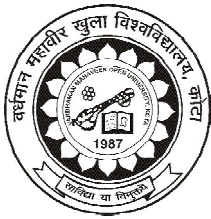
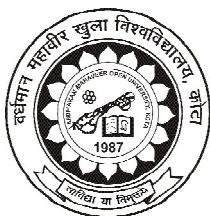


BBA-14



Vardhaman Mahaveer Open University, Kota

Organizational Behaviour



Vardhaman Mahaveer Open University, Kota

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Organizational Behaviour

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Unit - 1 : Organizational Behavior: An Introduction

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1.0 Objectives

After completing this unit, you would be able to:

- Demonstrate the importance of interpersonal skills in the workplace
- Define organizational behavior
- Describe the manager's functions, roles and skills.
- Describe nature and importance of organisational behavior
- Identify the major behavioral science disciplines that contribute to OB
- Identify the challenges and opportunities managers have in applying OB concepts
- Compare the three levels of analysis discussed in OB model.

1.1 Introduction

Technology has been changing at an unprecedented rate over the last century. Changes that would take place in the past in about a century are now happening in about a decade. These changes have impacted various aspects of human life, with deep implications for the management of organizations. An organization is an entity where the members work together to achieve a goal or a common purpose. Although people were always regarded as important in managing organizations, their centrality has become sharper in today's changing world. While it is much easier to buy technology and to borrow and get resources, both financial and material, it is impossible to buy human processes. Our understanding of human dynamics has thus become more complex as well as more crucial.

Managers get things done through other people. They make decisions, allocate resources and direct the activities of others to attain goals. Since organizations exist to achieve goals, someone has to define those goals and the means by which they can be achieved, this encompasses functions of management which includes planning, organizing, leading and controlling.

Mintzberg (1973) identified ten separate roles in managerial work, each role defined as an organised collection of behaviours belonging to an identifiable function or position. He separated these roles into three subcategories: interpersonal contact, information processing and decision making.

Table - 1.1 : Mintzberg's managerial roles

Role	Description
Interpersonal	
<i>Figurehead</i>	The manager performs ceremonial and symbolic duties as head of the organization;
<i>Leader</i>	Fosters a proper work atmosphere and motivates and develops subordinates;
<i>Liaison</i>	Develops and maintains a network of external contacts to gather information; Information processing;
Informational	
<i>Monitor</i>	Gathers internal and external information relevant to the organization;
<i>Disseminator</i>	Transmits factual and value based information to subordinates;
<i>Spokesperson</i>	Communicates to the outside world on performance and policies;
Decisional	
<i>Entrepreneur</i>	Designs and initiates change in the organization;
<i>Disturbance handler</i>	Deals with unexpected events and operational breakdowns;
<i>Resource allocator</i>	Controls and authorizes the use of organizational resources;
<i>Negotiator</i>	Participates in negotiation activities with other organizations and individuals;

Robert Katz has identified three essential management skills and competencies required by the managers to successfully achieve their goals:

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

The managers will be effective in these roles when they possesses the required skills, understands the organization and its employees properly. However some key facts about life at work:

- Organizations are complex systems
- Human behavior in organizations is sometimes unpredictable
- Human behavior in an organization can be partially understood
- There is no perfect solution to organizational problems.
- In an Organization, employees do not have the luxury of not working with or relating to other people.

Therefore, to be effective in an organization, it is imperative that an employee learns about human behavior,

explore how to improve his/her interpersonal skills and begin to manage his/her relationships with others at work. These are the areas where knowledge of Organizational Behaviour can make a significant contribution to the employee's effectiveness. Organizational behavior is a scientific discipline in which large number of research studies and conceptual developments are constantly adding to its knowledge base. It is also an applied science, in that information about effective practices in one organization is being extended to many others.

The study of Organizational Behaviour (OB) is very interesting and challenging too. It is related to individuals, group of people working together in teams. The study becomes more challenging when situational factors interact. The study of organizational behavior relates to the expected behavior of an individual in the organization. No two individuals are likely to behave in the same manner in a particular work situation. It is the predictability of a manager about the expected behaviour of an individual. There are no absolutes in human behavior.

1.2 What is Organizational Behavior?

Managers under whom an individual is working should be able to explain, predict, evaluate and modify human behavior that will largely depend upon knowledge, skill and experience of the manager in handling large group of people in diverse situations. Pre-emptive actions need to be taken for human behaviour forecasting. The value system, emotional intelligence, organizational culture, job design and the work environment are important causal agents in determining human behaviour. Cause and effect relationship plays an important role in how an individual is likely to behave in a particular situation and its impact on productivity.

An organization is a collection of people who work together to achieve individual and organizational goals. A consciously coordinated social unit composed of two or more people that function on a relatively continuous basis to achieve a common goal or set of goals. Organization can be defined as 'two or more people working together for achieving a common goal'. Organizational behavior is the study and application of knowledge about how people as individuals and as groups act within organizations. It can be defined as the understanding, prediction and management of human behavior in the organization.

1.2.1 Meaning & Definition

Organizational behavior (OB) is the study of factors that affect how individuals and groups act in organizations and how organizations manage their environments. Understanding OB requires studying individuals in the organizations, group and team processes and organizational processes. These are also the components of organizational behavior.

Organizational behavior is an academic field of study concerned with human behavior in organizations; also called organizational psychology. It covers the area like motivation, group dynamics, leadership, organization structure, decision making, careers, conflict resolution, and organizational development. When this subject is taught in business schools, it is called organizational behavior; when it is taught in psychology departments, it is called organizational psychology. OB focuses on improving productivity, reducing absenteeism and turnover, and increasing employee job satisfaction and organizational commitment. It uses systematic study to improve predictions of behavior.

Different behavioral scientists have defined OB differently. A few important definitions of organizational behavior are as follows-

Fred Luthans defines "Organizational behavior is directly concerned with the understanding, predicting and controlling of human behavior in organizations."

Davis and Newstrom defined OB as “the study and application of knowledge how people act or behave within organization. It is a human tool for human benefit. It applies broadly to the behavior of people in all types of organizations such as business, government, school and service organizations.”

According to **Robbins**, “Organizational behavior is the field of study that investigates the impact that individuals, groups and structure have on behavior within organizations for the purpose of applying such knowledge towards improving an organization’s effectiveness.”

The above definition has three main elements; first organizational behaviour is an investigative study of individuals and groups, second, the impact of organizational structure on human behaviour and the third, the application of knowledge to achieve organizational effectiveness. These factors are interactive in nature and the impact of such behaviour is applied to various systems so that the goals are achieved. The nature of study of organizational behaviour is investigative to establish cause and effect relationship.

To sum up, OB is concerned with the study of how and what people act in organizations and also how their acts affect the performance of the organization. It also applies the knowledge gained about individuals, groups and the effect of structure on human behavior in order to make organizations work more effectively.

1.2.2 Nature

Organizational behavior has emerged as an important aspect of management study where it offers as in-depth knowledge to derive from different combination and permutation of human interaction offering wide scope for relative behavior with situation-internal environment and external environment, group and individual. The nature it has acquired by now is identified as follows:

- 1. A Separate Field Of Study And Not A Discipline Only:** OB has a multi-disciplinary orientation and is, thus, not based on a specific theoretical background. Therefore, it is better to call OB as a separate field of study rather than a discipline only.
- 2. An Inter-Disciplinary Approach:** OB is essentially an interdisciplinary approach to study human behavior at work. It tries to integrate the relevant knowledge drawn from related disciplines like psychology, sociology and anthropology to make them applicable for studying and analyzing organizational behavior.
- 3. An Applied Science:** The very nature of OB is applied. What OB basically does is the application of various researches to solve the organizational problems related to human behavior. The basic line of difference between pure science and OB is that while the former concentrates on fundamental researches, the latter concentrates on applied researches. As OB involves both applied researches and its application in organizational analysis, hence, OB can be called both science as well as art.
- 4. A Normative Science:** OB is a normative science also. While the positive science discusses only cause-effect relationship, OB prescribes how the findings of applied researches can be applied to socially accepted organizational goals. Thus, OB deals with what is accepted by individuals and society engaged in an organization. In fact, OB is normative as well that is well underscored by the proliferation of management theories.
- 5. A Humanistic and Optimistic Approach:** OB applies humanistic approach towards people working in the organization. It treats people as thinking, feeling human beings. OB is based on the belief that people have an innate desire to be independent, creative and productive.

6. **A total System Approach:** The system approach is one that integrates all the variables affecting organizational functioning. The system approach has been developed by the behavioral scientists to analyze human behavior in view of his/her socio-psychological framework.

1.2.3 Scope

OB is the study of human behavior at work in organizations. Accordingly the scope of OB includes the study of individuals, groups and organization/structure. The aspects of these three are as follows—

- A. **The Organization's Environment:** Forces present in the environment outside the organization like needs of the society, demands of customers or clients, legal and political constraints, economic and technological changes and developments interact with the organization and the management of an organization must respond appropriately to it.
- B. **The Individual in the Organization:** Organizations are the associations of individuals. Individuals differ in many respects. The study of individuals, therefore, includes aspects as personality, perception, attitudes, values, job satisfaction, learning and motivation. Individual performance forms the basis of organizational performance. The four key influences on individual's behavior and motivation are:
- a. **Individual Characteristics**—e.g., personality, attitudes, perceptions, values.
 - b. **Individual Motivation**—interacts with ability to work to determine individual performance.
 - c. **Rewards/Punishment**—use of behavior modification techniques to enhance performance and control misbehavior.
 - d. **Stress.**
- C. **Interpersonal Influence and Group Behavior:** Groups include aspects such as group dynamics, group conflicts, communication, leadership, power and politics and the like. Interpersonal influence and group behavior affect organizational performance in the following way:
- a. **Group Behavior**—the dynamics of formal groups (created by managerial decisions) and informal groups (developing around members' common interests and friendship) have an impact on the functioning of the organization
 - b. **Intergroup Behavior and Conflict**—groups can cooperate and/or compete with each other in organizations; conflict resulting from competition may be either functional or dysfunctional, depending on the organization.
 - c. **Power and Politics**—the dynamics and effects of power, authority and politics in the organization.
- D. **Organizational Processes, Structure and Design:** The study of organization/structure includes aspects such as formation of organizational structure, culture and change and development. It includes a formal pattern of activities and inter-relationship among the various subunits of the organization. It includes:
- a. **Organizational Structure**—the components of the organization and how these components fit together.
 - b. **Job Design**—the processes managers use to specify the contents, methods, and relationships of jobs and specific task assignments.
 - c. **Organizational Processes**—four behavioral processes that contribute to effective performance are:

1. Leadership: important for obtaining individual, group and organizational performance. Defined by some in terms of specific traits and behaviors; the combination of those behaviors; or dependent upon the specific situation in which the leading is occurring.

2. Communication Process: links the organization to its environment and links parts within the organization to each other.

3. Decision-Making Process: the dynamics, variety and techniques of both individual and group decision-making.

4. Organizational Change and Development Processes: planned attempts to implement change that will improve overall individual, group, and organizational performance. It involves the study of Organizational structure and Design and Managing change and Innovation.

Activity A:

1. Identify and contrast three general management roles.
2. Define organizational behavior. Why do we study the subject?
3. Discuss the nature and scope of organizational behavior.

1.3 Discipline That Contribute to the OB Field

Organizational behavior is an academic discipline concerned with describing, understanding, predicting, and controlling human behavior in an organizational environment. OB is related to other disciplines like Organizations Theory, Organization Development and Personnel/Human Resources Management. OB, being an interdisciplinary subject, draws heavily from a number of other applied interdisciplinary behavioral disciplines such as Psychology, Sociology, and Anthropology.

Psychology: Psychology is an applied science, which attempts to explain human behavior in a particular situation and predicts actions of individuals. Psychologists have been able to modify individual behavior largely with the help of various studies. It has contributed towards various theories on learning, motivation, personality, training and development, theories on individual decision making, leadership, job satisfaction, performance appraisal, attitude, ego state, job design, work stress and conflict management. Studies of these theories can improve personal skills, bring change in attitude and develop positive approach to organizational systems. Various psychological tests are conducted in the organizations for selection of employees, measuring personality attributes and aptitude. Various other dimensions of human personality are also measured. These instruments are scientific in nature and have been finalized after a great deal of research.

Sociology: Science of Sociology studies the impact of culture on group behavior and has contributed to a large extent to the field of group-dynamics, roles that individual plays in the organization, communication, norms, status, power, conflict management, formal organization theory, group processes and group decision-making. The field of sociology has made valuable contributions to our understandings of group dynamics within organizations.

Social Psychology: Working organizations are formal assembly of people who are assigned specific jobs and play a vital role in formulating human behaviour. It is a subject where concept of psychology and sociology are blend to achieve better human behavior in organization. The field has contributed to manage change, group decision-making, communication and ability of people in the organization, to maintain social norms. It focuses on peoples' influences on one another. In addition, we find social psychologists making

significant contributions in the areas of measuring, understanding and changing attitudes; communication patterns; and building trust.

Anthropology: It is a field of study relating to human activities in various cultural and environmental frameworks. It understands difference in behavior based on value system of different cultures of various countries. The study is more relevant to organizational behavior today due to globalization, mergers and acquisitions of various industries. The advent of the 21st century has created a situation wherein cross-cultural people will have to work in one particular industry. Managers will have to deal with individuals and groups belonging to different ethnic cultures and exercise adequate control or even channelize behavior in the desired direction by appropriately manipulating various cultural factors.

Organization behavior has used the studies on comparative attitudes and cross-cultural transactions. Environment studies conducted by the field of anthropology aims to understand organizational human behavior so that acquisitions and mergers are smooth. Organizations create a unique culture that influences the way organizational members think about the organization and how they should behave. Organizations are bound by its culture that is formed by human beings.

Activity B:

1. Discuss how OB is an interdisciplinary subject.
2. Explain the contributions made by various behavioral science disciplines to OB.

1.4 Significance of OB

In any organization one can assume that the main goal of that business is to succeed; what exactly does being a winning organization mean and what does it take to get there? In the past, companies placed a great amount of emphasis on the numbers and how to achieve those numbers. The people who actually helped achieve those numbers were graded on their technical skills, productivity, and budgets. Employees were moneymaking machines and how they achieved those numbers was not a concern of their managers as long as the numbers were being met.

OB is the study of human behavior in the workplace, the interaction between people and the organization, and the organization itself. The goals of OB are to explain, predict, and control behavior. Organizational behavior relates to the process, rather than the content, of conducting managerial work. It is proved significant for the organisation in the following ways:

Skill Development: An essential requirement for entering into, surviving, and succeeding in the modern workplace is to have appropriate skills. Organizational behavior skills have gained in importance in the modern workplace. Soft skills generally refer to interpersonal skills such as motivating others, communicating, and adapting to people of different cultures. Hard skills generally refer to technical skills.

Personal Growth through Insight into Human Behavior: Understanding others leads to personal fulfillment, and can also lead to enhanced self-knowledge and self-insight. Insight is useful for such purposes as selecting people for jobs and assignments, communicating, and motivating.

Enhancing Organizational and Individual Effectiveness: An important goal of organizational behavior is to improve organizational effectiveness, the extent to which an organization is productive and satisfies the demands of its interested parties. People-oriented management practices enable workers to use their wisdom and to receive appropriate training. If a person develops knowledge about subject such as improved interpersonal communication, conflict resolution, and teamwork, he or she will become more effective.

Sharpening and Refining Common Sense: Organizational behavior sharpens and enlarges the domain for common sense.

Organizational behavior knowledge also refines common sense by challenging you to reexamine generally accepted ideas that may be only partially true—such as inactivity reduces stress for everybody.

OB is the study of people at work in organizations. And we study organizations because we spend our lives interacting with them and we influence organizations and organizations influence us.

The study of OB benefits us in several ways.

- The study of OB helps us understand ourselves and others in a better way. This helps greatly in improving our inter-personal relations in the organizations.
- The knowledge of OB helps the managers know individual employees better and motivate employees to work for better results. It helps managers apply appropriate motivational techniques in accordance to the nature of individual employees who exhibit glaring differences in many respects.
- One of the basic characteristics of OB is that it is human in nature. So to say, OB tackles human problems humanly. It helps understand the cause of the problem predicts its future course of action and controls its evil consequences. It aids their understanding of the complexities involved in interpersonal relations, when two people (two co-workers or a superior-subordinate pair) interact.
- The most popular reason for studying OB is to learn how to predict human behavior and, then, apply it some useful way to make the organization more effectively.
- All organizations are run by man. It implies that effective utilization of people working in the organization guarantees success of the organization. OB helps managers how to efficiently manage human resources in the organization. It enables managers to inspire and motivate employees towards higher productivity and better results.
- Organizational behavior provides a useful set of tools at five levels of analysis.
- Organizational Behaviour is valuable for examining the dynamics of relationships within small groups, both formal teams and informal groups.
- Organizations can also be viewed and managed as whole systems that have inter organizational relationships.

As the environment of business is always changing, the role of the managers has become more sensitive. In order to know how to handle a new workforce, and deal with the complication of the new environment, the supervisors need to develop their information about attitude and behavior of individuals, and groups in organization. Now we know not only the hard skill is important for get the job done, soft skills are helps managers to do their job more effectively and efficiently.

Activity C:

1. Discuss the significance of organizational behavior for organizations.

1.5 Challenges and opportunities for OB

In short there are lot of challenges and opportunities today for managers to use OB concepts. Some of the more critical issues confronting managers for which OB offers some meaningful insights toward solutions are reviewed as follows:

1. **Responding to Globalization:** Organizations are no longer constrained by national borders. Instead, world has become a global village where managers have to become capable of working with people from different cultures. Globalization affects manager's people skills in many ways.
 - **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.
2. **Managing Workforce Diversity:** The people in organization are becoming heterogeneous demographically; Workforce diversity is mix of people in terms of gender, age, race, and sexual orientation, whereas, globalization focuses on differences among people from different countries.

The challenge for organizations, therefore, is to make them more accommodating to diverse groups of people by addressing their different lifestyles, family needs and work styles. Diversity, if positively managed, can increase creativity and innovation in organizations as well as improve decision making by providing different perspectives on problems. When diversity is not managed properly, there is potential for higher turnover, more difficult communication, and more interpersonal conflicts.
3. **Improving Quality and Productivity:** More and more managers are confronting with the challenges of aggressive competitors. This increase in competition, is forcing managers to reduce costs and, at the same time; improve the organization's productivity and quality of the products and services they offer. For improving quality and productivity, programmes that require extensive employee involvement such as total quality management and reengineering are implemented.
4. **Improving People Skills:** People skills are very important for managerial effectiveness. Designing motivating jobs, creating effective teams, techniques for improving interpersonal skills are few ways people skills that can be used on the job.
5. **Stimulating Innovation and Change:** Victory will go those organizations that maintain their flexibility, continually improve their quality and beat their competition to the market place with a constant stream of innovative products and services. An organization's employees can be major block in change, the challenge for the manager to stimulate their creativity and tolerance for change.
6. **Coping with Temporariness:** The world that most managers and employees face 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. Today's managers and employees must learn to cope with temporariness. They have to learn to live with flexibility, spontaneity, and unpredictability. The study of OB can provide important insights into helping you better understand a work world of continual change, how to overcome resistance to change, and how best to create an organizational culture that thrives on change.
7. **Improving Ethical Behavior:** Members of organizations are increasingly finding themselves facing ethical dilemmas, situations in which they are required to define right and wrong conduct. Today's manager needs to create an ethically healthy climate for his or her employees where they can do their work productively and confront a minimal degree of ambiguity regarding what constitutes right and wrong behavior.

8. **Working In Network Organization:** Networked organizations allow people to work together and communicate at thousand miles; people can work from their home and non office locations. The manager's job is different in a networked organization. Motivating and leading people and making collaborative decisions online require different techniques than when individuals are physically present in a single location.
9. **Helping Employees Balance Work-Life Conflicts:** Recent studies suggest employees want jobs that give them flexibility in their work schedules so they can better manager work-life conflicts. In fact, balancing work and life demands now surpasses job security as an employee priority. Today, many organizations are trying to help their people achieve work-life balance in a bid to attract and retain the most capable and motivated employees. The field of OB offers a number of suggestions to guide managers in designing workplaces and jobs that can help employees deal with work-life conflicts.
10. **Creating Positive Work Environment:** Although competitive pressures on most organizations are stronger than ever, some organizations are trying to realize a competitive advantage by fostering a positive work environment. Creating an environment of such contribution increases feelings of meaningfulness and purpose in employees and helps achieve greater engagement with the company.

Activity D:

1. Discuss challenges and opportunities faced by an organization.
2. What is globalization? What are the likely consequences of globalization for developing countries?

1.6 Developing and OB Model

A model is an abstraction of reality, a simplified representation of some real world phenomenon. Figure 1.1 presents that there are three levels of analysis in OB and that, as we move from the individual levels to the organization systems level, we add systematically to our understanding of behavior in organizations. The three basic levels are analogous to building blocks; each level is constructed on the previous level. Group concepts grow out of the foundation laid in the individual section; we overlay structural constraints on the individual and group in order to arrive at organizational behavior.

In the OB Model there are some dependent variables like productivity, absenteeism, turnover, job satisfaction, deviant workplace behavior, and organizational citizenship behavior etc -the reasons of which people try to understand. The cause of these outcomes like with some variables at individual, group and individual level- these variables are called independent variables. In the context of the organizational environment the independent variables at different levels interact between and amongst each other giving rise to a complex dynamics which leads to the various outcome variables as mentioned above. For this reason there are few absolutes in OB as everything is contingent on situation and what holds good for one situation may not hold good for another situation.

Dependent Variable: A dependable variable is the key factor that you want to explain or predict and that is affected by some other factor. What are the primary dependent variables in OB? Scholars have historically tended to emphasize productivity, absenteeism, turn over and job satisfaction. More recently two more variables deviant workplace behavior and organizational citizenship behavior have been added to this list. Let's briefly discuss each of these variables to ensure that we understand what they mean and why they have achieved their level of distinction.

- a) **Productivity:** It is a term, which measures effectiveness and efficiency. A business firm is effective when it attains its sales or market share goals, but its productivity also depends on achieving those goals efficiently. Popular measures of organizational efficiency include return on investment, profit per rupee of sales and output per hour of labor. Effectiveness means achievement of goals whereas efficiency means ratio of input and output.
- b) **Absenteeism:** It means the failure to report to work. It becomes different for the organization to operate smoothly and to attain its objectives if employees fail to report to their jobs. The level of absenteeism decides the effect of it on organization. If absenteeism is beyond the normal range in any organization then it has direct impact on its effectiveness and efficiency.
- c) **Turnover:** Turnover means voluntary and involuntary permanent withdrawal of employees in an organization. A high turnover may increase cost of recruitment, selection and training. Every organization has certain amount of turnover. It cannot be eliminated completely because there are certain unavoidable causes of turnover like death of a person, marriage in case of female employees etc. It can be reduced with the help of better working conditions, salary and increment in other facilities.
- d) **Job Satisfaction:** It means an employee's attitude towards his work. If he is satisfied with his job it is said to be positive attitude towards his job. A person gets satisfied by his job if his need is satisfied. Job satisfaction refers to the level to which a person's expectation is fulfilled by his job. If a person gets what he was expecting from his job then he is said to be satisfied.

