a unity of purpose in work teams by rewarding cooperative behaviour.

Tasks Critically examine the situation when you saw a professional using

1. His power for positive gains for the organisation
2. Politics for positive gains for himself

15.4.1 Maccoby's Four Political Types

In his book "The Gamesman", Michael Maccoby describes four types of organisational politicians. They are:

1. ***Craftsman:*** Craftsmen, driven by achievement, are the least political. They are often technical specialists who like details and precision. The person is usually quiet, sincere, modest and practical.
2. ***Jungle Fighter:*** Jungle fighters, although very different in behaviour, are apt to be active politicians. Unafraid to step on others to get ahead, this fighter believes employees should be used to get ahead in the company. They desire success at any cost. There are two types of jungle fighters:
   (a) *Foxes:* The foxes make their nests in the organisation and manoeuvre from this safe base.
   (b) *Lions:* Conquer others' territories and build empires.
3. ***Company man or women:*** As politicians go, these are conservative people. They possess a strong desire for affiliation and may not exhibit a lot of political behaviour. In fact, this individual's identity rests with the powerful, protective company. The concern of such people is for humans; however, they are more involved with security than success and may miss opportunities that arise.
4. ***Gamesman:*** The gamesmen are apt politicians. They view business as a game and take calculated risks. The Gamesman tends to be charismatic, thrives on challenge and competition and motivates employees with enthusiasm.

The major contribution of Maccoby's work is that it shows that individuals differ in their behaviour as political actors.

Self Assessment

Multiple Choice Questions:

10. Politics is a ..... of life in organisations.
    (a) Act (b) Fact
    (c) Tact (d) Action
11. Politics ..... be eliminated from organisations.
    (a) Can (b) Cannot
    (c) Should not (d) Cannot and should not

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12. In his book "The Gamesman", Michael Maccoby describes ..... types of organisational politicians.

    (a) Two (b) Three

    (c) Four (d) Five

13. The major contribution of Maccoby's work is that it shows that individuals differ in their behaviour as ..... actors.

    (a) Political (b) Realistics

    (c) Holistic (d) None

Case Study

Bringing Kids into the Family Business

Bringing offspring into the family business can be a source of pride for parents who are business owners; it can also be a sore spot, a source of destructive politics for everyone involved. Employees may automatically question a young family member's talent or commitment to the business. Senior managers may worry about the security of their jobs as the person rises in rank at the company. "They may feel their own chances for advancement are now limited, or they may be worried about being caught in the middle of family conflicts, such as, getting one set of directions from the older generation and another set from the younger one," explains Jeff Wolfson, an attorney who specializes in family business at the Boston law firm of Goulston and Storrs.

Should parents who own businesses avoid hiring their children, or hide their children's identity once they are hired? Of course not. But Wolfson says they can prevent or end destructive politics in a number of ways.

First, they can hire offspring at an entry level in the company, as did Miles Ezell, Jr., and his brother Bill, who own Purity Dairies Inc., based in Nashville, Tennessee. Three sons, a daughter, and a son-in-law who joined the company now hold management positions, but they started "small". "Because they came here directly out of college and hadn't worked elsewhere first, they spent at least three years working in different areas, getting a feel for them," says Miles. "They worked in some of the worst jobs, like cleanup detail in the milk plant or in the garage, and they spent six months running milk routes." The Ezell offspring never displaced another worker, and it became clear early on that favouritism was not going to be a problem.

Wolfson agrees that children of founders or owners must learn the business from the bottom up, even if they are assured of succession. "The second generation needs to show some patience," he advises.

Mentoring can also help avoid destructive politics, as long as the mentor is not a family member. A trusted or long-term manager can help acquaint the young person with the company in an unobtrusive manner, sometimes even acting as a go-between with the young person and other workers.

Referent power with the young family member can work both ways. The young family member can work both ways. The young person may worry that his or her associations with other employees are based solely on connections with the founding family. But in

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other cases, it benefits everyone. Gray Langsam, president of Plaut & Stern Inc., a wholesale meat company and meat packing plant in New York City, recalls positive relationships with other employees, even though they knew his father was a company partner. They watched him work his way up from the bottom and grew to trust him. "I would listen to their suggestions and pass them along to my father," he says. "All that helped me ease my way and break down any resentment the workers had at having the boss's kid in their midst".

Hiring the kids doesn't have to be a disaster. It just takes good political strategies that benefit everyone in the organisation.

Questions

1. In addition to the suggestions mentioned above, what other political strategies might business owners and their children practice to ensure a successful relationship with other workers?
2. What political strategies might non-family employees use to help the relationship along?
3. How might the succession of one generation after another in a family business actually help an organisation maintain a competitive advantage?

Sources: "Playing Favorites?" Entrepreneur (July 1994) Page 78-81.

15.5 Summary

- The toughest of all areas within corporate life is dealing with power and politics.
- Some companies are better or worse than others in the amount of political activity taking place.
- Power refers to the potential or actual ability to influence others in a desired direction.
- It involve the relationship between the person who holds power and those who are influenced by him or her.
- Usually, the larger the company, the more part the politics plays in one's ability to perform.
- In order to be successful in the corporate world, people need power.
- There are many types of powers.
- All have their advantages and disadvantages.
- Power may be used for both the benefits of an organisation or disadvantage for it.
- Politics may be used for both, self benefit without harming others or harm to others.
- Influence is the process of affecting the thoughts, behaviour or feelings of another person.
- Individuals who use power in organisations are organisational politicians.
- Power that arises from a person's expertise, knowledge or talent.
- When the source of power is a person's control over rewarding outcomes, the power is called reward power.

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15.6 Keywords

Expert Power: Power that arises from a person's expertise, knowledge or talent.

Influence: Influence is the process of affecting the thoughts, behaviour or feelings of another person.

Interpersonal sources of power: *It* involve the relationship between the person who holds power and those who are influenced by him or her.

Organisational politicians: Individuals who use power in organisations are organisational politicians

Power: Power refers to the potential or actual ability to influence others in a desired direction.

Reward Power: When the source of power is a person's control over rewarding outcomes, the power is called reward power.

15.7 Review Questions

1. Can you describe your ideal employee? What is the type of power that he has to attract you?
2. What display of power or play of politics would you make to become your ideal employee?
3. What do you support more- reward or reprimand and why?
4. Internal Politics is good for an organisation. Discuss.
5. There is no employee who wants growth in his career but doesn't want to have power. Does growth and power go hand in hand?
6. The greater the power, the lesser is the politics one plays in an organisation. Do you support this argument? Give reasons for your argument.
7. Do you think that people engaged in office politics can be good decision makers? Why/ Why not?
8. What do you think about uncertainty being a determinant of political behaviour of the employees in an organisation?
9. Which one do you prefer among jungle fighters and gamesman and why?
10. What can be the reason behind dysfunctional political behaviour in organisations? How do you suggest preventing it?
11. What would you call the political behaviour in which your boss comes to you and says, only you can do it right? I can always count on you, so I have another request. Does he really come to make a request?
12. What among pressure, upward appeal, coalition and ingratiation, do you discount most and why?
13. Which characteristics of effective political actors do you possess? Which do you need to work on?

Notes

Answers: Self Assessment

1.	Power	2.	Agent, target
3.	Agent	4.	Interpersonal sources of power
5.	Central groups	6.	False
7.	False	8.	False
9.	False	10.	(b)
11.	(d)	12.	(c)
13.	(a)		

15.8 Further Readings

Books

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