For example, an organization is said to be effective when it successfully fulfills the need of their customers and it is said to be efficient when done at a low cost.

- e) **Organizational Citizenship:** It is the behavior of an employee towards his organization. If a person is highly attached with his organization then it is said that there is high organizational citizenship within that person. Successful organization needs employees who will do more than their usual work and perform better. Organization wants and needs such employees who will do those things, which are not in any job description.
- f) **Deviant Workplace Behavior:** It is also called antisocial behavior. It can be defined as voluntary behavior that violates significant organizational norms and in doing so, threatens the well-being of the organization or its members. Deviant workplace behavior is a response to dissatisfaction, and employees express dissatisfaction in many ways.

Independent Variable: These are those variables, which affect the dependent variable i.e. productivity, absenteeism etc. These are presumed cause of some change in the dependent variable. These variables are of three different levels.

Individual level – Group level – Organization systems level

- (a) **Individual Level Variables:** There are certain characteristics which are essentially intact when an individual enters the workforce and for the most part there is little management can do to alter them. The more obvious of these are the personal or biographical characteristics like age, gender, marital status; personality characteristics, abilities, values, attitudes, personality and emotions.
- (b) **Group Level Variables:** The behaviour of people in-group is more than the sum total of all individuals acting in their own way. The behaviour of an individual is different when he is alone and when he is in-group. The behaviour of people working in group is affected by many factors like communicating

within the group, communicating with other group, level of group cohesiveness, leadership styles and level of conflict within the group and so on.

Different groups have different behaviour or say an individual performs differently when with different groups. Such concept increases the complexities of OB Model.

- (c) **Organization Level Variables:** Organizational Behaviour is accumulation of group behaviors and individual behaviour. In simple words, formal structure of group and individual behaviour is known as organizational behaviour.

As group are more than the sums of their individual members. In the same way organization is more than the sum of their groups. The formal structure, work process, technology, human resource policy, organizational culture etc. are the factors which affect organizational behaviour.

A manager should be well acquainted with the terms of OB as well as concepts and models of OB is a field of study that investigates the impact that individuals, group and structure have on behaviour within an organization and then it applies that knowledge to make organization's work more effectively and efficiently. OB focuses on how to improve productivity, reduce absentees & turnover and increase employee citizenship & job satisfaction.

Activity E:

1. What are three levels of analysis in our OB model? Are they related? If so, how?

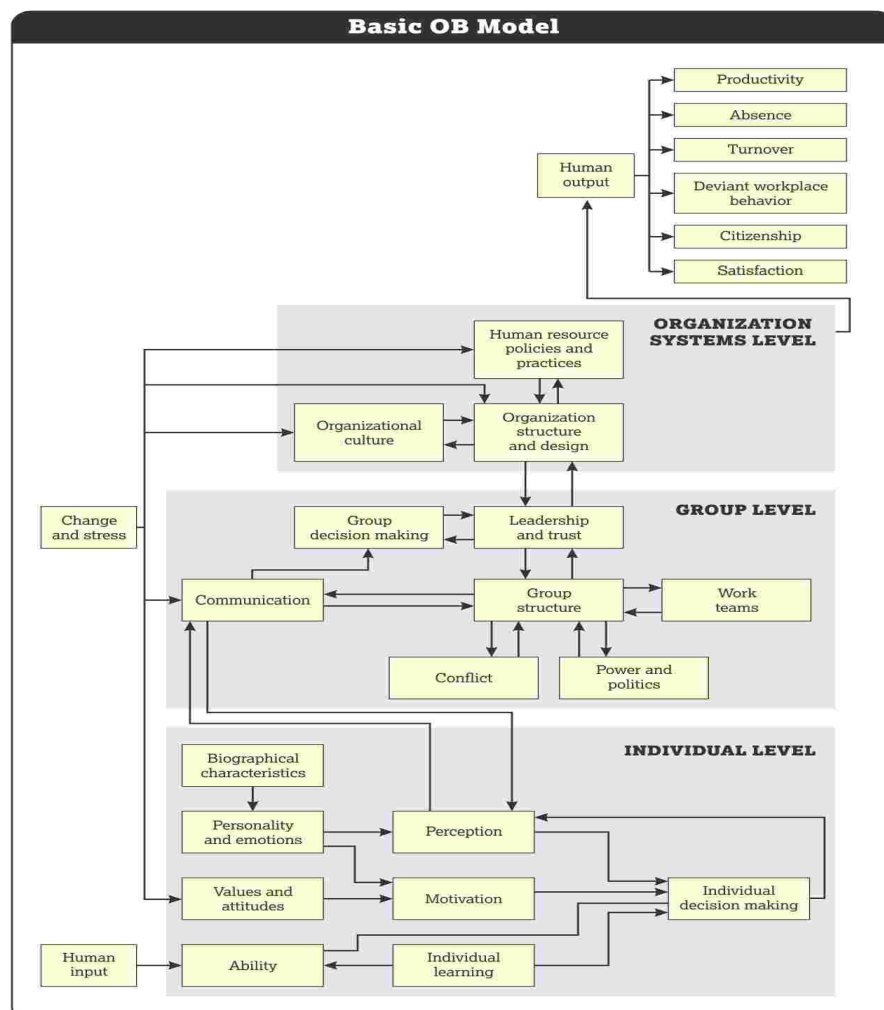


Figure - 1.1

1.7 Summary

Organizational behavior is the study of what people think, feel and do in and around organizations. Organizations are groups of people who work interdependently toward some purpose. OB concepts help us to predict and understand organizational events, adopt more accurate theories of reality, and influence organizational events. This field of knowledge also improves the organization's financial health.

Study of organizational behavior is very interesting. It is the art on the part of manager to understand, describe, forecast and modify individual behaviour. Various models and research instruments are available to investigate human behavior. Various fields like psychology, social psychology, anthropology, sociology, politics, economics, and medical sciences have contributed to the field of organization behaviour.

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

Organizational behavior offers both challenges and opportunities for managers. It recognizes differences and helps managers to see the value of workforce diversity and practices that may need to be changed when managing in different countries. It focuses on improving productivity, reducing absenteeism and turnover, and increasing employee job satisfaction and organizational commitment. It uses systematic study to improve predictions of behavior. OB managers need to understand better and more about human behavior than before to make organizations run effectively and efficiently.

1.8 Self Assessment Questions

1. How are OB concepts addressed in management functions, roles and skills?
2. Define organizational behavior. What are various factors that are considered to regulate individual behavior?
3. What are various fields that have contributed to the field of organizational behavior? Explain their contributions.
4. Explain various components that should be taken care of while studying organizational behavior.
5. A friend suggests that organizational behavior courses are useful only to people who will enter management careers. Discuss the accuracy of your friend's statement.
6. Mintzberg identified ten roles common to the work of all managers divided into three groups. What are those ten roles and the three groups of managers?
7. Explain the field of organizational behaviour. Why the study is challenging.
8. What are the four basic approaches of Organizational behaviour?
9. Describe the framework of the study of Organizational behaviour with reference to the basic OB model.
10. Justify with examples the importance of the knowledge of Organizational behaviour for the managers.

11. How do managerial roles differ from managerial functions?

1.9 Reference Books

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Unit - 2 : Foundations of Individual Behaviour

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2.0 Objectives

After completing this unit, you would be able to:

- Identify the key biographical characteristics and describe how they are relevant to OB.
- Understand various factors that affect individual behavior.
- Contrast the two types of ability.
- Define intellectual ability and demonstrate its relevance to OB.
- Explain the relationship between ability and job performance.
- Understand how to shape the behavior of others.
- Understand the concept of individual decision making

2.1 Introduction

Human behavior is complex and every individual is different from another, the challenge of an effective organisation is in successfully matching the task, the manager and the subordinate. Under ideal situation, a manager would first analyze the task, then determine the required skills and assemble a team that complement each other skills; thereby creating an enriching and conflict free team. In reality, a manager has to use the existing resources for a given task, and must have the ability to understand the differences in individual behaviors and use them appropriately to increase the synergy. In order to understand individual behavior and personalities, it is important to understand the basics of human cognition.

In this unit, we will discuss the differences among individual employees, how these differences affect an

organization's performance and how to utilize this knowledge to satisfy and motivate individual employees, as well as enhance organizational performance at all levels.

2.2 What is Individual Behavior?

2.2.1 Concept

Fast changing technology has affected many aspects of human life, and as a result organizations, communities and society at large are also affected. However, human behavior has essentially remained the same for centuries. Humans still have the same emotions, same psychological needs, same personal and interpersonal issues, differences in perception, etc. thus understanding human behavior has become not only essential, but also crucial for organizations to succeed and survive. Also, the fact that technology can be easily bought, but human elements, such as motivation, communication, decision making ability, leadership interpersonal relationship, effective negotiation, etc., cannot be bought reinforces the importance of human behavior in organizational success.

Human behavior has been believed to be the outcome of or response to certain external and internal forces called stimuli.

2.2.2 Meaning and Definition

Individual behavior is a combination of responses to external and internal stimuli. According to psychologist Kurt Levin individuals are influenced by a number of diversified factors both genetic and environmental.

Individual behavior means some concrete action by a person. In fact the Individual behavior is not a self induced concept but it is affected by a large system like family, group, and society within which one function. Besides individuals will behave differently depending upon three motivation, values, attitudes and perception they have.

Individual behavior explains why Individual behaves and reacts in response to different situation. Therefore to understand the human behavior in organization in a better way, a careful study of all the factors which affects human behavior is must the efforts and the contribution of an individual depends upon his behavior. The factors which affects the human behavior are person, environment and organization itself. In other words, we can say that – individual behavior is a function of person, environment and organization.

2.2.3 Characteristics

Organizations are nothing but a mass of people – people with different personalities in terms of physical characteristics, abilities, psychological needs, intelligence, etc. Our understanding of human dynamics thus becomes more crucial in order to understand organizational dynamics. Interestingly, individual issues may become a cause for organizational issues, and in turn organizational issues may affect individuals working in the organization.

Why to Study Individual Behaviour?

- Learn one's own behaviour pattern
- Interpret one's own behaviour pattern
- Take corrective measures to develop appropriate behaviour pattern for personal effectiveness
- Develop Self Competency
- Self Competency
- Understanding one's own personality
- Taking responsibility for managing oneself
- Assessing and establishing one's own developmental, personal and work related goals

Activity A:

1. Define Individual behavior.
2. Discuss the need to study the individual behavior.

2.3 Factors Influencing Individual Behavior

There are millions of stars in the sky, but every star is different; if you notice carefully you will also find that no two particles of snowflakes are the same. Similarly, there are millions of people in the universe, but each person is different. There is a famous saying that, 'No two people are alike, yet no two people are unlike.' Individual differences are the cornerstone of organizational behavior (OB) and OB has a great challenge as well as responsibility to deal with the differences in individual behavior in the context of organizations. Many characteristics of human beings are inherited and many others are formed because of various environmental factors.

The behavior of each individual is influenced by several factors. Every individual have particular motives, ambitions, perceptions and abilities. To understand the human behavior a careful study of all the factors is necessary.

Individual behavior is influenced by many factors such as Personal factors, Psychological factors, Organizational factors and Environmental factors (Figure 2.1):

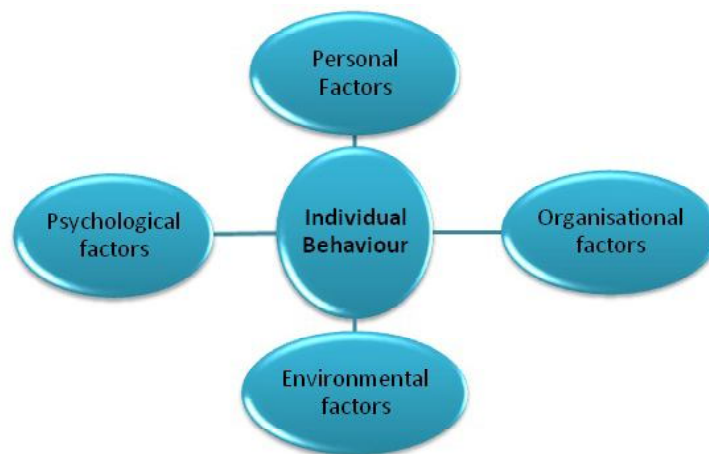


Figure 2.1

2.3.1 Personal factors

Biographical or personal characteristics include factors such as the employee's age, gender, length of service with an organization, marital status, intelligence etc. These characteristics are objective and easily obtained from personnel records.

- **Age:** Age may influence the behavior of an individual in a physiological as well as psychological ways. Evidence indicates that employers hold mixed feelings towards older workers. They see a number of positive qualities that older workers bring to their jobs: specifically, experience, judgment, a strong work ethic and commitment to quality. But at the same time older workers are also perceived as lacking flexibility and as being resistant to new technology.

It's tempting to assume that age is inversely related to turnover. As workers get older, they have

fewer alternative job opportunities; hence they are less likely to resign than the younger workers. Most studies do show an inverse relationship between age and absenteeism but close examination finds that it depends on whether the absence is avoidable or unavoidable.

There is a widespread belief that productivity declines with age. It is often assumed that an individual's skills – particularly speed, agility, strength, and coordination – decay over time and that prolonged job boredom contribute to reduced productivity. Whereas, studies indicate a positive association between age and satisfaction.

- **Race:** Race and culture exert significant influence when both workplace and society have considerable diversity. Stereotyping and attributing behavior based on race and culture are common mistakes that influence individual behavior. It is important for both management and the staff of diverse workforce to learn about different cultures, their values, common artifacts and communication protocols. This would create a more comfortable corporate culture and would subdue behaviors that might be perceived as insensitive and offensive.
- **Intelligence:** Intelligence is associated with academic achievement by psychologists. Various theories of intelligence say that there are two varieties of the academic intelligence – verbal and mathematical. Some people are born Intelligent; however intelligence can be enhanced with efforts, hard work proper environment and motivation.

People with high intelligence have a good decision-making ability because of their good analytical and reasoning skills. They are very productive and have a high achievement drive. People with high IQ are generally dissatisfied with their jobs, with their achievements, and in fact with everything; they feel that they deserve more than what they have. Less intelligent people may be more contented and satisfied. Sometimes, an organization may not want too intelligent people for certain positions as it may become difficult to engage and motivate them.

- **Gender:** Although, research concludes that men and women are equal in their mental abilities and job performance, society does emphasize differences, which is because of their inherent qualities and family responsibilities, which affect their job performance. Research studies on male and female employees say that there are no consistent male-female differences in problem-solving ability, analytical skills and competitive drive. Psychological studies have found that women are more willing to conform to authority and less aggressive. Men, on the other hand, are more aggressive, have more expectations, and are more ambitious.

However, absenteeism is one area where differences are found and can be attributed to being primary caregiver to children. However, this creates a difference in self perception of one's abilities, personal values and social behavior. Similarly, a manager's personal values might influence how he considers gender as factor in his task assignment and evaluation.

- **Marital Status:** There are not enough studies to draw any conclusions about the effect of marital status on productivity. But research consistently indicates that married employees have fewer absences, undergo fewer turnovers, and are more satisfied with their jobs than are their unmarried coworkers. Married employees are more stable and stay with an organization for a longer period because of their low risk taking nature – a result of their family liabilities. But the question of causation is not clear. Marriage imposes increased responsibilities that may make a steady job more valuable and important.

Absenteeism is directly correlated to the number of dependants on the employee, whereas turnover

is inversely correlated to the number of dependents on the employee. This is because with each dependent comes an added responsibility, which also reduces one's risk taking abilities.

- **Tenure:** Tenure, basically, means the length of time a person spends with an organization. Tenure has a direct impact on job performance, turnover and productivity. Research indicates that there is a positive relationship between seniority and job performance and studies demonstrate seniority to be negatively related to absenteeism and turnover.

So tenure, expressed as work experience, appears to be a good predictor of employee productivity. Moreover, consistent with research that suggests that past behavior is the best predictor of future behavior, evidence indicates that tenure on an employee's previous job is a powerful predictor of that employee's future turnover. The evidence also indicates that tenure and satisfaction are positively related. People who work longer with an organization are not only satisfied with their work, but are also loyal to the organization.

- **Ability:** Abilities of a person are the natural or learnt traits. It refers to an individual's capacity to perform the various tasks in a job. It is a current assessment of what one can do. What we are acknowledging is that everyone has strengths and weaknesses in terms of ability that make him or her relatively superior or inferior to others in performing certain tasks or activities. From management's standpoint, the issue is not whether people differ in terms of their abilities; the issue is to know how people differ in abilities and using that knowledge to increase the likelihood that an employee will perform his or her job well. An individual's overall abilities are essentially made up of two sets of factors: intellectual and physical abilities.

- **Intellectual Abilities** are those needed to perform mental activities and usually represent the intelligence, person's deductive reasoning, and memory, analytical and verbal comprehension. Tests that measure specific dimensions of intelligence have been found to be strong predictors of future job performance. The major dilemma faced by employers who use mental ability tests for selection, promotion, training and similar personnel decisions is that they may have a negative impact on racial and ethnic groups.

Of course, jobs differ in the demands they place on incumbents to use their intellectual abilities. The more complex a job is in terms of information-processing demands, the more general intelligence and verbal abilities will be necessary to perform the job successfully. One reason intelligent people are better job performers is that they are more creative. Smart people learn jobs more quickly, are more adaptable to changing circumstances, and are better at inventing solutions that improve performance.

Interestingly, while intelligence is a big help in performing a job well, it doesn't make people happier or more satisfied with their jobs. The correlation between intelligence and job satisfaction is about zero. Why? Research suggests that although intelligent people perform better and tend to have more interesting jobs, they also are more critical in evaluating their job conditions. Thus, smart people have it better, but they also expect more.

- **Physical Abilities** include muscular strength, stamina, body coordination and motor skills. An individual's self awareness of his own abilities determines how he feels about the task, while the manager's perception of his abilities determines the kind of task he assigns to the individual.

- **Ability and Job Fit:** Employee performance is enhanced when an employee and position are well matched—what we call a high ability–job fit. If we focus only on the employee's abilities or the

ability requirements of the job, we ignore the fact that employee performance depends on the interaction of the two.

What predictions can we make when the fit is poor? If employees lack the required abilities, they are likely to fail. If you're hired as a word processor and you can't meet the job's basic keyboard typing requirements, your performance is going to be poor in spite of your positive attitude or your high level of motivation. When an employee has abilities that far exceed the requirements of the job, our predictions would be very different. The employee's performance may be adequate, but it may be accompanied by organizational inefficiencies and possible declines in employee satisfaction because the employee is frustrated by the limitations of the job. Additionally, given that pay tends to reflect the highest skill level that employees possess, if an employee's abilities far exceed those necessary to do the job, management will be paying more than it needs to pay.

2.3.2 Psychological Factors

These characteristics involve an individual's, attitudes, values and perceptions about the environment in which they function. They are a result of parental values and expectation.

- **Perception:** We see that many times two persons react differently to the same situation, same person, or the same object. Different people deduce different meaning from the same data. The reason for this is the difference in their perceptions or way of looking at things. There are many factors that influence the perception of an individual. We base our interpretations on previous experiences or preconceived notions. This primarily explains why we have such diverse opinions, tastes, likes, motivational goals, etc.

The study of perception plays important role for the managers. It is important for managers to create the favorable work environment so that employees perceive them in most favorable way. The employees are likely to perform better if they are going to perceive it in a positive way.

- **Personality:** Personality can be defined as the study of the characteristics and distinctive traits of an individual, the inter-relations between them and the way in which a person responds and adjusts to other people and situations. The several factors that influence the personality of an individual are heredity, family, society, culture and situation. It implies to the fact that individuals differ in their manner while responding to the organizational environment. Personality can be regarded as the most complex aspect of human beings that influences their behaviour in big way.

It can be concluded that the study of personality traits offers an opportunity to understand the individuals. It helps them properly in directing their effort and motivating them for the accomplishment of the organizational goal. It refers to the fact that different environmental factors may generate different responses. The study of these responses is very important for the organisation. Every organisation demands a particular type of behaviour from their employees and such behaviors can be discovered through observation, learning, exposure, training, etc.

- **Values:** Values are an important factor that causes behavioral differences in individuals. They represent the basic conviction that a specific mode of conduct is personally or socially preferable to an opposite mode of conduct. They are judgmental by nature, and every individual has a different conception of what is right, good or desirable and what is not right, not good or undesirable.

Values are the foundation for behavioral differences among individuals, and they help in understanding the attributes and motivations of people and their differences in perception. In a globalized business environment today, managers have to be capable of working with people from different cultures.

Because values and attributes differ across cultures, an understanding of these differences will be helpful in explaining and predicting the behavior of employees from different cultures.

- **Attitudes:** According to psychologists, attitude can be defined as a tendency to respond favorably or unfavorably to certain objects, persons or situations. The factors such as family, society, culture, peers and organizational factors influence the formation of attitude. Attitude is the positive or negative orientation of a person. A person with a negative attitude is likely to complain about almost everything in life. Such an individual working in an organization may develop a negative attitude towards his or her work, boss, peer group, the policies, or anything about the organization. This kind of attitude may result in a below-average performance, high absenteeism, low motivation, high dissatisfaction, etc. on the contrary, a person with a positive attitude would be happy and satisfied in all circumstances.

The managers in an organisation need to study the variables related to job as to create the work environment in a favorable way that employees are tempted to form a positive attitude towards their respective jobs. The employees can perform better in the organisation if they form a positive attitude.

2.3.3 Organizational Factors

Some of the main organizational factors are reward systems, leadership style, and organization culture and climate.

- **Physical Facilities:** It refers to lighting, ventilation, air conditioning, noise level, painting on walls, nature of job, space and equipment provided for each employee and these things always influence to employee performance and their behavior in an organization. It includes human employees and adequate staff to enforce and discharge their duties and responsibility efficiently and effectively in an organization.
- **Organisation Culture and Climate:** The various dimensions of organizational culture are values, ethics, beliefs, ethos, climate and culture. Ethics is what is socially desirable. The culture of an organization is reflected in its artifacts, rituals etc. An organization's climate can be seen in the ways it adopts to deal with basic phenomena. Organizational culture can be of four types – autocratic, bureaucratic, technocratic and entrepreneurial or democratic.

If an organization has an *autocratic culture*, people are generally recruited on the basis of their relationship with the persons in authority. Top managers control the organization and enjoy loyalty from their chosen employees. Since everything is centrally controlled individual employees do not have the decision making ability.

If the organization has a *bureaucratic culture*, it will give more importance to following rules and regulations than to achieving results. Individual employees working in such organizations tend to play it safe by being indifferent and less cooperative.

In a *technocratic culture*, specialists play the major roles in organizations working in a planned way on socially relevant matters. Individual employees are positive, pro-active, have autonomy, and experiment with new ideas.

Entrepreneurial and *democratic culture* is another widely seen culture in organizations. Such a culture focuses primarily on results and customers. Employees work on challenging tasks and devote equal attention to the social relevance of these tasks.

The behavior and performance of the individual is influenced by where the person fits into the organizational hierarchy. Organisation structure refers to the structure of an organization like functional, line and staff

organization and role and responsibilities of an employee in an organization. The design clears the authority, responsibility and unity of command of every employee in an organization. It analyzes an individual person's behavior and its influence towards an entire organization.

- **Reward System:** Reward system in an organization influence the performance and behavior of the individual employee in an organization. Generally when people perform well, they are positively rewarded through appreciation, encouragement, and awards. Such encouragement and rewards help in reinforcing functional aspect of behavior. An employee's behavior will depend on what the organization considers is worth rewarding, whether it is performance, effort, process, credibility, team building, or sincerity. Organizations need to clearly communicate their reward systems to their employees in order to motivate and reinforce the desired behavior in them. However, people will respond mostly to their own perception of what behaviors are rewarded.

Rewards can be classified broadly into extrinsic and intrinsic. Extrinsic rewards are bonuses, paid holidays, etc. they can further be classified as monetary and non-monetary rewards. Examples of monetary rewards are performance bonuses, profit sharing, company stocks, etc. Non-monetary rewards include gifts, holiday facilities, etc. Intrinsic rewards consist of increased responsibilities, greater freedom and job discretion, more interesting and challenging work, opportunities for personal growth and diversity of activities.

While designing the reward system, an organization should achieve consensus on the values, norms, and behavior it wants to reinforce in its members.

- **Leadership Style:** Leader role is the basic requirement for an organization for supervision that is to provide direction, assistance, advice, guidance and coaching to individual employee in an organization. Leader refers to person who leads the team or an organization, he/she are motive persons to influence an individual behavior in an organization. It refers to styles of leadership that can influence the effectiveness and productivity of an individual.

Leadership style is another factor in the organizational context that determines individual behavior. Leadership style can be autocratic, democratic, participative or consultative. *Autocratic leaders* take decisions on their own, without consulting others and use threats and other coercive ways to make people comply with their decisions. Communication is usually top-down and managers are least bothered about people's concerns. *Democratic leaders* involve their people in decision making. Democratic decision making, however, may be difficult when the options differ widely and it is difficult to arrive at an equitable final decision. *Participative leaders* involve people at all levels, including the lower levels, in the decision making process. People across the organization are psychologically closer and work well together at all levels.

2.3.4 Environmental Factors

Cultural values, power and political power, the impact of external and social factors, refers to the environmental factors which impact the individual's behavior, as per the positional attitude of the individual to each factor. Environmental factors which affect individual behavior include:

- Economic factors
- Socio-cultural factors
- Situational factors
- Political factors

Economic Factors: The economic environment in a country directly or indirectly affects organizations, which further affects the individuals working in the organization. All organization work will be performed within the boundary of economic environment preview so that these factors directly or indirectly influence organization and ultimately decide the economic environment of organization behavior.

If there is high inflation, employees will demand more and the satisfaction levels will be very low. If there is rapid economic growth, on the other hand, then more employment opportunities will be available, and in good economic conditions skilled employees will also be easily available. If the economy of the nation is bad, both organizations and their employees will be affected greatly.

Recent studies have shown that there is a direct relationship between employment opportunities available and the turnover rate in organizations. When more jobs are available, employees leave their organization on the slightest pretext. Self interest becomes greater than organizational interest and loyalty to the organization becomes irrelevant.

Individual behavior is also impacted by salary and benefits offered by organizations. With the rising economic status, organizations also do well; they offer huge salaries to attract and retain good workers. Whereas, if the economy is bad, the same organizations start downsizing in order to reduce manpower cost.

Important economic environment factors are like employment level, wage structures, and technological development.

- Employment level means job of individual persons which will strongly influence to individual behavior.
- Wage structure is major influence to individual behavior that satisfies various requirement of individual person. It is very important to determine the satisfaction level in an organization.
- Technical factors are also treated as one of the economic factors that help for getting potential of individual job opportunities due to technological effects. For example, Liberalization, Privatization and Globalization.

Socio-cultural Factors: The socio-cultural environment includes an employee's relationship with family members, friends, colleagues, supervisors and subordinates. Social norms refer to society rules and regulation in terms of society's basic values, perceptions, work ethic culture, preference, tastes of society. These things will influence an individual behavior in society. Cultural factors are helpful to develop and learn from customs, traditions behavior of individual person.

Situational Factors: Circumstances/ situational variables are most important in affecting individual behavior. Type of organisation, type of supervision, type of training received, socio and cultural environment at work place, methods of work, work design, physical work environment – all this comprises of situational factors. Different situations demand different behavior patterns.

Political Factors: The political status of a nation affects individual behavior in many ways. When a country's government is stable, it attracts industries from other nations also. This, in turn, increases job opportunities and higher wages. On the other hand, a politically unstable government is unable to attract industries either from within or from outside the country. As a result, unemployment increases and wages decrease, leading to a high level of insecurity and dissatisfaction among individual employees.

Since in an unstable government companies are reluctant to invest, economic status is affected, jobs are affected, and ultimately individuals get affected. In a free and democratic society, more educational opportunities are available to the citizens than in a controlled society. In fact, political uncertainty directly impacts employees.

Activity B:

1. Discuss various factors influencing individual behaviour?
2. Identify organizational factors which affect the behavior of an individual.

2.4 Individual Decision Making

2.4.1 Introduction

Before we go through the various aspects of decision making, it is essential to go through the concept of decision making. The word decision means a cut of alternatives between those that are desirable and those that are not desirable. The decision is a kind of choice of a desirable alternative. “A decision represents a judgment; a final resolution of a conflict of needs, means or goals; and a commitment to action made in face of uncertainty, complexity and even irrationality.” Decision making is a process to arrive at a decision; the process by which an individual or organization selects one position or action from several alternatives.

Every organization needs to make decisions at one point or other as part of managerial process. Decisions are made in the best interest of the organization. For that matter, decisions made by the organization are to lighten the way forward. Be it strategic, business activities or HR matters, processes of making decisions is complex, involves professionals of different genre.

2.4.2 What is Individual Decision Making?

Individuals in organizations make decisions, that is, they make choices from among two or more alternatives. Of course, making decisions is not the sole province of managers. Non-managerial employees also make decisions that affect their jobs and the organizations for which they work. Individual decision making, therefore, is an important part of organizational behavior. But how individuals in organizations make decisions and the quality of their final choices are largely influenced by their perceptions.

Decision making occurs as a reaction to a problem. That is, there is a discrepancy between some current state of affairs and some desired state, requiring consideration of alternative courses of action. Moreover, every decision requires interpretation and evaluation of information. Data are typically received from multiple sources and they need to be screened, processed and interpreted. The perceptions of the decision maker will decide which data are relevant and which are not. Alternatives will be developed, and the strengths and weaknesses of each will need to be evaluated.

Good decision making is a skill to be learned and mastered, especially for leaders who are managing a team. More importantly, individuals must also practice being good decision makers since it is not advisable to be too dependent on others for personal decisions.

The downside of being too dependent on others is that you might have a hard time standing on your own two feet when a situation would require you to make a choice without anyone's help. A better way to deal with it is to consult friends or trusted people who can advise you on the kind of decision you are about to make. They can give you tips, suggestions and warnings before you implement it. This way, you are still on your own in arriving at a final decision.

Pros and Cons of Individual Decision Making: Decision making without a group's input or a decision made regardless of the group's opinion is, naturally, an individual decision. This is the more traditional decision making approach and can work effectively for a manager when the group's input is not required or in certain cases, desired. When you make a decision on your own, you take pride in it especially if the choice made was successful and effective. Yet, there are moments when it is just difficult not to seek assistance from others. Find out the pros and cons of being an independent decision maker.

2.4.3 Advantages and Disadvantages of Individual Decision Making

Advantages of Individual Decision Making

An individual can make a decision quicker than group can, of course, since only one person needs to be consulted. Following are the advantages of individual decision making:

- You can take immediate action and fast solution to a problem or a situation.
- You are solely responsible for the kind of decision achieved, whether it is good or bad.
- You take full accountability for the outcome of the decision and its consequences.
- You take no arguments with your personal opinions on how to address a problem.
- You become efficient with the use of time and effort in reaching a decision.
- There is no need to delegate roles and responsibilities so you do not have to deal with people who are hesitant to take on a responsibility.
- You are free from too much diversity in a group which tends to limit cohesiveness and affect the decision making.

Disadvantages of Individual Decision Making: There are times when each decision making method is not appropriate. Avoid individual decision making if the decision directly affects the group. For example, making a blanket decision that everyone must work weekends will meet with opposition for reasons ranging from religious to other personal obligations. On the flip side, group decision making should be avoided if there is little chance that a group might reach a consensus. For example, a directive that all members of a department must carry out works best when the manager decides on the course of action. Following are some of the disadvantages of individual decision making:

- You only see things based on your own perception.
- You have no one to discuss regarding the projected outcome of the decision. There may be other people who have already gone through the kind of situation that you are experiencing and they might be able to share whether they were successful or not in the kind of decision they made.
- You may have a hard time reaching a decision especially when you have an indecisive character.
- It can be difficult for you to tell whether you are experiencing a decision making pitfall or not.
- The level of motivation there is in individual decision making is not as strong as when a team is successful enough to create a motivational effect to the members.
- There may not be so many creative solutions generated when only one person makes the decision.

Individual Versus Group Decision Making: Both approaches in making decisions follow the same process in decision making. However, a decision worked out by a group has a greater tendency to be more effective than that of an individual effort because it is an outcome of collective or cohesive minds. Individual decision making is best left to skilled decision makers. Yet, you might wonder, what about the day-to-day small decisions that only the individual himself should make? Well, these petty situations should mold you in learning to become independent with your decisions. Group decision making, though it can be an arduous process, can help cement the group by allowing input from all members of the group.

2.4.4 Factors That Influence Decision Making

There are several important factors that influence decision making. Significant factors include past experiences, a variety of cognitive biases, an escalation of commitment and sunk outcomes, individual differences, including age and socioeconomic status, and a belief in personal relevance. These things all impact the decision making process and the decisions made.

Past experiences can impact future decision making. It stands to reason that when something positive results from a decision, people are more likely to decide in a similar way, given a similar situation. On the other hand, people tend to avoid repeating past. This is significant to the extent that future decisions made based on past experiences are not necessarily the best decisions. In addition to past experiences, there are several cognitive biases that influence decision making. Cognitive biases are thinking patterns based on observations and generalizations that may lead to memory errors, inaccurate judgments, and faulty logic.

In decision making, cognitive biases influence people by causing them to over rely or lend more credence to expected observations and previous knowledge, while dismissing information or observations that are perceived as uncertain, without looking at the bigger picture. While this influence may lead to poor decisions sometimes, the cognitive biases enable individuals to make efficient decisions with assistance of heuristics.

In addition to past experiences and cognitive biases, decision making may be influenced by an escalation of commitment and sunk outcomes, which are unrecoverable costs. Researchers have concluded people make decisions based on an irrational escalation of commitment, that is, individuals invest larger amounts of time, money, and effort into a decision to which they feel committed; further, people will tend to continue to make risky decisions when they feel responsible for the sunk costs, time, money, and effort spent on a project.

Some individual differences may also influence decision making. In addition, older people may be more overconfident regarding their ability to make decisions, which inhibits their ability to apply strategies. Finally, with respect to age, there is evidence to support the notion that older adults prefer fewer choices than younger adults.

Over and above past experiences, cognitive biases, and individual differences; another influence on decision making is the belief in personal relevance. When people believe what they decide matters, they are more likely to make a decision.

Activity C:

1. Differentiate between individual and group decision making.
2. Discuss advantages and disadvantages of individual decision making.
3. Identify various factors which influence individual decision making.

2.5 Intuition and Individual Decision Making

Intuition and Individual Decision Making: The most probable approach in individual decision making is through intuition. Because individual decision making involves no one but the decision maker himself, a usual tendency is to resort to personal beliefs and convictions triggered by emotions. A person sometimes follows what the instinct says. For instance, when your gut feeling toward that certain employer is not good, you decide not to join the company and choose another option instead. When your instincts tell you that the person is cheating, you probably would end up deciding to leave the person.

Although intuition is correct in most cases, it is still best backed up by facts and information to support the

gut feeling. Relying solely on emotions may be a little risky especially when there is no evidence to support it. A little objectivity in the approach can lead to a more effective decision.

There is much to be said for intuitive decision making. One obvious advantage is speed: an emotional reaction can be immediate and lead directly to a decision. If your choice is between chocolate and vanilla ice cream, it would be pointless to spend a lot of time and effort deliberating about the relative advantages and disadvantages of the two flavors. Instead, an emotional reaction such as “chocolate -yum!” can make for a quick and appropriate decision. Another advantage is that basing your decisions on emotions helps to ensure that the decisions take into account what you really care about. If you are pleased and excited about a possible action that is a good sign that the action promises to accomplish the goals that are genuinely important to you. Finally, decisions based on emotional intuitions lead directly to action: the positive feeling toward an option will motivate you to carry it out.

The problem with intuition is that it may be based on inaccurate or irrelevant information. Suppose you need to decide whom to hire for a job. If you are prejudiced against people of a particular sex, race, or ethnicity, then your intuition will tell you not to hire them, even if they have better qualifications for doing the job well. It is difficult to determine introspectively whether your intuitions derive from reliable and relevant information.

Finally, intuitive reasoning is problematic in group situations where decisions need to be made collectively. If other people disagree with your choices, you cannot simply contend that your intuitions are stronger or better than the intuitions of others. Defending your emotional reactions and attempting to reach a consensus with other people requires a more analytical approach than simply expressing your gut feelings.

Activity D:

1. What role does intuition play in effective decision making?

2.6 Summary

Behaviour can be considered as an input-output system. This concept assumes that behaviour is not simply a random phenomenon but is goal directed so that a measurable correlation exists between the goals behaviour. Behaviour is related to performance and productivity.

When people join organizations, they bring different personalities with them, in terms of physical characteristics, abilities, psychological needs, intelligence etc. Individual behavior is influenced by many factors namely personal, organizational, psychological and environmental factors. Some personal factors are age, gender, intelligence, marital status, and ability. All these factors have an impact on various dependent variables like performance, turnover, absenteeism, productivity and satisfaction. Psychological factors include perception, values, attitudes and personality. The various organizational factors are organizational culture and climate, reward system and leadership style.

And last but not the least, the economic and political environments in a country also shapes individual behavior. The economic environment directly or indirectly affects organizations, which in turn affects the individuals working in the organization, therefore impacting human behavior.

Organizations operate by people making decisions. A manager plans, organizes, staffs, leads, and controls her team by executing decisions. The effectiveness and quality of those decisions determine how successful a manager will be. Managers are constantly called upon to make decisions in order to solve problems. Decision making and problem solving are ongoing processes of evaluating situations or problems, considering alternatives, making choices, and following them up with the necessary actions. Sometimes the decision-making process is extremely short, and mental reflection is essentially instantaneous. In other situations, the

process can drag on for weeks or even months. The entire decision-making process is dependent upon the right information being available to the right people at the right times.

2.7 Self Assessment Questions

1. Describe the various personal factors that affect individual behavior, and what effect do they have on absenteeism, turnover and productivity?
2. Values and attitudes are the foundation for individual differences and help in understanding differences in perception and behavior of people. Do you agree or disagree with this? Discuss and give your reasons.
3. How does the reward system adopted by an organization determine individual behavior? As a manager how will you use the reward system to draw at the best performance out of your employees?
4. How many types of organizational cultures exist in organizations, and how do they impact motivation, satisfaction, turnover and productivity of employees?
5. In your opinion how important a determinant is leadership style of individual behavior? Discuss the various types of leadership styles and their impact on followers or subordinates. Which style would you adopt as manager?
6. What role does intuition play in effective decision making?
7. “For the most part, individual decision making in organizations is an irrational process.” Do you agree or disagree? Discuss.

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Unit - 3 : Perception

Structure of Unit:

- 3.0 Objectives
- 3.1 Introduction
- 3.2 Meaning of Perception
- 3.3 Definition of Perception
- 3.4 Characteristics of Perception
- 3.5 Importance of Perception
- 3.6 Factors Influencing Perception
- 3.7 Link Between Individual Decision Making and Perception
- 3.8 Summary
- 3.9 Self Assessment Questions
- 3.10 Reference Books

3.0 Objectives

After completing this unit, you would be able to:

- Understand the concept of perception
- know the characters of the perception and its impact on decision making of individuals
- measures various factors associated with perception
- how the perception link with individual decision making
- realize the causes of perception in personal behaviour

3.1 Introduction

Perception is the process by which people translate sensory impressions into a coherent and unified view of the world around them. Though necessarily based on incomplete and unverified (or unreliable) information, perception is equated with reality for most practical purposes and guides human behavior in general.

Perception can be defined as a process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment. However, as we have noted, what one perceives can be substantially different from objective reality. It need not be, but there is often disagreement. For example, it is possible that all employees in a firm may view it as a great place to work-favorable working conditions, interesting job assignments, good pay, an understanding and responsible management-but, as most of us know, it is very unusual to find such agreement.

Why is perception important in the study of OB? Simply because people's behavior is based on their perception of what reality is, not on reality itself. The world as it is perceived is the world that is behaviorally important.

Perception is the process by which an individual selects, organizes, and interprets information inputs to create a meaningful picture the world. Perception depends not only on the physical stimuli, but also on the stimuli's relation to the surrounding field and on conditions within the individual. The key point is that perception can vary widely among individuals exposed to the same reality. One person might perceive a fast-talking salesperson an aggressive and insincere another, as intelligent and helpful. Each will respond differently to the salesperson.

Perceptions vary from person to person. Different people perceive different things about the same situation. But more than that, we assign different meanings to what we perceive. And the meanings might change for a certain person. One might change one's perspective or simply make things mean something else.

3.2 Meaning of Perception

Like most concepts within the social science disciplines, perception (or what other scholars refer to as social perception) has been defined in a variety of ways since its first usage. From the lay man's perspective, perception is defined as an act of being aware of "one's environment through physical sensation, which denotes an individual's ability to understand" (Chambers Dictionary). However, many social psychologists have tended to develop the concept around one of its most essential characteristics that the world around us is not psychologically uniform to all individuals. This is the fact, in all probability, that accounts for the difference in the opinions and actions of individuals/groups that are exposed to the same social phenomenon. At this point, it is important for you to take a look at some of these definitions in order to better appreciate the point being made here: According to Nelson and Quick (1997: 83-84) "social perception is the process of interpreting information about another person." What this definition has clearly highlighted for your attention is that the opinions you form about another person depends on the amount of information available to you and the extent to which you are able to correctly interpret the information you have acquired. In other words, you may be in possession of the same set of information that other people have on a particular situation, person or group but still arrive at different conclusions due to individual differences in the capacity to interpret the information that you all have.

Rao and Narayan (1998: 329-330) obviously share the main characteristics of the above definition. However, they emphasise that perception ranks among the "important cognitive factors of human behaviour" or psychological mechanism that enable people to understand their environment. In their own words, "perception is the process whereby people select, organise, and interpret sensory stimulations into meaningful information about their work environment." They argue that perception is the single most important determinant of human behaviour, stating further that "there can be no behaviour without perception." Though focussing on managers in work settings, Rao and Narayan draw attention to the fact that since there are no specific strategies for understanding the perception of others, everyone appears to be "left with his own inventiveness, innovative ability, sensitiveness and introspective skills to deal with perception." From a third perspective "social perception refers to constructing an understanding of the social world from the data we get through our senses" (Michener, DeLamater and Myers, 2004: 106). Thus, perception "refers to the process by which we form impressions of other people's traits and personalities." You may have noticed that by referring to "our senses" as the means of data collection the authors may have placed too much emphasis on its perception component, which the first two definitions clearly avoided. In order to shed more light on this concept it is important for you to pay attention to the following elements of the above definitions of perception listed by Rao and Narayan (1998: 329-330):

1. Our attention, feelings and the way we act are influenced by our environment,
2. Perception helps you to gather data from your surroundings, process the data and make sense out of it,
3. In perception it is sometimes difficult to separate the information from the action,
4. It is basically a process of gaining mental understanding, and
5. Perception guides the perceiver in harnessing, processing and channelling relevant information towards fulfilling the perceiver's requirements.

What Is Perception: Integration

What is filtered in versus filtered out depends on where you put your attention. Whatever stimulus you focus on becomes the “attended stimuli.”

Initially the attended stimuli are turned into images on the retina and then they are transformed into electrical signals that are sent through the brain.

At this stage, you become consciously aware of the environmental stimuli and you begin to analyze and interpret the perceived objects in order to give them meaning and context.

How you analyze what you perceive will be greatly influenced by many factors including your past experiences, feelings, imagination, values, memories, beliefs and your cultural setting.

Because the content and degree of these influences will be different for everyone, the same object or event can be perceived very differently by different people. This is why perception is not reality.

Reaction

Perception leads to decision making and action taking. At the most basic level, the decision is to act or not to act and this depends on how you develop motivation. With every action there is always a set of alternatives from which to choose, even though oftentimes it might seem as if there are no alternatives.

The meaning you give to a stimulus you perceive will fundamentally shape the choices and actions you take in response to it.

For example, if you walk outside and your skin receptors tell you it’s cold, your decision will likely be to run inside and grab a sweater. The next person could decide the cold crisp air is rejuvenating and they’ll choose to go without a sweater.

3.3 Definition of Perception

What is the definition of perception? Think of it as the process of becoming aware of the world around you through your senses. Your senses play a critical role in perception and behavior. They not only allow you to perceive your environment, they also enable you to act in response to it.

Sensation and perception psychology is one of the oldest fields of study in social psychology. Below I’m going to take you through the process we go through to become aware of anything in our environments.

The Sensing Process

Perception happens in one of five ways:

- You see something with your eyes
- Smell something with your nose
- Hear something with your ears
- Feel something with your skin
- Taste something on your tongue

Because there is an overabundance of stimulation hitting your senses in every moment, most sensations will be filtered out. This is why only a fraction of your surrounding environment will ever reach your conscious awareness.

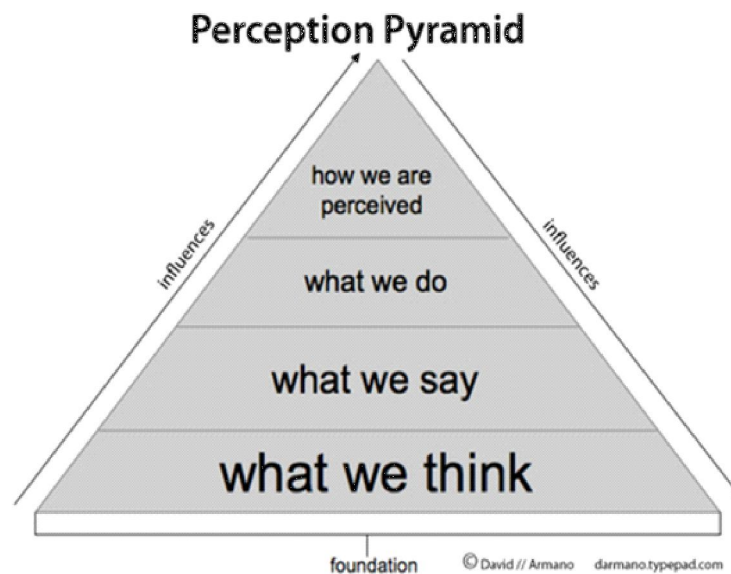


Figure - 3.1

3.4 Characteristics of Perception

Perception is a cognitive process by which individuals organize, interpret, and understand their surroundings and environment which also includes impressions formed objects, events, and people. In the process of making decisions, you must fully understand the situation along with its facts to come to a resolution. Without consuming all the factors, the wrong decision may be made.

The characteristics of perception are sensation, organization, interpretation, and categorization of input according to past experiences. The process of sensory perception takes place very quickly in the human brain, usually within less than one second. Different types of perception are possible through the complex activity of the nervous system that receives input from each of the five senses. This input then converts to signals that travel to the brain via the spinal cord as well as the peripheral nervous system. Each of the characteristics of perception is both a physical process and a subjective experience according to different personalities, biases, and backgrounds.

Sensation is a main characteristic of perception as it relates to outside input. Auditory perception takes place when the ears detect sounds and carry this perceptual information to the brain. Organization takes place when listeners identify the type of sound and compare it to other sounds heard in the past. Interpretation and categorization are generally the most subjective characteristics of perception, as they involve decisions about whether listeners like what they hear and want to keep listening. All of these choices are made within fractions of seconds and can take place hundreds of times per day with many kinds of sensory input.

Nelson and Quick's (*op cit*: 84-87) concise description of the three major characteristics that influence our perception of other people:

Perceivers-Specific Characteristics:

One of the perceivers-specific factors that influence perception is familiarity with the object of perception. Familiarity implies that, compared to others, we are better positioned to make observations leading to better relative ability to arrive at superior decisions about a particular situation. However, you must note that for you to perceive someone accurately you must have generated accurate data on that person during the stage of observation. This is because the relationship between familiarity and accuracy is not always direct.

“Sometimes when we know a person well, we tend to screen out information that is inconsistent with what we believe the person is like” (Nelson and Quick, *op cit.* 85), which constitutes a major danger in performance appraisals. Another factor that influences social perception is the perceiver’s attitude. For instance, since no woman has ruled Nigeria since its independence in 1960, you are likely to develop the attitude that women are incapable of handling the challenges of leading this country, which has no empirical foundation. Our mood is another important factor that affects the way we perceive others. Generally, the difference in our reaction to situations is a function of the state of happiness or sadness in which we find ourselves, (i.e. our moods). Thus, we tend to more easily remember information that identify with our moods than those that do not. Accordingly, whenever we are in negative moods we generally tend to form negative impressions of others.

The self-concept of the perceiver is also a critical determinant of perception. Basically, people that possess positive self-concepts tend to perceive positive attributes in other people, while, those with negative self-concepts tend to perceive negative attributes in others. Therefore, greater understanding of self allows us to have more accurate perception of others.

The cognitive structure, that is, a person’s thought pattern of thinking equally determines his/her perception in significant ways. While some individuals are inclined to perceiving physical characteristics such as height, weight, and appearance others pay more attention to central traits or personality dispositions. However, there are people that are capable of perceiving all these traits at the same time instead of focussing on only one aspect.

Target-Specific Characteristics:

Social perception is also influenced by certain characteristics that are specific to the person being perceived (i.e. the target). One of the most important target-specific characteristics is the physical appearance of the perceived. Some of these characteristics include height, weight, estimated age, race and gender. In addition, the way you dress speaks volume about the way you are perceived. More importantly, perceivers find it easier to pick out those appearance traits that are unusual or new. Common examples of unusual personality traits include a very tall person, an energetic child as well as newcomers within a community. Verbal communications out of which perceivers assess a target’s voice tone, accent and related factors also affect his/her perception. Furthermore, the nonverbal Communication contains a lot of information through which an individual is perceived. Eye contact, facial expressions, body movements and posture are features that guide the perceiver’s impression of the target. But, while facial impressions tend to convey general meanings, nonverbal communication poses a challenge of having different meanings in different cultures.

Mention must also be made of the role of the intentions of the target as inferred by the perceiver. More often than not, we quickly infer that our creditors have come to demand payment for debts we owe to them whenever they appear at our doorsteps. However, this is not always the case as he has come ask you to render him an advice in your area of professional competence.

Situation-Specific Characteristics:

This is a very significant factor that affects the impression that is formed about someone by an individual. In other words, the Social context of the interaction is a major influence. For instance, anybody that interacts with the Chief executive of a bank in a political rally would certainly go away with a different impression of him/her compared to meeting him in his/her bank office. “In Japan, social context is very important. Business discussions after working hours are or at lunch are taboos. If you try to talk business during these times, you may be perceived as rude.” The strength of situational cues often provides clear indications of behaviour

that are acceptable within certain environmental contexts. Thus, there are particular situations that influence the behaviour of an individual, which do not necessarily affect the disposition of that individual. This is what is referred to as the discounting principle in social perception. An illustration of this principle is when you come in contact with a sociable bank marketing officer that goes ahead to find out about your pastime, and knowledge of service delivery in the Nigerian banking industry. Would then be correct to attribute this behaviour to the marketing officer's personality? You may not attribute this to his/her personality "because of the influence of the situation." Basically, in this context, this person is prospecting for customers to whom he intends to introduce the services of his/her bank.

Perception is Reality



Figure - 3.2

3.5 Importance of Perception

people perceive things , situations , evens and other people in different ways . superficial issues often dominate their impressions of new people and situations until more information impacts their knowledge, understanding and comfort . Some of the importance of perception are :

Avoid sensitive jokes and certainly avoid blue humour

Do not discuss politics or religion

Be very wary about discussing certain international affaires since most people have a view of some sort .

Choose a venue that isn't too sparse or too luxurious

Dress in smart casual or in a suit

Be sincere in all that you say

Be humble

Be grateful to your invitees for showing the interest in the concept and be grateful to them for honoring you with their presences

If passion for the concept exist in your heart, don't be afraid to display it – but in moderation

Don't feel you need to be an apologist for the mistakes.

3.6 Factors Influencing Perception

Perceiving involves more than the reception of stimuli from the five senses. Perceptions result when a person gives meaning to sensations. People base their actions on the way they believe things to be. The experienced aviation maintenance technician, for example, perceives an engine malfunction quite differently than does an inexperienced student. Real meaning comes only from within a person, even though the perceptions which evoke these meanings result from external stimuli. The meanings which are derived from perceptions are influenced not only by the individual's experience, but also by many other factors. Knowledge of the factors which affect the perceptual process is very important to the aviation instructor because perceptions are the basis of all learning.

How do we explain that individuals may look at the same thing, yet perceive it differently? A number of factors operate to shape and sometimes distort perception. These factors can reside in the perceiver in the object or target being perceived, or in the context of the situation in which the perception is made.

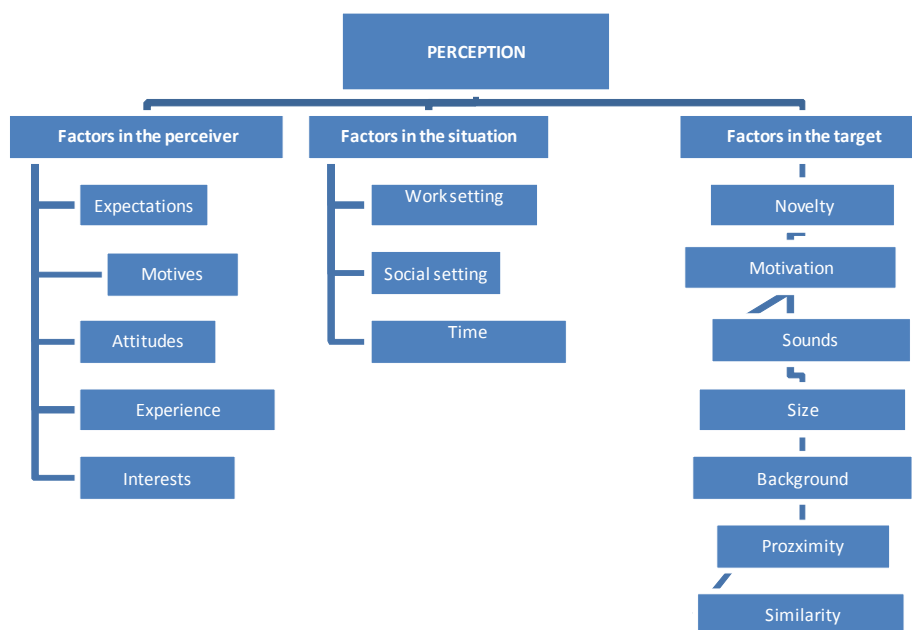


Figure - 3.3

There are several factors that affect an individual's ability to perceive. Some are internal to each person and some are external.

- Physical organism
- Basic need
 - Goals and values
 - Self-concept
 - Time and opportunity
 - Element of threat

Physical Organism: The physical organism provides individuals with the perceptual apparatus for sensing the world around them. Pilots, for example, must be able to see, hear, feel, and respond adequately while they are in the air. A person whose perceptual apparatus distorts reality is denied the right to fly at the time of the first medical examination.

Basic Need: A person's basic need is to maintain and enhance the organized self. The self is a person's past, present, and future combined; it is both physical and psychological. A person's most fundamental, pressing need is to preserve and perpetuate the self. All perceptions are affected by this need.

Just as the food one eats and the air one breathes become part of the physical self, so do the sights one sees and the sounds one hears become part of the psychological self. Psychologically, we are what we perceive. A person has physical barriers which keep out those things that would be damaging to the physical being, such as blinking at an arc weld or flinching from a hot iron. Likewise, a person has perceptual barriers that block those sights, sounds, and feelings which pose a psychological threat.

Goals and Values: Perceptions depend on one's goals and values. Every experience and sensation which is funneled into one's central nervous system is colored by the individual's own beliefs and value structures. Spectators at a ball game may see an infraction or foul differently depending on which team they support. The precise kinds of commitments and philosophical outlooks which the student holds are important for the instructor to know, since this knowledge will assist in predicting how the student will interpret experiences and instructions.

Goals are also a product of one's value structure. Those things which are more highly valued and cherished are pursued; those which are accorded less value and importance are not sought after.

Self-Concept: Self-concept is a powerful determinant in learning. A student's self-image, described in such terms as confident and insecure, has a great influence on the total perceptual process. If a student's experiences tend to support a favorable self-image, the student tends to remain receptive to subsequent experiences. If a student has negative experiences which tend to contradict self-concept, there is a tendency to reject additional training.

Time and Opportunity: It takes time and opportunity to perceive. Learning some things depends on other perceptions which have preceded these learning's, and on the availability of time to sense and relate these new things to the earlier perceptions. Thus, sequence and time are necessary.

A student could probably stall an airplane on the first attempt, regardless of previous experience. Stalls cannot really be learned, however, unless some experience in normal flight has been acquired. Even with such experience, time and practice are needed to relate the new sensations and experiences associated with stalls in order to develop a perception of the stall.

Element of Threat: The element of threat does not promote effective learning. In fact, fear adversely affects perception by narrowing the perceptual field. Confronted with threat, students tend to limit their attention to the threatening object or condition. The field of vision is reduced, for example, when an individual is frightened and all the perceptual faculties are focused on the thing that has generated fear.

Flight instruction provides many clear examples of this. During the initial practice of steep turns, a student pilot may focus attention on the altimeter and completely disregard outside visual references. Anything an instructor does that is interpreted as threatening makes the student less able to accept the experience the instructor is trying to provide. It adversely affects all the student's physical, emotional, and mental faculties.

Learning is a psychological process, not necessarily a logical one. Trying to frighten a student through threats of unsatisfactory reports or reprisals may seem logical, but is not effective psychologically. The effective instructor can organize teaching to fit the psychological needs of the student. If a situation seems overwhelming, the student feels unable to handle all of the factors involved, and a threat exists. So long as the student feels capable of coping with a situation, each new experience is viewed as a challenge.

A good instructor realizes that behavior is directly influenced by the way a student perceives, and perception is affected by all of these factors. Therefore, it is important for the instructor to facilitate the learning process by avoiding any actions which may inhibit or prevent the attainment of teaching goals. Teaching is consistently effective only when those factors which influence perceptions are recognized and taken into account.

Insight: Insight involves the grouping of perceptions into meaningful wholes. Creating insight is one of the instructor's major responsibilities. To ensure that this does occur, it is essential to keep each student constantly receptive to new experiences and to help the student realize the way each piece relates to all other pieces of the total pattern of the task to be learned.

As perceptions increase in number and are assembled by the student into larger blocks of learning, they develop insight. As a result, learning becomes more meaningful and more permanent. Forgetting is less of a problem when there are more anchor points for tying insights together. It is a major responsibility of the instructor to organize demonstrations and explanations, and to direct practice, so that the student has better opportunities to understand the interrelationship of the many kinds of experiences that have been perceived. Pointing out the relationships as they occur, providing a secure and nonthreatening environment in which to learn, and helping the student acquire and maintain a favorable self-concept are key steps in fostering the development of insight.

3.7 Link Between Individual Decision Making and Perception

Individuals in organizations make decisions. That is, they make choices from among two or more alternatives. Top managers, for instance, determine their organizations goals, what products or services to offer, how best to finance operations, or where to locate a new manufacturing plant. Middle and lower-level managers determine production schedules, select new employees, and decide how pay raises are to be allocated. Of course, making decisions is not the sole province of managers. Non-managerial employees also make decisions that affect their jobs and the organizations for which they work. The more obvious of these decision might include whether or not to come to work on any given day, how much effort to put forth once at work, and whether or not to comply with a request made by the boss. In addition, an increasing number of organizations in recent years have been empowering their non managerial employees with job-related decision making authority that historically was reserved for managers. Individual decision making, therefore, is an important, part of organizational behavior. But how individuals in organizations make decisions and the quality of their final choices are largely influenced by their perceptions.

Decision making occurs as a reaction to a problem. That is, there is a discrepancy between some current state of affairs and some desired state, requiring the consideration of alternative courses of action. So if your car breaks down and you rely on it to get to work, you have a problem that requires a decision on our part. Unfortunately problems don't come neatly packaged with a label problem clearly displayed on them. One person's problem is another person's satisfactory state of affairs. One manager may view her division's two percent decline in quarterly sales to be a serious problem requiring immediate action on her part. In contrast, her counterpart in another division of the same company, who also had a two percent sales decrease, may consider that percentage quite acceptable. So the awareness that a problem exists and that a decision needs to be made is a perceptual issue.

Moreover, every decision requires the interpretation and evaluation of information. Data are typically received from multiple sources, and they need to be screened, processed, and interpreted. Which data, for instances, are relevant to the decision and which are not? The perceptions of decision maker will answer that question. Alternatives will be developed, and the strengths and weakness of each will need to be evaluated. Again, because alternatives don't come with identifying them as such or with their strengths and weakness clearly

marked, the individual decision makers' perceptual process will have a large bearing on the final outcome. Finally, throughout the entire decision process, perceptual distortions often surface that have the potential to bias analysis and conclusions.

Individuals in organizations make decisions meaning they make choices from among two or more alternatives. Top managers, for instance determine their organization's goal, what products or services to offer, how best to finance operations, or where to locate a new manufacturing plant. Middle and lower level managers determine production schedules select new employees and decide how pay raises are to be allocated. Of course, making decisions is not the sole province of manager. Non-managers employees also make decisions that affect their jobs and the organizations for which they work. The more obvious of these decision might include whether or not to come to work on any given day, how much effort to put forth once at work and whether or not to comply with request made by the boss. In addition, an increasing number of organizations in recent years have been empowering their non-managerial employees with job related decision making authority that historically was reserved for managers alone. Individual decision making, therefore, is an important part of organizational behavior. But how individuals in organizations make decisions and the quality of their final choices are largely influenced by their perceptions.

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Performance Evaluations: Although the impact of performance evaluations on behavior will be discussed fully, it should be pointed out here that an employee's performance appraisal is very much dependent on the perceptual factors. An employee's future is closely tied to the appraisal – promotions, pay raises, and continuation of employment are among the most obvious outcomes. The performance appraisal represents an assessment of an employee's work. Although the appraisal can be objective for example, a salesperson is appraised on how many dollars of sales she generates in her territory, many jobs are evaluated in subjective terms. Subjective measures are easier to improve, they provide managers with greater discretion and many jobs do not readily lend themselves to objective measures. Subjective measures are, by definition, judgmental. The evaluation forms a general impression of an employee's work. To the degree that managers use subjective measures in appraising employees, what the evaluation will significantly influence the outcome of the appraisal.

When an individual looks at a target and attempts to interpret what he or she sees, that interpretation is heavily influenced by the personal characteristics of the individual perceiver. Personal characteristics that affect perception included a person's attitudes, personality motives interest, past experiences, and expectations. For instance if you expect police officers to be authoritative, young people to be lazy, or individuals holding office to be unscrupulous, you may peeve them as such regardless of their cultural traits.

Characteristics of the target being observed affect what is perceived. Loud people are more likely to be noticed in a group than quiet ones. So, too, are extremely attractive or unattractive individuals. Because targets are not looked at in isolation, the relationship of a target to its background also influences perception, as does our tendency to group close things and similar things together. For instance, women people of color or members of any other group that has clearly distinguishable characteristics in terms of features or color are often perceived as alike in other, unrelated characteristics as well.

A shrill voice is never perceived to be one of authority. Practice some vocal exercises to lower the pitch of your voice. Here is one to start: Sing – but do it an octave lower on all your favorite songs. Practice this regularly and after a period of time, your voice will lower. People will perceive you as nervous and unsure if you talk too fast. Also, be careful not to slow down to the point where people feel tempted to finish your sentences.

The context in which we see objects or events is also important. The time at which an object or event is seen can influence attention, as can location, light, heat, or any number of situational factors. For example, at a nightclub on Saturday night, you may not notice a 22 year old female dressed to the nines. Yet that same woman so attired for your Monday morning management class would certainly catch your attention (and that of the rest of the class). Neither the perceiver nor the target changed between Saturday night and Monday morning, but the situation is different.

3.8 Summary

Perception is a process by which individuals organize and interpret their sensory perceives in order to give meaning to their environment. However, what one perceives can be substantially different from objective reality. There need be, but there is often, disagreement. For example, it's possible that all employees in a firm may view it as great place to work – favorable working conditions, interesting job alignments, good pay, excellent benefits, an understanding and responsible management but, as most of us know, it's very unusual to find such agreement. Why is perception important in the study of OB? Simply because people's behavior is based on their perception of what reality is, not on reality it self. The world as it is perceived is the world that is behaviorally important.

3.9 Self Assessment Questions

1. What do you mean by perception?
2. State the major characteristics of perception
3. Explain the factors affecting the perception
4. Discuss the importance of perception
5. How the perception associated with the individual decision making ?

3.10 Reference Books

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Unit - 4 : Learning

Structure of Unit:

- 4.0 Objectives
- 4.1 Introduction
- 4.2 Definition of Learning
- 4.3 Characteristics of Learning
- 4.4 The Importance of Learning
- 4.5 Learning Styles
- 4.6 Kolb's Learning Styles
- 4.7 Principles of Learning
- 4.8 Levels of Learning
- 4.9 Theories of Learning
- 4.10 Main Factors Affecting People's Learning
- 4.11 Summary
- 4.12 Self Assessment Questions
- 4.13 Reference Books

4.0 Objectives

After completing this unit, you would be able to:

- Understand the concept of Learning
- know the characters of the Learning
- know the various theories of learning
- measures various factors associated with Learning
- realize the causes of Learning in personal behaviour

4.1 Introduction

Learning is acquiring new, or modifying existing, knowledge, behaviors, skills, values, or preferences and may involve synthesizing different types of information. The ability to learn is possessed by humans, animals and some machines. Progress over time tends to follow learning curves. Learning is not compulsory; it is contextual. It does not happen all at once, but builds upon and is shaped by what we already know. To that end, learning may be viewed as a process, rather than a collection of factual and procedural knowledge.

Human learning may occur as part of education, personal development, schooling, or training. It may be goal-oriented and may be aided by motivation. The study of how learning occurs is part of neuropsychology, educational psychology, learning theory, and pedagogy. Learning may occur as a result of habituation or classical conditioning, seen in many animal species, or as a result of more complex activities such as play, seen only in relatively intelligent animals. Learning may occur consciously or without conscious awareness. There is evidence for human behavioral learning prenatally, in which habituation has been observed as early as 32 weeks into gestation, indicating that the central nervous system is sufficiently developed and primed for learning and memory to occur very early on in development.

4.2 Definition of Learning

What is learning? A psychologist's definition is considerably broader than the layperson's view that "it's what we did when we went to school." In actuality each of us is continuously going "to school." Learning

occurs all of the time. A generally accepted definition of learning is, therefore, any relatively permanent change in behavior that occurs as a result of experience. Ironically, we can say that changes in behavior indicate that learning has taken place and that learning is a change in behavior.

Obviously, the foregoing definition suggests that we shall never see someone “learning”. We can see changes taking place, but not the learning itself. The concept is theoretical and, hence, not directly observable.

You have seen people in the process of learning, you have seen people who behave in a particular way as a result of learning and some of you (in fact, I guess the majority of you) have “learned” at some time in individual behaves, reacts, responds as a result of experience in manner different from the way he formerly behaved.

Our definition has several components that deserve clarification. First, leaning involves change. This may be good or bad from an organizational point of view. People can learn unfavorable behaviors – to hold prejudices or to restrict their output, for example – as well as favorable behaviors. Second, the change must be relatively permanent. Temporary changes may be only reflexive and fail to represent any learning. Therefore, this requirement rules out behavioral changes caused by fatigue or temporary adaptations. Third, our definition is concerned with behavior. Learning takes place where attitudes, if accompanied by no change in behavior. Learning takes place where there is a change in actions. A change in an individual’s thought processes or attitudes, if accompanied by no change in behavior, would not be learning. Finally, some form of experience is necessary for learning. This may be acquired directly through observation or practice. Or it may result from an indirect experience, such as that acquired through reading. The crucial test still remains. Does this experience result in a relatively permanent change in behavior? If the answer is “Yes,” we can say that learning has taken place.

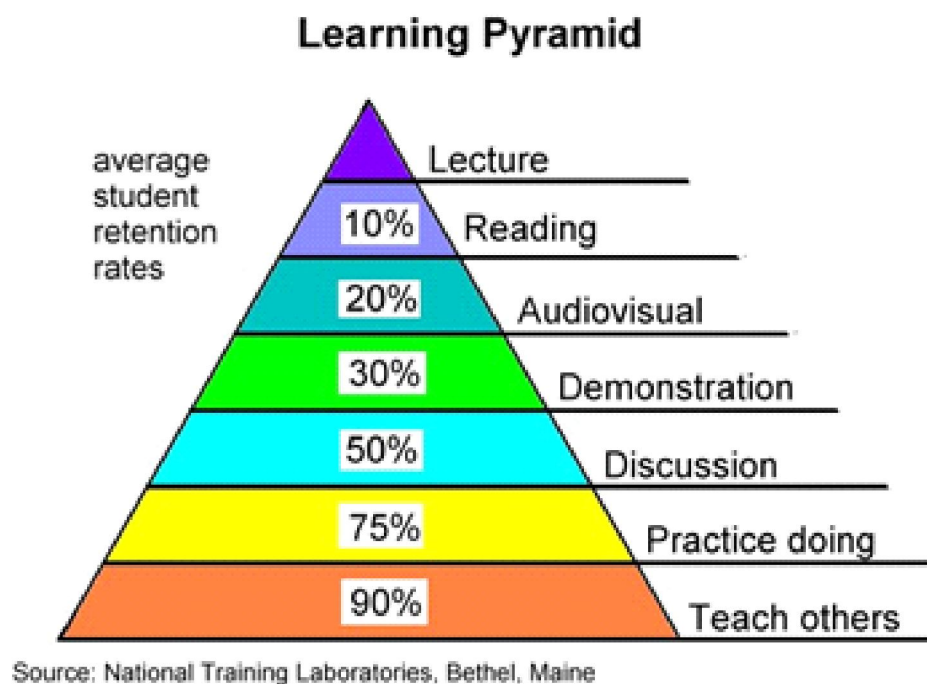


Figure - 4.1 : Learning Pyramid

4.3 Characteristics of Learning

Learning is Purposeful

Each student sees a learning situation from a different viewpoint. Each student is a unique individual whose past experiences affect readiness to learn and understanding of the requirements involved. For example, an

instructor may give two aviation maintenance students the assignment of learning certain inspection procedures. One student may learn quickly and be able to competently present the assigned material. The combination of an aviation background and future goals may enable that student to realize the need and value of learning the procedures. A second student's goal may only be to comply with the instructor's assignment, and may result in only minimum preparation. The responses differ because each student acts in accordance with what he or she sees in the situation.

Learning is a Result of Experience: Since learning is an individual process, the instructor cannot do it for the student. The student can learn only from personal experiences; therefore, learning and knowledge cannot exist apart from a person. A person's knowledge is a result of experience, and no two people have had identical experiences. Even when observing the same event, two people react differently; they learn different things from it, according to the manner in which the situation affects their individual needs. Previous experience conditions a person to respond to some things and to ignore others.

Learning is Multifaceted: Learning is multifaceted in still another way. While learning the subject at hand, students may be learning other things as well. They may be developing attitudes about aviation—good or bad—depending on what they experience. Under a skillful instructor, they may learn self-reliance. The list is seemingly endless. This type of learning is sometimes referred to as incidental, but it may have a great impact on the total development of the student.

Learning is an Active Process: Students do not soak up knowledge like a sponge absorbs water. The instructor cannot assume that students remember something just because they were in the classroom, shop, or airplane when the instructor presented the material. Neither can the instructor assume that the students can apply what they know because they can quote the correct answer verbatim. For students to learn, they need to react and respond, perhaps outwardly, perhaps only inwardly, emotionally, or intellectually. But if learning is a process of changing behavior, clearly that process must be an active one.

4.4 The Importance of Learning

Let's define what learning is. Learning is the acquisition of knowledge or skill through education and experience. Our ability to learn and our intellectual capacity are intangibles. However, these intangibles are your greatest assets because everything you do to reinvent and update your knowledge allows you to grow from where you are today to where you want to go. Learning is a prerequisite to growth.

Learning is vitally important because it helps us make informed choices about our own lives and the societies that we live in.

The world is always changing around us. There is nothing anyone of us can do about the changes that happen in industries, technologies, etc. Remember the birth of the automobile? What did the first automobile look like? Now after getting that mental image in your mind, compare it to the automobiles today. We can all agree there are huge differences between them. The automobiles of today are a direct result of human beings gaining a deeper understanding of how cars can operate. This can only happen through a commitment to lifelong learning. If we are to ever progress in any area of our lives, we must heed the call to lifelong learning.

We must acquire this fundamental discipline because it is as normal as food and physical exercise.

Some may think that learning is a luxury for a few individuals or learning should be concerned with our early years. It should be looked at as something well beyond formal schooling. It encompasses our entire life cycle.

Recognize that lifelong learning is a journey with no end in sight and that no one can ever have all the answers. We must have the humility or willingness to learn from others. In other words, learn from the experts. We will never live long enough to learn it all on our own.

The conscious pursuit of learning, just like excellence is what really counts. We must accept the fact that change is inevitable. We must all thrive on change and never be intimidated by it.

Change is the result of a willingness to try out new approaches, observe the results, and to include the feedback into new initiatives.

Learning allows us to stay ahead of the game. If you don't render yourself obsolete someone else will, like your employer. It's the price innovators will gladly pay for staying ahead of everyone else. In order for you to create the new results you want in your life, learning is a path you must be willing to take. It provides the opportunities to continually expand your capacity

Perhaps the most important thing you can do for yourself and your future and your family, which will automatically include generations to come, is to challenge yourself to commit to being a student for life as the pursuit for knowledge is one of the smartest investments you'll ever make.

To learn is to acquire knowledge or skill. Learning also may involve a change in attitude or behavior. Children learn to identify objects at an early age; teenagers may learn to improve study habits; and adults can learn to solve complex problems. Pilots and aviation maintenance technicians (AMTs) need to acquire the higher levels of knowledge and skill, including the ability to exercise judgment and solve problems. The challenge for the aviation instructor is to understand how people learn, and more importantly, to be able to apply that knowledge to the learning environment.

4.5 Learning Styles

Although characteristics of learning and learning styles are related, there are distinctions between the two. Learning style is a concept that can play an important role in improving instruction and student success. It is concerned with student preferences and orientation at several levels. For example, a student's information processing technique, personality, social interaction tendencies and the instructional methods used are all significant factors which apply to how individual students learn. In addition, today's culturally diverse society, including international students, must be considered. Any number of adjectives may be used to describe learning styles. Some common examples include:

Right/left brain

Holistic/serialist

Dependent/independent

Reflective/impulsive

KOLB'S LEARNING STYLES

David Kolb's Experiential Learning: Experience as the source of learning and development (1984) theorized that four combinations of perceiving and processing determine four learning styles that make up a learning cycle. According to Kolb, the learning cycle involves four processes that must be present for learning to occur:

- **Diverging (concrete, reflective)** - Emphasizes the innovative and imaginative approach to doing things. Views concrete situations from many perspectives and adapts by observation rather than by

action. Interested in people and tends to be feeling-oriented. Likes such activities as cooperative groups and brainstorming.

- **Assimilating (abstract, reflective)** - Pulls a number of different observations and thoughts into an integrated whole. Likes to reason inductively and create models and theories. Likes to design projects and experiments.
- **Converging (abstract, active)**- Emphasizes the practical application of ideas and solving problems. Likes decision-making, problem-solving, and the practicable application of ideas. Prefers technical problems over interpersonal issues.
- **Accommodating (concrete, active)** - Uses trial and error rather than thought and reflection. Good at adapting to changing circumstances; solves problems in an intuitive, trial-and-error manner, such as discovery learning. Also tends to be at ease with people.

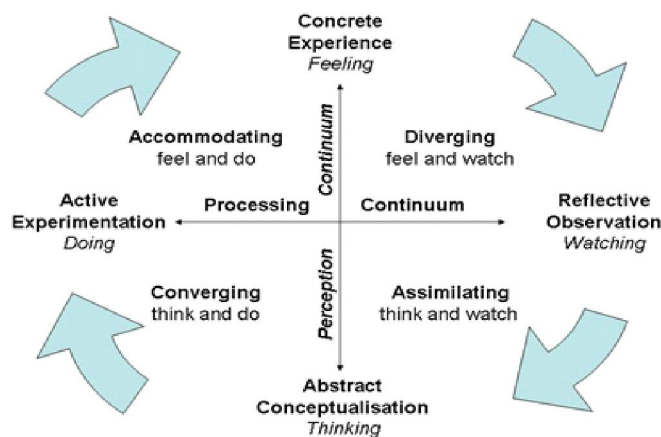


Figure - 4.2 : Learning Style

4.6 Kolb's Learning Styles

LEVELS OF LEARNING

Levels of learning may be classified in any number of ways. Four basic levels have traditionally been included in aviation instructor training. The lowest level is the ability to repeat something which one has been taught, without understanding or being able to apply what has been learned. This is referred to as rote learning. Progressively higher levels of learning are understanding what has been taught, achieving the skill for application of what has been learned, and correlation of what has been learned with other things previously learned or subsequently encountered.

For example, a flight instructor may explain to a beginning student the procedure for entering a level, left turn. The procedure may include several steps such as: (1) visually clear the area, (2) add a slight amount of power to maintain airspeed, (3) apply aileron control pressure to the left, (4) add sufficient rudder pressure in the direction of the turn to avoid slipping and skidding, and (5) increase back pressure to maintain altitude. A student who can verbally repeat this instruction has learned the procedure by rote. This will not be very useful to the student if there is never an opportunity to make a turn in flight, or if the student has no knowledge of the function of airplane controls.

With proper instruction on the effect and use of the flight controls, and experience in controlling the airplane during straight-and-level flight, the student can consolidate these old and new perceptions into an insight on how to make a turn. At this point, the student has developed an understanding of the procedure for turning

the airplane in flight. This understanding is basic to effective learning, but may not necessarily enable the student to make a correct turn on the first attempt.

When the student understands the procedure for entering a turn, has had turns demonstrated, and has practiced turn entries until consistency has been achieved, the student has developed the skill to apply what has been learned. This is a major level of learning, and one at which the instructor is too often willing to stop. Discontinuing instruction on turn entries at this point and directing subsequent instruction exclusively to other elements of piloting performance is characteristic of piecemeal instruction, which is usually inefficient. It violates the building block concept of instruction by failing to apply what has been learned to future learning tasks. The building block concept will be covered later in more detail.

The correlation level of learning, which should be the objective of aviation instruction, is that level at which the student becomes able to associate an element which has been learned with other segments or blocks of learning. The other segments may be items or skills previously learned, or new learning tasks to be undertaken in the future. The student who has achieved this level of learning in turn entries, for example, has developed the ability to correlate the elements of turn entries with the performance of chandelier and lazy eights.

4.7 Principles of Learning

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.

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.

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. Students do not learn to weld during one shop period or to perform crosswise landings during one instructional flight. They learn by applying what they have been told and shown. Every time practice occurs, learning continues. The instructor must provide opportunities for students to practice and, at the same time, make sure that this process is directed toward a goal.

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. Experiences that produce feelings of defeat, frustration, anger, confusion, or futility are unpleasant for the student. If, for example, an instructor attempts to teach landings during the first flight, the student is likely to feel inferior and be frustrated.

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. Un-teaching is more difficult than teaching. If, for example, a maintenance student learns a faulty riveting technique, the instructor will have a difficult task correcting bad habits and re-teaching correct ones. Every student should be started right. The first experience should be positive, functional, and lay the foundation for all that is to follow.

Intensity: A vivid, dramatic, or exciting learning experience teaches more than a routine or boring experience. A student is likely to gain greater understanding of slow flight and stalls by performing them rather than

merely reading about them. 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. The aviation instructor should use imagination in approaching reality as closely as possible.

Regency: The principle of regency states that things most recently learned are best remembered. Conversely, the further a student is removed time-wise from a new fact or understanding, the more difficult it is to remember. It is easy, for example, for a student to recall a torque value used a few minutes earlier, but it is usually impossible to remember an unfamiliar one used a week earlier. Instructors recognize the principle of regency when they carefully plan a summary for a ground school lesson, a shop period, or a post flight critique. The instructor repeats, restates, or reemphasizes important points at the end of a lesson to help the student remember them. The principle of regency often determines the sequence of lectures within a course of instruction.

4.9 Theories of Learning

How do we learn? Three theories have been offered to explain the process by which we acquire patterns of behavior. These are classical conditioning, operant conditioning, and social learning.

Learning theory may be described as a body of principles advocated by psychologists and educators to explain how people acquire skills, knowledge, and attitudes. Various branches of learning theory are used in formal training programs to improve and accelerate the learning process. Key concepts such as desired learning outcomes, objectives of the training, and depth of training also apply. When properly integrated, learning principles, derived from theories, can be useful to aviation instructors and developers of instructional programs for both pilots and maintenance technicians.

Classical Conditioning: Classical conditioning grew out of experiments to teach dogs to salivate in response to the ringing of bell, conducted at the turn of the century by a Russian physiologist, Ivan Pavlov.

A Simple surgical procedure allowed Pavlov to measure accurately the amount of saliva secreted by a dog. When Pavlov presented the dog with a piece of meat, the dog exhibited a noticeable increase in salivation. When Pavlov withheld the presentation of meat and merely rang a bell, the dog had no salivation. Then Pavlov proceeded to link the meat and the ringing of the bell. After repeatedly hearing the bell before getting the food, 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 food was offered. In effect, the dog had learned to respond – that is, to salivate – to the bell. Let's review this experiment to introduce the key concepts in classical conditioning.

The meat was an unconditioned stimulus; it invariably caused the dog to react in a specific way. The reaction that took place whenever the unconditioned stimulus occurred was called the unconditioned response (or the noticeable increase in salivation, in this case). The bell was an artificial stimulus, or what we call the conditioned stimulus. While it was originally neutral, after the bell was paired with the meat (an unconditioned stimulus), it eventually produced a response when presented alone. The last key concept is the conditioned response. This describes the behavior of the dog salivating in reaction to the bell alone.

Using these concepts, we can summarize classical conditioning. Essentially, learning a conditioned response involves building up an association between a conditioned stimulus and an unconditioned stimulus. Using the paired stimuli, one compelling and the other one neutral, the neutral one becomes a conditioned stimulus and, hence, takes on the properties of the unconditioned stimulus.

Classical conditioning can be used to explain why Christmas carols often bring back pleasant memories of childhood—the songs being associated with the festive Christmas spirit and initiating fond memories and feelings of euphoria. In an organizational setting, we can also see classical conditioning operating. For example, at one manufacturing plant, every time the top executives from the head office were scheduled to make a visit, the plant management would clean up the administrative offices and wash the windows. This went on for years. Eventually, employees would turn on their best behavior and look prim and proper whenever the windows were cleaned—even in those occasional instances when the cleaning was not paired with the visit from the top brass. People had learned to associate the cleaning of the windows with the visit from the head office.

Classical conditioning is passive. Something happens and we react in a specific way. It is elicited in response to a specific, identifiable event. As such it can explain simple reflexive behaviors. But most behavior—particularly the complex behavior of individuals in organizations—is emitted rather than elicited. It is voluntary rather than reflexive. For example, employees choose to arrive at work on time, ask their boss for help with problems, or “goof off” when no one is watching. The learning of these behaviors is better understood by looking at operant conditioning.

Operant Conditioning: Operant conditioning argues that behavior is a function of its consequences. People learn to behave to get something they want or avoid something they don’t want. Operant behavior means voluntary or learned behavior in contrast to reflexive or unlearned behavior. The tendency to repeat such behavior is influenced by the reinforcement or lack of reinforcement brought about by the consequences of the behavior. Reinforcement, therefore, strengthens a behavior and increases the likelihood that it will be repeated.

What Pavlov did for classical conditioning, the late Harvard psychologist B. F. Skinner did for operant conditioning. Building on earlier work in the field, Skinner’s research extensively expanded our knowledge of operant conditioning. Even his staunchest critics, who represent a sizable group, admit that his operant concepts work.

Behavior is assumed to be determined from without—that is, learned rather than from within—reflexive or unlearned. Skinner argued that by creating pleasing consequences to follow specific forms of behavior, the frequency of that behavior will increase. People will most likely engage in desired behaviors if they are positively reinforced for doing so. Rewards, for example, are most effective if they immediately follow the desired response. Additionally, behavior that is not rewarded, or is punished, is less likely to be repeated.

You see illustrations of operant conditioning everywhere. For example, any situation in which it is either explicitly stated or implicitly suggested that reinforcements are contingent on some action on your part involves the use of operant learning. Your instructor says that if you want a high grade in the course you must supply correct answers on the test. A commissioned salesperson wanting to earn a sizable income finds that this is contingent on generating high sales in her territory. Of course, the linkage can also work in teaching the individual to engage in behaviors that work against the best interests of the organization. Assume your boss tells you that if you will work overtime. The next time your boss asks you to work overtime, what will you do? You will probably decline. Your behavior can be explained by operant conditioning: If a behavior fails to be positively reinforced, the probability that the behavior will be repeated declines.

Social Learning: Individuals can also learn by observing what happens to other people and just by being told about something, as well as by direct experiences. So for example, much of what we have learned comes from watching models—parents, teachers, peers, motion picture and television performers, bosses, and so forth. This view that we can learn through both observation and direct experience has been called social-learning theory.

While social-learning theory is an extension of operant conditioning that is, it assumes that behavior is a function of consequences – it also acknowledges the existence of observational learning and the importance of perception in learning. People respond to how they perceive and define consequences, not to the objective consequences themselves.

The influence of models is central to the social-learning viewpoint. Four processes have been found to determine the influence that a model will have on an individual. As we show later in this chapter, the inclusion of the following processes when management sets up employee training programs will significantly improve the likelihood that the programs will be successful.

1. **Attentional Processes:** People only learn from a model when they recognize and pay attention to its critical features. We tend to be most influenced by models that are attractive, repeatedly available, important to us, or similar to us in our estimation.
2. **Retention Processes:** A model's influence will depend on how well the individual remembers the model's action after the model is no longer readily available.
3. **Motor Reproduction Processes:** After a person has seen a new behavior by observing the model, the watching must be converted to doing. This process then demonstrates that the individual can perform the modeled activities.
4. **Reinforcement Processes:** Individuals will be motivated to exhibit the modeled behavior if positive incentives or rewards are provided. Behaviors that are reinforced will be given more attention, learned better, and performed more often.

4.10 Main Factors Affecting People's Learning

None of us learns in isolation. There are a whole range of factors that can help or hinder us in learning. They include factors within each of us - such as our motivation and our preferred learning styles - as well as external factors - such as the opportunities that exist for us to learn and the other demands that life makes on our time and resources.

The key factors affecting people's learning include:

- Their resources
- Their image of learning
- The rewards associated with any learning activity
- The availability of information about learning opportunities
- The availability of appropriate learning environments
- The climate in which learning takes place, especially that created by government and employers.

For example, in terms of environments, it is acknowledged that we learn best in a high-challenge, low-threat environment. Much thinking has gone into how that environment can be created. Often it is an individual teacher's enthusiasm and ability that influences how we learn. Most of us remember a good teacher or a strong role model from when we were young; someone who got us excited about their subject by teaching us in an interesting way.

Equally, many barriers to learning exist which prevent people from getting started on learning or make it impossible to continue however strong that person's determination. Some of the most commonly recognized barriers to people's learning include:

- Shortage of money for course fees and related expenses
- Lack of confidence
- Lack of provision
- Lack of tutorial support when studying
- Lack of personal support
- Courses organized at inappropriate times and inaccessible places

4.11 Summary

Learning brings more happiness than having sex, playing or watching sport or doing the National Lottery. During the last century we have moved from the Industrial Age through the Information Age to the Knowledge Age. The ability to obtain, assimilate and apply the right knowledge effectively will become a key skill in the next century. Our ability will no longer be judged solely by qualifications gained in the past, but will also be assessed by our capacity to learn and adapt in the future. Learning isn't just about economic success, however. It is the key to achieving our full potential. Human beings are uniquely adapted to learn and we have the ability to do so throughout our lives.

Learning has the power to transform us. Specifically, we can become more successful:

- At home and with our families
- At work
- At large in our local community

4.12 Self Assessment Questions

1. Define learning
2. State the importance of learning
3. Discuss the theories of learning
4. What are the characteristics of learning?
5. What do you understand by levels of learning?
6. Mention the principles of learning

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Unit - 5 : Reinforcement

Structure of Unit:

- 5.0 Objectives
- 5.1 Introduction
- 5.2 Reinforcement
- 5.3 Types of Reinforcement
- 5.4 Schedules of Reinforcement
- 5.5. Behaviour Modification
- 5.6 Steps in Behaviour Modification
- 5.7. Summary
- 5.8 Self Assessment Questions
- 5.9 Reference Books

5.0 Objectives

After completing this unit, you would be able to:

- To understand the concept of reinforcement
- Learn about the types of reinforcement
- To develop basic knowledge about reinforcement schedule
- To understand the relevance of reinforcement in shaping the behaviour of employees.
- Behavior modification and its implications in an organization.

5.1 Introduction

Behavioral theories of learning and motivation focus on the effect that the consequences of past behavior have on future behavior. This is in contrast to classical conditioning, which focuses on responses that are triggered by stimuli in an almost automatic fashion. Reinforcement theory suggests that individuals can choose from several responses to a given stimulus, and that individuals will generally select the response that has been associated with positive outcomes in the past. E.L. Thorndike articulated this idea in 1911, in what has come to be known as the *law of effect*. The law of effect basically states that, all other things being equal, responses to stimuli that are followed by satisfaction will be strengthened, but responses that are followed by discomfort will be weakened. B.F. Skinner was a key contributor to the development of modern ideas about reinforcement theory.

Skinner argued that the internal needs and drives of individuals can be ignored because people learn to exhibit certain behaviors based on what happens to them as a result of their behavior. Reinforcement theory of motivation overlooks the internal state of individual, i.e., the inner feelings and drives of individuals are ignored by Skinner. This theory focuses totally on what happens to an individual when he takes some action. Thus, according to Skinner, the external environment of the organization must be designed effectively and positively so as to motivate the employee. This theory is a strong tool for analyzing controlling mechanism for individual's behaviour. However, it does not focus on the causes of individual's behaviour.

Reinforcement is a term in operant conditioning and behavior analysis for a process of strengthening a directly measurable dimension of behavior. Reinforcement plays a central role in the learning process. By systematically reinforcing each successive step that moves an individual closer to the desired response/

behavior, it is possible to bring about positive changes in an individual's behavior. That is why it is also known as the method of shaping employee's behavior.

Reinforcement is only said to have occurred if the delivery of the stimulus is directly caused by the response made. In many cases in human behavior a reinforcing stimulus is something which is "valued" by the individual or which the individual "likes" (e.g. money). Stimuli that are "rewarding" or "liked" aren't always reinforcing: if an individual eats McDonald's (response) and likes the taste (stimulus), but believes that it is bad for their health, they may not eat it again and thus it will not be reinforcing in that condition. The study of reinforcement has produced an enormous body of reproducible experimental results. Reinforcement is the central concept and procedure in special education, applied behavior analysis, and the experimental analysis of behavior.

5.2 Reinforcement

The term reinforcement is conceptually related to the psychological process of motivation.

It is the process of encouraging/establishing a belief or pattern of behavior, especially by encouragement or reward.

An event, a circumstance, or a condition that increases the likelihood that a given response will recur in a situation like that in which the reinforcing condition originally occurred.

In the psychological theory of behaviorism, reinforcement is defined as the presentation of a stimulus following a response that increases the frequency of subsequent responses

Perception becomes learning only through reinforcement.

Perception = Stimuli ? Attention ? Recognition ? Translation ? Behavior.

(When this perception is reinforced it will become learning)

Learning = Stimuli ? Attention ? Recognition ? Translation ? Reinforcement ?
Behavior ? Habit

Reinforcement is a fundamental condition of learning. Without reinforcement, no measurable modification of behavior takes place. Reinforcement may be defined as the environmental event's affecting the probability of occurrence of responses with which they are associated.

Reinforcement increases the possibility of specific responses occurring in future as a result of evaluated stimuli. It increases the strength of response and induces repetitions of the response which is the outcome of the translated stimuli. No stimuli can take the shape of behavior unless reinforcement takes place during the learning process.

A *reinforcer* is a temporally adjoining environmental event, or an effect directly produced by a response (e.g., a musician playing a melody), that functions to strengthen or maintain the response that preceded the event. A reinforcer is established only if the strengthening or maintenance effect occurs.

Response strength is assessed by measuring the frequency, duration, latency, accuracy, and/or persistence of the response after reinforcement stops. Early experimental behavior analysts measured the rate of responses

as a primary demonstration of learning and performance in non-humans (e.g., the number of times a pigeon pecks a key in a 10-minute session).

Reinforcement is also known as “the method for shaping employee’s behavior through conditioning”, as it enables in shaping the behavior of employees. A habit is formed through repeated rewards attached to the behavior. The law of effects is used in reinforcement for getting the reward. Goal oriented reinforcement is long-lasting and increases the strength of response.

5.3 Types of Reinforcement

Reinforcement may either be positive or negative, extrinsic or intrinsic, primary or secondary or in the form of punishment and extinction. Systematic reinforcement of successive steps will move employees closer to the desired response hence bringing about improvement in the behaviour. The sole criterion that determines whether an item, activity or thing is reinforcing is the change that occurs with respect to the probability of occurrence of a behavior after administration of that potential reinforcer. Something is reinforcing only if it strengthens the response preceding it and induces repetitions of the response. In the behavioral theory, reinforcement is descriptive of an increased probability of a response.

5.3.1 Positive and Negative Reinforcement

Reinforcement whether positive or negative strengthens the response and increases the probability of repetition.

(1) Positive Reinforcement- strengthens and increases the behavior by the presentation of a desirable consequence. It assures desired consequences and pleasant achievements through strengthening of the present behavior or present new behavior. E.g. giving praise to an employee for the successful completion of a task.

(2) Negative Reinforcement -Strengthens and increases behavior by the termination or withdrawal of an undesirable consequence. In Negative Reinforcement a particular behaviour is strengthened by the consequence of the stopping or avoiding of a negative condition. In other words Negative Reinforcement strengthens a behavior because a negative condition is stopped or avoided as a consequence of the behavior. It simply avoids unpleasant tasks but it does not assure a pleasant performance for which positive reinforcement is essential in the organization.

Repeatedly warning employees against the careless handling of electrical machines is negative reinforcement as it attempts to avoid careless accidents. Negative reinforcement cannot be equated with punishment, as negative reinforcement strengthens and increases behavior while punishment weakens and decreases behavior. However both are considered to be forms of negative control of behavior.

For example: sometimes employees are not very active performers when the supervisor is not present in the factory. But if the supervisor enters the room all of a sudden the employees become active in order to avoid unpleasant rewards or negative reinforcement (warnings). But if the employees do not bother about the supervisor and the supervisor does not exercise negative reinforcement then they will continue to remain inactive and unproductive. In such situation employees will be punished by the supervisor for non-working and for their laxness by issuing suspension order.

In everyday life, nagging is one of the more common examples of negative reinforcement. If someone nags at you, and then you perform some behavior, then the nagging stops, you may perform that behavior again when the nagging starts another time.

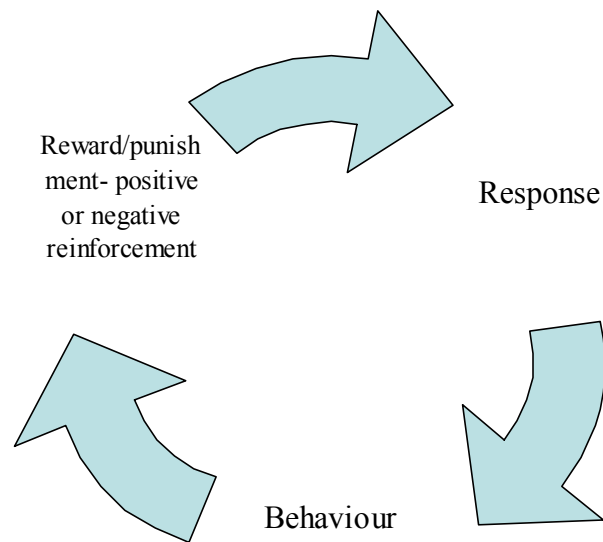


Figure - 5.1 : Reinforcement and Punishment Cycle.

5.3.2 Punishment and Extinction

At times, individuals might wish to eliminate behaviours that are considered to be undesirable. Two strategies that can reduce the probability of learned behaviour are extinction and punishment.

(1) Punishment is when a stimulus that follows a response leads to a lower likelihood of that response's recurring. It involves following an unwanted behaviour with some unpleasant, aversive stimulus. In general, organizations rely too heavily on punishment, and it should be used carefully and only when other methods of reinforcement fail to work. Reinforcement, either positive or negative, leads to a higher likelihood of a response recurring. Punishment is the reverse of reinforcement for altering the behavior. It is designed to discourage a particular type of behaviour. It does not contribute to learning the desired response. Indian workplaces generally use punishment for changing the behavior of the employees. Punishment is also a method of learning. It is generally used to make the employees learn particular type of behavior

Although it might appear that reinforcement and punishment are opposites, they are not. Punishment arouses negative emotions, (e.g., hate, disgust, and loathing). But, reinforcement does not similarly arouse positive emotions like love, liking, and attraction. Think of jilted suitors who ask why their partners left. They might wonder why their partners left even though they gave their partners expensive gifts. Those expensive gifts did not, in and of themselves, lead to love.

There are several principles that can increase the effectiveness of punishment:

- Make sure the chosen punishment is truly aversive.
- Punish immediately.
- Do not reward unwanted behaviours before or after punishment.
- Do not punish desirable behaviour by mistake.

Punishment can be an effective means of stopping undesirable behaviour when it is applied very carefully and deliberately. In general, reinforcing correct behaviours and extinguishing unwanted responses are safer strategies for managers than the frequent use of punishment.

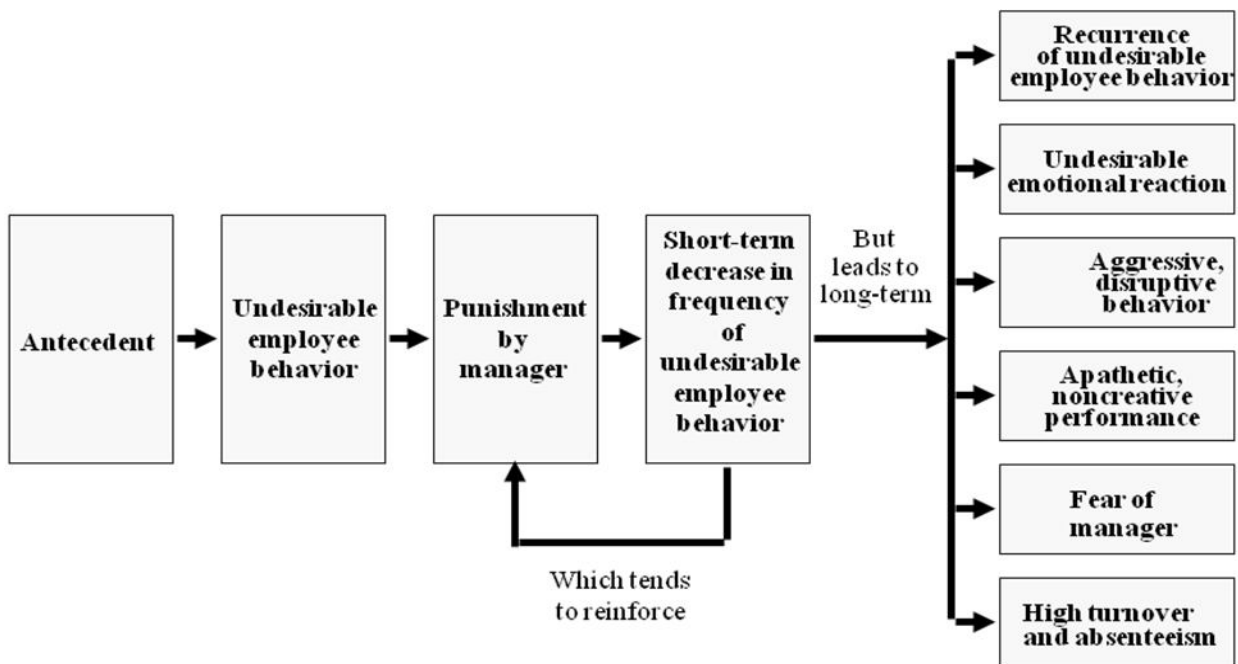


Figure - 5.2 : Potential Negative Effects of Punishment

(2) Extinction is the conditioning phenomenon in which a behavior that has been previously reinforced no longer results in the reinforcing consequences and, therefore, the behavior stops occurring in the future. It involves the gradual dissipation of behaviour following the termination of reinforcement.

For Example, if an employee misbehaves with his colleagues, the supervisor ignores his behaviour. This ignoring will extinguish undesirable behaviour. When learned response is not reinforced it will result in extinction. For example, if an employee is continually praised for the promptness in which he completes his work for several months, but receives no praise in subsequent months for such behavior, his desirable behaviors may diminish. Thus, to avoid unwanted extinction, managers may have to continue to offer positive behavioral consequences.

Extinction is similar to punishment in that its purpose is to reduce unwanted behavior. The process of extinction begins when a valued behavioral consequence is withheld in order to decrease the probability that a learned behavior will continue. Over time, this is likely to result in the ceasing of that behavior. Extinction may alternately serve to reduce a wanted behavior, such as when a positive reinforcer is no longer offered when a desirable behavior occurs.

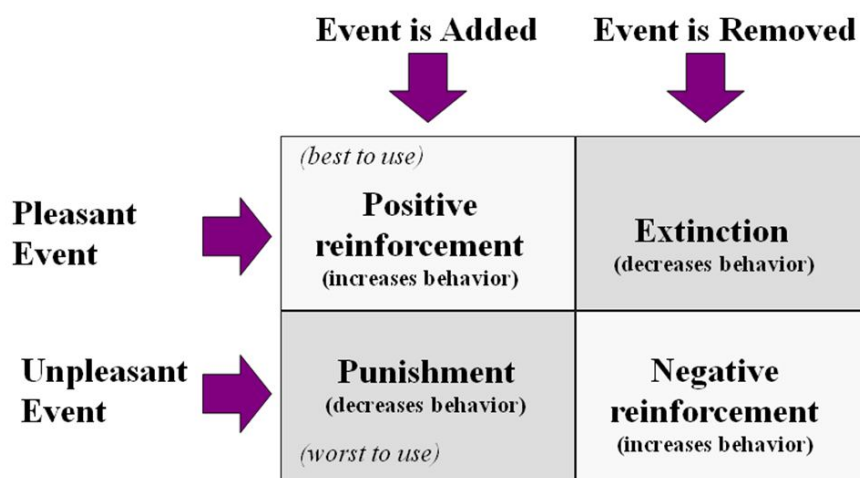


Figure - 5.3 : Types of Reinforcement

5.3.3. Extrinsic and Intrinsic Reinforcement

(1) Extrinsic Reinforcement is externally used by the employees to learn a particular type of behaviour. The employees are influenced by external cues and stimuli. The relationship between the supervisor and employees, monetary incentives and favorable work conditions are several examples of external reinforcement. The behavior of peers is also used for moulding the behaviour of the employees. Extrinsic reinforcement is external and has other activities influencing the learning process as reinforcement.

(2) Intrinsic Reinforcement - Intrinsic reinforcement is reinforcement that is done internally. In other words it is something we do to ourselves i.e. self reinforcement. It is self realization and improvement in behavior. Feelings and motives are also called as intrinsic reinforcement. It is personal, and relates to satisfaction, recognition, challenges, growth and responsibilities.

Extrinsic reinforcement is evaluated by employees and if accepted as useful will be converted into intrinsic reinforcement. The success of reinforcement depends how much it influences the internal drive of the employees.

5.3.4 Primary and Secondary Reinforcement

(1) Primary Reinforcement: It directly influences primary motivational drives it is related to the primary needs of people. Primary reinforcement has a clear causal connection between behavior and reinforcement, for example where complying with a simple request results in the reinforcement in the form of thanks.

(2) Secondary Reinforcement: Secondary reinforcement is less clear and is learned only through experience. Thus, for example, a person who cooks a friend a particular meal discovers after doing this several times that it seems to make the other person somewhat friendlier.

5.4 Schedules of Reinforcement

A schedule of reinforcement is a rule or program that determines how and when the occurrence of a response will be followed by the delivery of the reinforcer. In other words it refers to the timing of the behavioural consequences that follow a given behavior. Schedules of reinforcement influence how an instrumental response is learned and how it is maintained by reinforcement.

The timing of the behavioral consequences that follow a given behavior is called the reinforcement schedule. Basically, there are two broad types of reinforcement schedules: *continuous and intermittent*. Between these extremes is *intermittent or partial reinforcement* where only some responses are reinforced. If a behavior is reinforced each time it occurs, it is called continuous reinforcement. Research suggests that continuous reinforcement is the fastest way to establish new behaviors or to eliminate undesired behaviors. However, this type of reinforcement is generally not practical in an organizational setting. Therefore, intermittent schedules are usually employed. Intermittent reinforcement means that each instance of a desired behavior is not reinforced. There are at least four types of intermittent reinforcement schedules: fixed interval, fixed ratio, variable interval, and variable ratio.

5.4.1 Continuous Reinforcement

If a behavior is reinforced each time it occurs, it is called continuous reinforcement. Research suggests that continuous reinforcement is the fastest way to establish new behaviors or to eliminate undesired behaviors. For example, you as a researcher might present a food pellet every time the rat presses the lever. One of the biggest dangers when using this type of reinforcement is saturation (the organism basically gets full - you keep feeding it and it no longer wants the reinforcement because it is stuffed), so the idea that giving reinforcement all the time is the best way to teach/learn is not necessarily true.

However, this type of reinforcement is generally not practical in an organizational setting. Therefore, intermittent schedules are usually employed.

5.4.2 Intermittent Reinforcement

Intermittent Reinforcement is defined as when rules, rewards or personal boundaries are handed out or enforced inconsistently and occasionally, it means that each instance of a desired behavior is not reinforced. This usually encourages the person to keep pushing until they get what they want from you without changing their own behavior. It provides more opportunities to learn because the learner applies his mind during the interval of not getting instruction. It promotes more resistance to extinction. Desired behaviour is observed easily through reinforcement repeated after a gap and not every time.

When the supervisor continuously attends and follows the learning of operation process to make the learner conversant with each and every point of his learning, the learner become dependent on the trainer and may not apply their minds during performance.

In the case of intermittent reinforcement, the supervisor comes after a certain time and explains whatever is not clear to the employees. In this case, the learner applies his mind and tries to think clearly when the trainer is absent. The trainer comes after a gap of time. The gap between the first instruction and the second instruction makes the employees learn the behavior demonstrated in the first instruction.

Schedules are of two main types, *time-based* and *response-based*. Time-based schedules usually contain the word interval, as in time interval. Response-based schedules usually contain the word ratio, referring to the ratio of responses over time.

Main types of intermittent reinforcement schedules: *Fixed Interval, Fixed Ratio, Variable Interval, and Variable Ratio*.

(a) Fixed Interval Schedule: Schedules reinforce any response made during an unchanging interval i.e. it is based on a fixed time interval. Reinforcement is given after a specified period of time. The time interval is fixed for particular learning process. At the beginning of learning, a short interval is desirable which may extend further at a later stage of learning. The time interval is fixed after research to make the interval an effective and useful learning process.

(b) Variable Interval Schedule: The time schedule is not fixed. The learner is unaware as to when he will get the reinforcement. The supervisor has told the employees to work seriously. If any one is found inactive at any time, he may be punished. Reinforcement is given in an irregular or unsystematic manner, employees are not aware of time of reinforcement. Variable interval having uncertainty of reinforcement becomes more effective and useful.

(c) Fixed Ratio Schedule: Schedules deliver a reinforcer based upon a constant number of responses. The reinforcement is initiated after getting a fixed number of responses. Schedules deliver reinforcement after every n th response. For example, reinforcement is fixed after 20 responses. Rewards attached to the output also follow a fixed ratio schedule. If the reward is paid with the response, employees try to have a larger number of responses to get the reward. E.g. bonus linked with a particular level of productivity; whenever employees cross a level of productivity they are given a bonus or reward. Fixed ratio reinforcement may produce different responses because of different levels of understanding of employees.

(d) Variable Ratio Schedule: Reinforcement varies with the response and is not in a fixed ratio. Reward varies from individual to individual depending upon their levels of personality. Reinforcement is not fixed to

the number of stimuli. Variable reinforcement based on different levels of personality is expected to produce almost similar responses.

Let's examine some everyday examples of reinforcement schedules and their effects. A paycheck is a good example of a Fixed Interval schedule. Workers get a check once a week, for example, if they show up and work. They do not get rewarded for working harder, or penalized for working less.

Workers who work by the piece or by the job, piecework, are paid more if they produce more, and are paid less if they produce less. Piecework is an example of a Fixed Ratio schedule. Workers typically work harder on Fixed Ratio schedules than they do on Fixed Interval schedules.

Gambling is the classic example of a Variable Ratio schedule. Part of the allure of gambling is its uncertain payoff. Imagine a slot machine that paid off every 10th time; only the 10th pull would be exciting. A real slot machine, on the other hand, pays off on a random basis, so each pull is exciting. Variable Ratio schedules maintain behavior at very high rates.

SCHEDULE	FORM OF REWARD	INFLUENCE ON PERFORMANCE	EFFECTS ON BEHAVIOR
Fixed interval	Reward on fixed time basis	Leads to average and irregular performance	Fast extinction of behavior
Fixed ratio	Reward tied to specific number of responses	Leads quickly to very high and stable performance	Moderately fast extinction of behavior
Variable interval	Reward given after varying periods of time	Leads to moderately high and stable performance	Slow extinction of behavior
Variable ratio	Reward given for some behaviors	Leads to very high performance	Very slow extinction of behavior

Figure - 5.4 : Comparison of Schedules of reinforcement

Any schedule of reinforcement is not foolproof. Each reinforcement has its advantages and disadvantages. Therefore, considering the environment and level of employees, reinforcement schedule will be selected. Continuous reinforcement is useful for newly appointed employees with unstable and low frequency responses. It provides early satisfaction, but fades with the withdrawal of reinforcement. A variable interval schedule provides opportunities for high responses and more stable and consistent behaviour because of the uncertainty involved.

5.5. Behaviour Modification

Probably the best-known application of the principles of reinforcement theory to organizational settings is called behavioral modification, or behavioral contingency management.

Managers must always seek to mold employee behaviors to achieve better contributions to the company. This can involve supporting positive behaviors or reducing negative behaviors. Once your business has made a commitment to specific goals and the behaviors that will support the achievement of those goals, planning and training of management is required. Improvised responses to employee behaviors can result in confusion and continued behavior problems

Behavior modification is a empirically demonstrated behavior change techniques to increase or decrease the frequency of behaviors, such as altering an individual's behaviors and reactions to stimuli through positive and negative reinforcement of adaptive behavior and/or the reduction of behavior through its extinction and punishment. It is a therapeutic technique based on the work of B.F. Skinner, a famous psychologist who is known as the "Father of Behaviorism." Skinner developed a theory of operant conditioning, which states that all behavior is governed by reinforcing and punishing stimuli. Behavior modification uses a scheduled approach that rewards desired behavior and "punishes" undesirable behavior.

It is the application of principles of conditioning to the everyday world. For example, suppose you pick up your newborn every time you hear a cry. Soon, you will notice an increase in crying. Why? That child has learned that crying will be reinforced. Parents have to learn to extinguish their infants' crying by not picking them up.

5.6 Steps in Behaviour Modification

Typically, a behavioral modification program consists of four steps:

1. Specifying the desired behavior as objectively as possible.
2. Measuring the current incidence of desired behavior.
3. Functional analysis of the behavior
4. Development of an intervention strategy
5. Evaluation to ensure performance improvement

(1) Identify: The critical, observable and measurable work performance-related behaviors to be encouraged.

The first step in the modification of employee behavior is to identify favourable behavior (Critical Behaviour) as being distinctive from unfavourable behavior. In this step critical behaviour that makes a significant impact on performance of the employee as well as the organization is identified. Regardless of the type or level of an individual in an organization they exhibit a series of behaviour that have both positive and negative impact on performance. The goal of first step is to identify the critical behaviours (the 5 to 10 percent of the behaviours) that may account for up to 70 or 80 percent of the performance.

Methods for Identifying Critical Behaviours.

1. The Person Closest to the Job in Question: the immediate supervisor or the actual jobholder determines the critical behaviours.

2. To Conduct Behavioural Audit: conducted through internal staff specialist and outside consultants the jobs are analyzed using job analysis techniques.

After identifying critical behaviours unfavorable behaviour will be discouraged or de-motivated while desired and critical behaviours are accelerated in frequency for increasing productivity.

(2). Measurement of the Behaviour: It aim is to provide a baseline against which to measure improvement. After the critical behaviours have been identified they must be measured to find out their impacts on behavior. A baseline frequency is obtained by determining the number of times that the identified behaviour is occurring under present conditions. Sometimes the critical behaviours identified in step 1 may occur in much less or much more frequently than anticipated. It indicates that the problem is much smaller or bigger than it was thought of. Baseline measure is used to find out the frequency of critical behavior. If the frequency of occurrence of the critical behaviour is found to be too low it will not be deemed as behaviour that needs to

be changed. Organization is more interested in changing those critical behaviors that are frequently occurring and hampering the productivity of the organization.

Although the baseline is established before the intervention to see what happens to the behavior as a result of the intervention in the form of behaviour modification, managers are supposed to take the measurement of the behavior even after the intervention. The manager and supervisor who are closely associated with the employees should honestly record the behaviour and its impact on performance. It is essential that observational data should be recorded unobtrusively as possible. Many types of unfavorable behavior are openly recorded to amend employee behaviour and give them realization values for wrong behavior. When sincere and diligent employees are told about their mistake and are given opportunities, they would certainly amend their behaviour. Self-reporting and self appraisal systems are adopted in many organizations to give employees a sense of responsibility and realize the importance of proper behaviour.

3. Functional Analysis of the Behaviour: To find out antecedents of those behaviors and also to establish the consequences - positive, neutral or negative - that follow from those behaviors.

Once the performance behaviour has been identified and a baseline measure has been obtained, a functional analysis is performed to find out the critical point of modification. The types of behaviour are classified according to their uses and misuses. Each of the behavior is ranked to reveal the most compelling behavior for modification. Behavioural analysis is done on the basis of the cause-consequences relationships and cognitive processes. The cause or antecedent cues have certain behavioural consequences. Some favorable behaviour controls the desired results. Therefore, the relationship between behavior and performance and performance and results should be clearly established. The functional analysis will reveal the impact of unfavorable behaviour on performance. The behaviour that needs to be modified is revealed after the analysis.

4. Development of an Intervention Strategy: To strengthen desired behaviors and weaken dysfunction behaviors through the use of positive reinforcement and corrective feedback, and by providing punishment in some instances. Intervention is used to strengthen desirable and weaken undesirable behaviour. Positive reinforcement assumes that the employees are willing to use favourable behaviour. Useful contingents are used for getting desirable consequences. Negative reinforcement is used to avoid unfavorable and non-desirable behaviour. Positive reinforcement is more effective for modifying the behavior of employees.

5. Evaluation to Ensure Performance Improvement: systematically evaluate the effectiveness of the intervention in changing behavior and improving performance by comparing present performance with the original baseline measurement. Systematic evaluation of behavior helps in modification and improvement for achieving favorable behavior and performance. It involves reaction, learning, change and improvement of behavior. Reactions of employees are noted as cues for the direction and mode of modification. Positive reactions help to correct the behavior easily. While negative reactions are viewed as discontentment, which is to be explored and remedied. Modified behavior will give a positive response and performance.

Organizational Behavior Modification (OB-Mod)

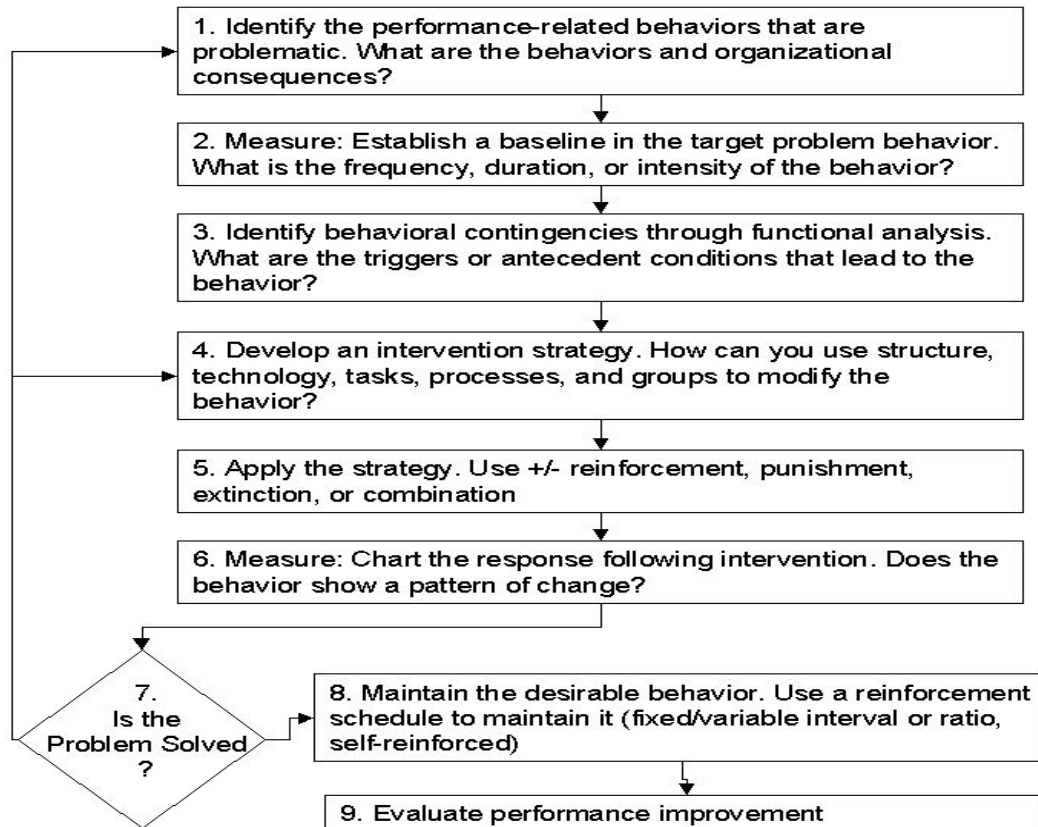


Figure 5.4 : Organisations Behaviour Modification (OB-MOD)

5.7. Summary

Reinforcement plays a central role in the learning process. By systematically reinforcing each successive step that moves an individual closer to the desired response/ behavior, it is possible to bring about positive changes in an individual's behavior. That is why it is also known as the method of shaping employee's behavior. Modification of behavior lays emphasis on self management. Employees are motivated to manage their own behavior. They are given positive reinforcement and favorable atmosphere to pay attention to positive stimuli, internal processes and responses to achieve a favourable response. They are given opportunities for self learning, self monitoring and adopting favourable behavior. Responsibility oriented employees are accustomed to self learning and self modification.

5.8 Self Assessment Questions

1. Define reinforcement? Discuss its use in any organization
2. Differentiate the difference between positive reinforcement and negative reinforcement
3. What is the relevance of punishment in an organization?
4. Elaborate about the different schedule of reinforcements?
5. What is behaviour modification?
6. What is the role of reinforcement in behavior modification?

5.9 Reference Books

- Fred Luthans, *Organisational Behaviour*, McGraw Hill Book Co., 1995.
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Unit - 6 : Personality

Structure of Unit:

- 6.0 Objectives
- 6.1 Introduction
- 6.2 What is Personality?
- 6.3 Personality Characteristics in Organization
- 6.4 Determinants of Personality
- 6.5 Traits of Personality
- 6.6 Theories of Personality
- 6.7 Personality Attributes in Organization
- 6.8 Desired Personality Characteristics for Effective Managers
- 6.9 Summary
- 6.10 Self Assessment Questions
- 6.11 Reference Books

6.0 Objectives

After completing this unit, you would be able to:

- Understand the concept of personality
- Discuss major determinants of personality
- Explain personality traits that is expected in an effective manager
- Relevance of different personality theories in understanding employee behavior
- Describe personality attributes that are relevant to organizational behavior
- Relevance of developing self for improving self efficiency

6.1 Introduction

All human beings come in different shapes and sizes; we all have certain strengths and weaknesses. What is right for one person may not be right for another; and sometimes our behaviour does not make any sense to others. We do have ability to manage some situations and not others; to manage some people and not others. All these relate to the question what sort of a person we are and what is our personality style. Personality represents personal characteristics that lead to a consistent pattern of behaviour. Personality is a very complex and multidimensional construct of a human being. Personality describes people commonalities and differences. Personality is stable over time. Knowledge and understanding of personality and personality types would help us to know and to develop our natural strengths and to accept or overcome our limitations. It can help us to explain and predict the behaviour of individuals in organizations, thereby improving the interpersonal relationships within an organization. People will, thus, be able to accept the ideas or actions of others, that these too are the result of the values and assumptions of others.

6.2 What is Personality?

Personality is a very complex and multidimensional construct of a human being. No common definition of personality has so far been arrived at. Every individual defines personality in different ways. "Personality is a dynamic organization within an individual of those psychological systems that determines his unique adjustment with the environment. It is a sum total of ways in which an individual reacts and interacts with others."

As far as physical aspect is concerned it relates to individual charm, attitude while dealing with others and smiling face can also be included into personality. Personality in terms of a set of relatively stable characteristics and tendencies that determine our thoughts, feelings and behaviour and which have some continuity or consistency over time.

According to **Robbins** “Personality is the sum total of ways in which an individual reacts to and interacts with others”

According to **Duch** Personality includes (1) External appearance and behaviour or social stimulus value (2) inner awareness of self as a permanent organizing force (3) the Particular pattern or organization of measurable traits both inner and outer the self.

Maddi (1980) defined Personality as “A stable set of characteristics and tendencies that determine those commonalities and differences in the psychological behaviour (thoughts, feelings, and actions) of people that have continuity in time and that may not be easily understood as the sole result of the social and biological pressures of the moment.

From the above definitions we can infer that all individuals have some universally common characteristics. Yet they differ in some other specific attributes. This makes it difficult for the managers to assume that they can apply same reward types or motivation techniques to modify the behaviors of different individuals. The definition, however, does not mean that people never change. In simple terms, it asserts that individuals do not change all at once. Their thoughts, feelings, values and actions remain relatively stable over time. Changes in individual's personality can, however, occur gradually over a period of time. The managers should, therefore, attempt to understand certain dimensions of personality. This can enable them to predict the behavior of their employees on a daily basis.

Some personality theorists stress the need for identifying person-situation as interaction. This is equivalent to recognizing the social learning aspects related to personality. Such a social learning analysis is one of the most comprehensive and meaningful ways included in the overall study of organizational behavior. From this perspective, personality means the way people affect others. It also involves people's understanding themselves, as well as their pattern of inner and outer measurable traits, and the person and situation interaction. People affect others depending primarily upon their external appearance such as height, weight, facial features, color and other physical aspects and traits.

6.3 Personality Characteristics in Organization

Hundreds of personality characteristics have been identified that are relevant to personality. Some characteristics with interesting implications in organizations are locus of control, self-esteem, self-efficacy, self-monitoring, and positive/negative affect.

(1) Locus of Control: The degree to which individuals perceive control over a situation being internal or external is called **locus of control**. Locus of control refers to the range of beliefs that individuals hold in terms of being controlled by self (internal locus) or controlled by others or the situation (external locus).

(2) Self-Efficacy: Generalized self-efficacy refers to a belief about one's own ability to deal with events and challenges. High self-efficacy results in greater confidence in one's job-related abilities to function effectively on the job. Success in previous situations leads to increased self-efficacy for present and future challenges.

(3) Self-Esteem: An individual's self-worth is referred to as **self-esteem**. Individuals with high self-esteem have positive feelings about themselves. Low self-esteem individuals are strongly affected by what others think of them, and view themselves negatively.

(4) Self-Monitoring: The extent to which people base their behavior on cues from other people and situations is **self-monitoring**. Individuals high in self-monitoring pay attention to what behavior is appropriate in certain situations by watching others and behaving accordingly. Low self-monitoring individuals prefer that their behavior reflects their attitudes, and are not as flexible in adapting their behavior to situational cues.

(5) Positive/Negative Affect: Individuals exhibit attitudes about situations in a positive or negative fashion. An individual's tendency to accentuate the positive aspects of situations is referred to as **positive affect**, while those accentuating less optimistic views are referred to as having **negative affect**. Employees with positive affect are absent from work less often. Negative affect individuals report higher levels of job stress.

6.4 Determinants of Personality

Personality is determined by heredity, environment (culture) and situation under which an individual works. The most widely studied determinants of personality are biological, social and cultural. People grow up in the presence of certain hereditary characteristics (body shape and height), the social context (family and friends) and the cultural context (religion and values). These three parts interact with each other to shape personality. As people grow into adulthood their personalities become very clearly defined and generally stable.

6.4.1. Heredity

Heredity is transmitted through genes, which determine hormone balance, which later determine physique and subsequently the personality. Heredity refers to acquiring from parents certain biological, physical and psychological commonalities, which are further reflected in physical stature, facial attractiveness, sex, temperament, muscle composition and even reflect. These factors have a deciding influence on how a person in an organization would display his reactions in a particular situation. Nature of health and psychological make up that an individual enjoys can be traced from the traits his parents possessed. Parents prominently pass on shyness, fear and distress to the next generation. In good organizations and particularly in defense services a detailed screening is carried out of the candidates based on the background of the parents as it relates to physique, psychological make up, disability and transferable disease as it has far reaching impact on the general health of the organization.

6.4.2. Environment

Every individual is born and brought up in a particular environment. Environment leaves an imprint on the personality of an individual. It is commonly seen that a doctor's son preferring his father's profession and a child of a soldier is entering into Defense Services. More advanced the socio-economic conditions of the society more would the children be forward thinking. Environment should be viewed from the point of view of norms, ethics and value that are observed and the attitude displayed by the social group. These factors actually formulate the culture of the society from which the organizations draw their human resource requirements. The cultural background is important to evaluate personality. In childhood, a parent, uncles, aunts and even neighbor's behaviour is copied by a child. It is therefore necessary to display an ideal behaviour on the part of all the adults' who come in direct contact with the children. Family moulds character of children through: role models, reinforcements, rewards and punishments. Other influences like first born and later born child will have different personality traits. First-born child would generally be commanding.

Female child would be more responsive and pass on sobering effect on younger brothers/sisters. It is therefore important to study early conditions under which the child has been brought up, norms followed in the family and the existence of cultural value system in the society. All these factors have a marked influence on the personality of an individual.

6.4.3. Situation

Individual has to interact with number of problems in a given situation, which does not remain constant. It is subject to change and hence fluid in nature. There is therefore a need to recognize the person-situation interaction. It can be social learning activity of personality. Thus personality is situational; the uniqueness of each situation and any measure of personality must be examined. Personalities therefore mean how people affect others, how they understand and view themselves, pattern of personality traits and person-situation interaction. For example individual modifies his behaviour based on situation. When an individual goes to temple he would be sober, generally put on plain clothes and bow. When the same individual goes for interview he would be armed with knowledge about the organization while in the club he would be merry making having a drink in his hand and meet friends and generally be in happy mood.

6.5 Traits of Personality

Earlier research related to personality revolved around attempts to identify and label enduring characteristics that describe an individual's behaviour. Popular characteristics include shy, aggressive, submissive, lazy, loyal and timid. These characteristics when they are enlisted in a large number it is called as personality traits.

Personality traits are very important in organizational behavior. It is the enduring characteristics that describe an individual's behavior. The more consistent the characteristic and more frequently it occurs in diverse situations, the more important that trait is describing the individual.

6.5.1. The Myers Briggs Type Indicator (MBTI)

One of the most widely used personality framework is called The Myers Briggs Type Indicator. MBTI is the most widely used personality tests. It is essentially a 100 question personality test that asks people how they usually feel or act in a particular situation. It taps four characteristics and classifies people in 1 to 16 personality tests.

On the basis of the answers the individuals are classified into following categories

(a) Visionary: A person who has been classified visionary based the MBTI results has an organized mind, has a great drive for new ideas and purpose. An individual is skeptical, critical and stubborn. He displays traits like working independently and has a high determination to achieve the desired goals, which are often challenging.

(b) Organizer: A person having great organizational ability would be practical, realistic and believes in what he sees. Organizers are generally successful businessperson persons involved in basic engineering jobs, and persons who are involved in assembling resources to run the organizations.

(c) Conceptualiser's: Persons who take quick decisions, they are ingenious and good at many things. They are resourceful, problem solver and have a tendency to neglect work, which is of a routine nature.

6.5.2. The Big Five Model

Personality traits of the manager influence the behavior of teammates in an organization. The major personality traits which influence the job behavior and performance are denoted by Big Five Personality traits: These

five factors encompass most of the significant variation in human personality; the following are the most significant five traits of personality.

(1) Extroversion: Extraverts tend to be gregarious, assertive, Sociable, and talkative. Introverts tend to be reserved, timid and quiet. It is a personality dimension describing some one who is sociable, talkative, and assertive. Extraverts tend to be friendly and outgoing and to spend much of their time maintaining and enjoying a large number of relationships. Introverts tend to be reserved and to have fewer relationship and they are more comfortable with solitude than most people are.

(2) Agreeableness: it refers to an individual's propensity to defer to others. Good-natured, cooperative and trusting. Highly agreeable people are cooperative, warm and trusting. It is a personality dimension that describing someone who is good matured, cooperative and trusting. It refers to an individual's personality to defer to other. High agreeableness shows harmony, cooperation and trust for other. People who score low on agreeableness focus more on their own needs than on the needs of others.

(3) Conscientiousness: it is measure of reliability. A highly conscientious person is responsible, organized, dependable, persistent and achievement-oriented. It is a personality dimension that describes someone who is responsible, dependable, and persistent and achievement oriented. This dimension refers to the no of goals on which a person focuses .A high conscientious person pursues fewer goals, in purposeful way, and tends to be responsible, persistent, dependable. Those who score low on this dimension tend to be more easily distracted, pursuing many goals and more hedonistic

(4) Emotional Stability: A personality dimension that characterizes someone as clam, self confident, secure (positive) and those with high negative scores tend to be nervous, anxious, depressed and insecure. It is a personality dimension that characterizes someone as calm, enthusiastic, secure positive versus tense, nervous, depressed and insecure (negative)

(5) Openness to Experience: Imaginative, artistically sensitive and intellectual. Those with extreme openness will be creative, curious and artistically sensitive.

The final dimension addresses one's range of interests, extremely open people are fascinated by novelty and innovation .They tends to be imaginative, artistically sensitive and intellectual. Those at the other and of the openness category appear more conventional and find comfort in the familiar.

Identifying the above "big five" traits related to performance reveals that personality plays an important role in organizational behavior. Besides physical appearance and personality traits, the aspects of personality concerned with the self-concept such as self-esteem and self-efficacy and the person-situation interaction also play important roles.

6.6 Theories of Personality

Personality theories are grouped into psychoanalytic, socio-psychological, trait and self theories. These theories differ markedly in the constructs they propose in forming the structure of the personality and also the way relates these constructs to behavior. They also differ in the methods they use to assess or measure an individual's personality.

1. Psychoanalytical Theory
2. Socio- psychological Theory
3. Trait Theory
4. Self Theory

6.6.1 Psychoanalytical Theory

It is based on the notion that man is motivated more by unseen forces than he is controlled by conscious and rational thought. Psychoanalytic theorists believe that human behavior is deterministic; that it is governed by irrational forces, and the unconscious, as well instinctual and biological drives. Due to this deterministic nature, psychoanalytic theorists do not believe in free will.

Sigmund Freud, Carl Jung, Alfred Adler, are some of the major psychologists who has contributed to the development of psychoanalytical theory.

The founder of psychoanalytical theory was Sigmund Freud. According to Freud, the mind can be divided into two main parts:

1. The conscious mind includes everything that we are aware of. This is the aspect of our mental processing that we can think and talk about rationally.
2. A part of this includes our memory, which is not always part of consciousness but can be retrieved easily at any time and brought into our awareness. Freud called this ordinary memory the preconscious.
3. The unconscious mind is a reservoir of feelings, thoughts, urges, and memories that outside of our conscious awareness. Most of the contents of the unconscious are unacceptable or unpleasant, such as feelings of pain, anxiety, or conflict. According to Freud, the unconscious continues to influence our behavior and experience, even though we are unaware of these underlying influences.

According to *Sigmund Freud's psychoanalytic theory of personality*, personality is composed of three elements—known as *the id*, *the ego* and *the superego*. These three elements work together to create complex human behaviors.

(a) The Id: The id is the only component of personality that is present from birth. This aspect of personality is entirely unconscious and includes instinctive and primitive behaviors. According to Freud, the id is the source of all psychic energy, making it the primary component of personality and it

is driven by the *pleasure principle*, which strives for immediate gratification of all desires, wants, and needs. If these needs are not satisfied immediately, the result is a state anxiety or tension.

For example, an increase in hunger or thirst should produce an immediate attempt to eat or drink. The id is very important early in life, because it ensures that an infant's needs are met. If we were ruled entirely by the pleasure principle, we might find ourselves grabbing things we want out of other people's hands to satisfy our own cravings. This sort of behavior would be both disruptive and socially unacceptable. According to Freud, the id tries to resolve the tension created by the pleasure principle through the primary process, which involves forming a mental image of the desired object as a way of satisfying the need.

(b) The Ego: The ego is the component of personality that is responsible for dealing with reality. According to Freud, the ego develops from the id and ensures that the impulses of the id can be expressed in a manner acceptable in the real world. The ego functions in the conscious, preconscious, and unconscious mind.

The ego operates based on the *reality principle*, which strives to satisfy the id's desires in realistic and socially appropriate ways. The reality principle weighs the costs and benefits of an action before deciding to act upon or abandon impulses. In many cases, the id's impulses can be satisfied

through a process of delayed gratification—the ego will eventually allow the behavior, but only in the appropriate time and place.

The ego also discharges tension created by unmet impulses through the secondary process, in which the ego tries to find an object in the real world that matches the mental image created by the id's primary process.

(c) The Superego: The last component of personality is to develop superego. The superego is the aspect of personality that holds all of our internalized moral standards and ideals that we acquire from both parents and society—our sense of right and wrong. The superego provides guidelines for making judgments. According to Freud, the superego begins to emerge at around age five.

There are two parts of the superego

1. *The ego ideal* includes the rules and standards for good behaviors. These behaviors include those which are approved of by parental and other authority figures. Obeying these rules leads to feelings of pride, value and accomplishment.
2. *The conscience* includes information about things that are viewed as bad by parents and society. These behaviors are often forbidden and lead to bad consequences, punishments or feelings of guilt and remorse.

The superego acts to perfect and civilize our behavior. It works to suppress all unacceptable urges of the id and struggles to make the ego act upon idealistic standards rather than upon realistic principles. The superego is present in the conscious, preconscious and unconscious.

The Interaction of the Id, Ego and Superego

With so many competing forces, it is easy to see how conflict might arise between the id, ego and superego. Freud used the term *ego strength* to refer to the ego's ability to function despite these dueling forces. A person with good ego strength is able to effectively manage these pressures, while those with too much or too little ego strength can become too unyielding or too disrupting. According to Freud, the key to a healthy personality is a balance between the id, the ego, and the superego.

6.6.2. Socio- Psychological Theory

According to this theory, individual and society are interlinked. This theory disagrees with Freud's contention. It is also called as Neo-Freudian theory. Researchers believe that social relationships are fundamental to the formation and development of personality.

Karen Horney was a social theorist. She believed that personality is developed as an individual learns to cope with basic anxieties that stem up from parent – child relationships. She proposed that individuals could be classified into three personality groups:

1. **Compliant** – Those individuals who moved toward others. They desire to be loved, wanted and appreciated.
2. **Aggressive** – Those individuals who move against others. They desire to excel and win admiration.
3. **Detached** – Those individuals who move away from others. They desire independence, self-sufficiency and freedom from obligations.

Contributions of Various Theorists About Socio- psychological Theory

Fromm: He emphasized about the importance of social context. It includes building social relation, making work more relevant, making the employee feel about social acts in his work and output.

Sullivan and Horney: They have given importance to interpersonal behavior including developing transactional abilities, viewing the people positively, developing positive attitude etc.

Adler: He emphasized on various variables which include career, networking, religious beliefs, balancing family and work requirements etc.

Socio-psychological theories emphasize that managers have to shape the personality of their employees through the interaction and interrelation of social and psychological needs.

6.6.3. Trait Theory

The trait theory suggests that individual personalities are composed of broad dispositions. A trait can be thought of as a relatively stable characteristic that causes individuals to behave in certain ways. Unlike many other theories of personality, the trait approach to personality is focused on differences between individuals. The combination and interaction of various traits forms a personality that is unique to each individual. Trait theory is focused on identifying and measuring these individual personality characteristics.

(1) Gordon Allport's Trait Theory: In 1936, psychologist [Gordon Allport](#) found that one English-language dictionary alone contained more than 4,000 words describing different personality traits.¹ He categorized these traits into three levels:

(a) Cardinal Traits: Traits that dominate an individual's whole life, often to the point that the person becomes known specifically for these traits. People with such personalities often become so known for these traits that their names are often synonymous with these qualities. Consider the origin and meaning of the following descriptive terms: Freudian, Machiavellian, narcissism, Don Juan, Christ-like, etc. Allport suggested that cardinal traits are rare and tend to develop later in life.

(b) Central Traits: These are the general characteristics that form the basic foundations of personality. These central traits, while not as dominating as cardinal traits, are the major characteristics you might use to describe another person. Terms such as *intelligent*, *honest*, *shy* and *anxious* are considered central traits.

(c) Secondary Traits: These are the traits that are sometimes related to attitudes or preferences and often appear only in certain situations or under specific circumstances. Some examples would be getting anxious when speaking to a group or impatient while waiting in line.

(2) Raymond Cattell's Sixteen Personality Factor Questionnaire

Trait theorist [Raymond Cattell](#) reduced the number of main personality traits from Allport's initial list of over 4,000 down to 171, mostly by eliminating uncommon traits and combining common characteristics. Next, Cattell rated a large sample of individuals for these 171 different traits. Then, using a statistical technique known as factor analysis, he identified closely related terms and eventually reduced his list to just 16 key personality traits. According to Cattell, these 16 traits are the source of all human personality. He also developed one of the most widely used personality assessments known as the Sixteen Personality Factor Questionnaire (16PF).

(3) Eysenck's Three Dimensions of Personality

British psychologist [Hans Eysenck](#) developed a model of personality, based upon just three universal traits:

(a) Introversion/Extraversion: Introversion involves directing attention on inner experiences, while extraversion relates to focusing attention outward on other people and the environment. So, a person high in introversion might be quiet and reserved, while an individual high in extraversion might be sociable and outgoing.

(b) Neuroticism/Emotional Stability: This dimension of Eysenck's trait theory is related to moodiness versus even-temperedness. Neuroticism refers to an individual's tendency to become upset or emotional, while stability refers to the tendency to remain emotionally constant.

(c) Psychoticism: Later, after studying individuals suffering from mental illness, Eysenck added a personality dimension he called psychoticism to his trait theory. Individuals who are high on this trait tend to have difficulty dealing with reality and may be antisocial, hostile, non-empathetic and manipulative.

(4) The Five-Factor Theory of Personality

Both Cattell's and Eysenck's theory have been the subject of considerable research, which has led some theorists to believe that Cattell focused on too many traits, while Eysenck focused on too few. As a result, a new trait theory often referred to as the "Big Five" theory emerged. This [five-factor model of personality](#) represents five core traits that interact to form human personality. While researchers often disagree about the exact labels for each dimension, the following are described most commonly:

1. Extraversion
2. Agreeableness
3. Conscientiousness
4. Neuroticism
5. Openness

Assessing the Trait Approach to Personality

While most agree that people can be described based upon their personality traits, theorists continue to debate the number of basic traits that make up human personality. While trait theory has objectivity that some personality theories lack (such as Freud's psychoanalytic theory), it also has weaknesses. Some of the most common criticisms of trait theory center on the fact that traits are often poor predictors of behavior. While an individual may score high on assessments of a specific trait, he or she may not always behave that way in every situation. Another problem is that trait theories do not address how or why individual differences in personality develop or emerge.

6.6.4 Self Theory

Carl Rogers is associated with Self Theory, the theory places emphasis on the individual as an initiating, creating individual influential in determining the behaviors within the environmental framework. It emphasizes on the totality of the human behavior and treats the organism as a whole. Self theory focuses on the individual's world as he perceives it. It is about individual's perception and interpretation of the experiences that determine behavior.

According to Carl Rogers there are three basic ingredients of personality the organism, the phenomenal field and the self.

There are four factors in the self concept.

1. Self Image: It is the way one sees oneself. Every person has certain belief about whom or what he is when these are combined together then they are categorized as an individual's self image or

identity. For E.g. a school teacher sees himself as the group leader who brings the skills of each student to the forefront. Erikson defined self image as a life long development largely unconscious to the individual and the society. Thus self image is the set of beliefs of one of what he is.

2. Ideal Self: It denotes the way one would like to be. The ideal self differ from self image. Self image indicates the reality of a person as perceived by him while ideal self indicates the position as perceived by him. There may be a gap between these two characteristics. Ideal self is important in stimulus selectivity because a person will select those stimuli for processing which fit in with the characteristics of his ideal self.

3. Looking Glass Self: It is the perception of an individual about how others perceive his qualities and characteristics. This is the perception of others i.e. the way one thinks people perceive him and not the way people actually see him. Looking glass self is perception of others. It is the outcome of face to face interaction with others from the very beginning of life.

4. Real Self: It is what one actually is. It is the real characteristics, values and attitudes of one self. The person adjusts and readjusts himself based on the responses of others and the environmental influences.

The first three aspects of self concept are the functions of individual perception and they may be same or different as the real self. An individual's self image is confirmed when other person's respond to him indicate their beliefs about who and what he corresponds with. An individual perceives a situation depending upon his self concept which has a direct influence on his behaviour. An individual with strong, positive self concept is quite likely to view world quite differently from one whose self concept is weak. But self concept does not necessarily mean or reflect reality. An individual may be highly successful or respected yet views himself as a failure. This means that a person with a different self concept needs different types of managerial practices.

The draw back of self theory is that it vaguely defines the terms like self actualization, self concepts and some other concepts that will not be of much value in making predictions of individual's behaviour.

6.7 Personality Attributes in Organization

Some of the important personality factors that determine what kind of behaviors are exhibited at work include the following:

Steers and Braunstein in (1976) developed a scale for the four needs of personality that is apparent in the work environment. They are as follows:

- (1) **The Need for Achievement:** Those with a high achievement need engage themselves proactively in work behaviors in order to feel proud of their achievements and successes.
- (2) **The Need for Affiliation:** Those in greater need for affiliation like to work cooperatively with others.
- (3) **The Need for Autonomy:** Those in need for autonomy function in the best way when not closely supervised.
- (4) **The Need for Dominance:** Those high in need for dominance are very effective while operating in environments where they can actively enforce their legitimate authority.

Each man's personality reveals itself in the way he works with his superior, his subordinates and other people. Some of the important personality factors that determine what kind of performance will be achieved or what kind of behavior is exhibited at work are Self- Concept and Self- Esteem, Machiavellianism, Locus of Control, Tolerance for Ambiguity, Type A and B Personalities, Introversion and Extroversion, Work-Ethic Orientation

(1) Locus of Control: Locus of control is the degree to which an individual believes that his or her behavior has direct impact on the consequences of that behavior. Some people, for example, believe that if they work hard they will certainly succeed. They, strongly believe that each individual is in control of his or her life. They are said to have an internal locus of control. By contrast, some people think that what happens to them is a result of fate, chance, luck or the behavior of other people, rather than the lack of skills or poor performance on their part. Because- these individuals think that forces beyond their control dictate the happenings around them, they are said to have an external locus of control.

As a personality attribute, locus of control has clear implications for organizations. For example, certain individuals have an internal locus of control, which means they have a relatively strong desire to participate in the management of their organizations and have a' freedom to do their jobs. Thus, they may prefer a decentralized organization where they have a right of decision-making and work with a leader who provides them freedom and autonomy. They may like a reward system that recognizes individual performance and contributions.

Conversely, people with an external locus of control, are likely to prefer a more centralized organization where they need not take any decisions. They may incline to structured jobs where standard procedures are defined for them. They may prefer a leader who makes most of the decisions and a reward system that considers seniority rather than merit.

(2) Introversion and Extroversion: ntroversion is the tendency of individuals, which directs them to be inward and process feelings, thoughts and ideas within themselves. Extroversion, on the contrary, refers to the tendency in individuals to look outside themselves, searching for external stimuli with which they can interact. While there is some element of introversion as well as extroversion in all of us, people tend to be dominant as either extroverts or introverts. Extroverts are sociable, lively and gregarious and seek outward stimuli or external exchanges. Such individuals are likely to be most successful while working in the sales department, publicity office, personal relations unit, and so on, where they can interact face to face with others. Introverts, on the other Hand, are quiet, reflective, introspective, and intellectual people, preferring to interact with a small intimate circle of friends. Introverts are more likely to be successful when they can work on highly abstract ideas such as R&D work, in a relatively quiet atmosphere. Since managers have to constantly interact with individuals both in and out of the organization and influence people to achieve the organization's goals, it is believed that extroverts are likely to be more successful as managers.

(3)Tolerance for Ambiguity: This personality characteristic indicates the level of uncertainty that people can tolerate to work efficiently without experiencing undue stress. Managers have to work well under conditions of extreme uncertainty and insufficient information, especially when things are rapidly changing in the organization's external environment. Managers who have a high tolerance for ambiguity can cope up well under these conditions. Managers, who have a low tolerance for ambiguity may be effective in structured work settings but find it almost impossible to operate effectively when things are rapidly changing and much information about the future events is not available. Thus, tolerance for ambiguity is a personality dimension necessary for managerial success.

(4) Self-Esteem and Self-Concept: Self-esteem denotes the extent to which individuals consistently regard themselves as capable, successful, important and worthy individuals. Self-esteem is an important personality factor that determines how managers perceive themselves and their role in the organization. Self-esteem is important to self-concept, i.e., the way individuals, define themselves as to who they are and derive their sense of identity. High self-esteem provides a high sense of self-concept, which, in turn, reinforces high self-esteem. Thus, the two are mutually reinforcing. Individuals with a high self-esteem will try to take on more challenging assignments and be successful. Thus, they will be enhancing their self-concept i.e., they would tend to define themselves as highly valued individuals in the organizational system. The higher the self-concept and self-esteem, the greater will be their contributions to the goals of the organization, especially when the system rewards them for their contributions.

(5) Authoritarianism and Dogmatism: Authoritarianism is the extent to which an individual believes that power and status differences are important within' hierarchical social systems like organizations. For example, an employee who is highly authoritarian may accept directives or orders from his superior without much questioning. A person who is not highly authoritarian might agree to carry out appropriate and reasonable directives from his boss. But he may also raise questions, express disagreement and even refuse to carry out requests if they are for some reason objectionable.

Dogmatism is the rigidity of a person's beliefs and his or her openness to other viewpoints. The popular terms 'close-minded' and 'open-minded' describe people who are more and less .dogmatic in their beliefs respectively. For example, a manager may be unwilling to listen to a new idea related to doing something more efficiently. He is said to be a person who is close-minded or highly dogmatic. A manager who is very receptive to hearing about and trying out new ideas in the same circumstances might be seen as more open-minded or less dogmatic. Dogmatism can be either beneficial or detrimental to organizations, but given the degree of change in the nature of organizations and their environments, individuals who are, not dogmatic are most likely to be useful and productive organizational members.

(6) Risk Propensity: Risk-propensity is the decree to which an individual is willing to take chances and make risky decisions. A manager with a high-risk propensity might be expected to experiment with new ideas and to lead the organization in new directions. In contrast, a manager with low risk propensity might lead to a stagnant and overly conservative organization.

(7) Machiavellianism: Machiavellianism is manipulating or influencing other people as a primary way of achieving one's goal. An individual tends to be Machiavellian, if he tends to be logical in assessing the system around, willing to twist and turn facts to influence others, and try to gain control of people, events and situations by manipulating the system to his advantage.

(8) Type A and B Personalities: Type A persons feel a chronic sense of time urgency, are highly achievement-oriented, exhibit a competitive drive, and are impatient when their work is slowed down for any reason. Type B persons are easy-going individuals who do not feel the time urgency, and who do not experience the competitive drive. Type A individuals are significantly more prone to heart attacks than Type B individuals. While Type A persons help the organization to move ahead in a relatively short period of time they may also suffer health problems, which might be detrimental to both themselves and the organization in the long run.

(9) Work-Ethic Orientation: Some individuals are highly work-oriented while others try to do the minimum Work that is necessary to get by without being fired on-the-job. The extremely work

oriented person gets greatly involved in the job. Extreme work ethic values could lead to traits of “workaholicism” where work is considered as the only primary motive for living with very little outside interests. For a workaholic turning to work can sometimes become a viable alternative to facing non-work related problems. A high level of work ethic orientation of members is good for the organization to achieve its goals. Too much “workaholicism”, might lead to premature physical and mental exhaustion and health problems, which is dysfunctional for both organization and the workaholic members. The above personality predispositions are important for individual, managerial and organizational effectiveness.

6.8 Desired Personality Characteristics for Effective Managers

There are some personality predispositions, which are favourable “to managerial effectiveness and to the success of managers. Apart from possessing the necessary skills and abilities, managers need to develop a high tolerance for ambiguity. There are many changes taking place in the internal and the external environment of an organization.. Naturally, several unpredictable factors are involved in any complex situation, which are beyond the managers’ control. Therefore, they should be able to, handle situations as they come, without experiencing undue stress. Thus, a high tolerance for ambiguity is a desired managerial trait. Managers with a good mix of achievements, affiliations and power will be successful in most situations. This is because they will have the drive to achieve the goals and the interpersonal orientation to get the job done through others. In sales and other people-oriented roles, extrovert managers will fit better in their jobs. Similarly, managers with internal locus of control will be more efficient as intellectual and skilled performers. Managers with good work ethic values, will get more involved in their jobs and make things happen. They are likely to be more successful in their jobs. Managers with Type A personalities may suit very well for some jobs, which have inbuilt performance pressures and deadlines, but they need to know how to relax through exercises and self-monitor their stress levels.

Personality is a relatively stable factor, but our predispositions can be changed through conscious choice. For instance, our tolerance for ambiguity and ability to handle stress can be considerably enhanced; the attributions we make for success such as internal versus external-locus of control can be changed. Also, our latent needs can be activated and our skills in decision-making can be increased through training programs and by deliberately making the necessary changes. Recognizing the essential ingredients for managerial success is the first step towards making the changes.

6.9 Summary

Learning about our personality type helps us to understand why certain areas in life come easily to us, and others are more of a struggle. Generally, People will normally gravitate toward others who have similar strengths and weaknesses. People’s values, beliefs, decisions, and actions will be greatly influenced by all four of the stronger dimensions in their typology. Although a person’s typology cannot be changed to its opposite, each person can learn to strengthen the weaker dimensions to some extent and to develop personal life strategies to overcome problems that result from the weaknesses. In summary, personality is a very diverse and complex cognitive process. It incorporates almost everything. As defined above, personality means the whole person. It is concerned with external appearance and traits, self and situational interactions.

6.10 Self Assessment Questions

1. Explain the concept of personality? How does it determine the behaviour of an individual?
2. “Most people believe that biological factors are important in determining the personality of a person”
Comment on this statement

3. What are the various personality theories? How will you integrate various theories to get a satisfactory theory of personality?
4. Elaborate about the major five personality traits showcased by effective managers?
5. Explain the major personality attributes that are relevant to be developed in a manager?
6. Critically examine the necessity of studying the personality of employees by a manager in work organization. How does the personality work?

6.11 Reference Books

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Unit - 7 : Leadership

Structure of Unit:

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7.0 Objectives

After completing this unit, you would be able to:

- Define Leadership;
- Summarize various leadership theories;
- Identify various leadership styles;
- Know various contemporary leadership roles
- Learn leadership effectiveness;

7.1 Introduction

Leadership is one of the most studied and hyped topic in management because organizations and societies are dependent on the leaders for their betterment. The concept of leadership is so deeply penetrated into the popular thoughts that the absence of leadership is often thought as an absence of a successful organization. Many organizations stuck in the situations where manpower is disorganized and feel immobile and feel a desperate need of direction. While in some organizations the situation is reversed. There majority aspire to lead and a few to follow. Thus a successful organization rest in the synchrony of actions of leaders and receptiveness of the followers. Many of the basic organizational problems like poor morale of employees, communication gap, ambiguous decisions, inefficient control and so on are attributed due to poor leadership. Thus in this chapter we will learn all about the process of leading people.

7.2 What is Leadership?

Leadership is a complex process by which a person influences others to accomplish a mission, task, or objective and directs the organization in a way that makes it more cohesive and coherent. A person carries out this process by applying her leadership attributes (belief, values, ethics, character, knowledge, and skills). Leadership may be defined as a position of power held by an individual in a group or an organization in which he exercise his influence on group member for reaching the assigned goals. The leader is at the core of the group or the organization, maintain the group and leads the group members toward the certain goals, Leaders may emerge because either they are most physically powerful, or they are appointed by those who have authority to do so or they are elected. Leadership exists in most groups irrespective of their size. Leadership is an ability to affect or influence other people's behavior to achieve certain goals. Various definitions of leadership are;

7.2.1 Definitions

- a) **According to Chester Barnard:** "Leadership is the ability of a superior to influence the behavior of his subordinates and persuade them to follow a particular course of action."
- b) **According to Stephan B. Robbins:** "Leadership is the ability to influence a group towards the achievements of a vision or sets of goals"
- c) **According to Tannanbaum:** "Leadership is interpersonal influence exercised in a situation and directed through communication process, towards the detainment of a specified goal or goals."
- d) **According to Terry:** "Leadership is essentially a continuous process of influencing behavior. A leader breathes life into the group and motivates it towards goals. The lukewarm desires for achievement and transferred into a burning passion for accomplishment."

7.2.2 Components

Following are the components of leadership:

- i) **Followers:** Different people require different style of leadership. E.g.- Leaders must know about the different requirement of his followers. A new employee requires more supervision then experienced one.
- ii) **Leaders:** A successful leader must influence his followers to get his work done.
- iii) **Communication:** The leader must lead through a two-way communication. The ease of communication results in less of ambiguous situations within a group.
- iv) **Situation:** What technique works in one situation does not necessarily work in another. So a leader must be able to make decision as per situation.

7.2.3 Characteristics

1. Leadership is a continuous process of influence and behavior.
2. It is dependent on situation.
3. It is a relationship between leader and followers formed for attaining a common goal.
4. It helps in attainment of common goal.
5. The followers work willingly and enthusiastically to achieve the goal under an able leader.

7.3 Theories of Leadership

Areas of leadership whether social, political or organizational is attracted by many theorist and thinkers. Several theories have been developed for to explain the phenomenon of leadership.

7.3.1 Personality Theories

- a) Great Man's Theory of Leadership
- b) Trait Theory

7.3.2 Behavioral Theories

- a) Ohio State Studies
- b) Michigan Leadership Studies
- c) Managerial Grid

7.3.3 Contingency Theories

- a) Fiedler Model
- b) Hersey and Blanchard 's Situational Leadership Theory
- c) Path Goal Theory
- d) LMX Theory

7.3.4 Decision Theory

- a) Vroom and Yetton's Leadership-Participation Model

7.3.1 Personality Theory:

It focuses on various personal qualities of a leader. It consists of two theories:

a) Great Man's Theory of Leadership: (Charismatic Leadership Theory) One of the early notions of the leadership was that a leader is born and the qualities of leadership are inborn. The great man's theory of leadership asserts that great leaders are born and not made. According to this theory leaders have qualities such as charm, commanding personality, influential personality, judgment, courage, intelligence and aggressiveness are such that they cannot be taught or learnt in a formal sense. One can either have them or not. Leadership qualities run in the family. It is something which is inherited from generations to generations. People turn to them instinctively for inspiration, solace and support. It is said that history of the world is nothing but the biography of great men and women.

Example: Napoleon Bonaparte the French King and a great military and political leader, Mahatma Gandhi and Steve Jobs of Apple Inc. are a great example of great man theory of leadership

Critique: There were no scientific basis for the Great man's theory of leadership. This theory was rejected on the basis of the following assumptions:

1. There is nothing like inborn leadership qualities. Inborn leaders are a misfit in the modern changing scenario and cannot prove their worth.
2. Leadership qualities can be achieved by proper training and education.
3. Situational factors along with leadership qualities are necessary to make decisions in any situation.

4. The Great Man's Theory does not have a scientific basis.

b) Trait Theory: It is a modification of great man's theory of leadership which states that there are certain traits that can be achieved or acquired through proper training and education.

Big Five Traits Model: These traits are very different traits of personality of a person but can be mixed in various proportions to form a personality of a leader.

i) Extroversion: Extroverts are social, assertive, open for new relationships, gregarious. It determines the comfort levels of a person with relationships and other persons. It helps in development of better interpersonal skills. It leads to enhanced leadership.

ii) Agreeableness: It refers to the person's ability to get along with others. It describes someone who is good natured, cooperative and trusting. These persons are better liked by others.

iii) Conscientiousness: It refers to the number of goals a person focuses at a particular time. It describes someone who is responsible, dependable, persistent and organized. It results in better organized and planned paths to achieve goals.

iv) Emotional Stability: It focuses on individual's ability to cope up with stress. It describes someone as calm, composed, confident and emotionally strong person. It ensures less negative thinking of a person and helps in job satisfaction.

v) Openness to Experience: It describes one's personality in terms of personality, sensitivity, curiosity and interest. It increases learning and helps person in becoming more flexible and adaptive to change.

Thus we can find out that traits can be predictable in determining the leaders and the appearance of the leadership qualities.

Critique: The traits theory can be questioned on:

1. It is not a scientific process
2. One cannot distinguish between the traits applied at different times by different people.
3. An individual's traits cannot make up his personality nor it fully reveal about his attitudes, values etc.

1.3.2. Behavioral Theory

Behavior theories focus on how the behavior of a leader influence other people and how they can behave to become effective leaders. It moves from traits or personality of a leader to actual behavior of a leader.

a) Ohio State Studies: The research began in late 1940s in Ohio State University. The researchers developed a questionnaire known as Leaders Behavior Development Questionnaire (LBDQ). The researchers found out two broad groups indicating most of the leadership behavior described by the employees. Those two groups were:

i) Consideration (People Oriented Behavioral Leaders) : It is described as the extent to which a leader acts in friendly or supportive manner, respect for subordinate's ideas, concern for welfare of subordinates and a relationship of mutual trust.

Examples: Doing personal favors to subordinates, Leader is helpful and approachable, treating a subordinate as equal etc.

ii) Initiating Structure (Task Oriented Leaders): The extent to which the leader defines and structures his role and those of employees in search of goal attainment.

Example: Maintaining working standards, assigning subordinates to task, asking to follow the standard procedures etc.

b) Michigan Leadership Studies: This study was concluded three types of behavioral characteristics for leaders:

i) Task Oriented behavior: Managers concentrate more on task related activities like planning and scheduling the work, providing equipment and technical assistance etc. These behaviors are similar to initiating structure of OHIO state studies.

ii) Relations Oriented behavior: The managers are more supportive and helpful for employees. These behaviors are similar to consideration of OHIO state studies.

iii) Participative Leadership: Leaders were more group oriented rather than individual subordinate oriented. Group meetings helps subordinate participation in various decision making process. Role of the manager it to guide the subordinates.

c) Blake & Mount Managerial Grid/ Leadership grid: It is based on styles of *concern of people* and *concern of production*.

a) Concern for production: Means attitude of managers towards factors considering production such as products, procedures etc.

b) Concern for people: Means the level up to which the commitment towards goal achievement, maintaining self esteem of the workers etc.

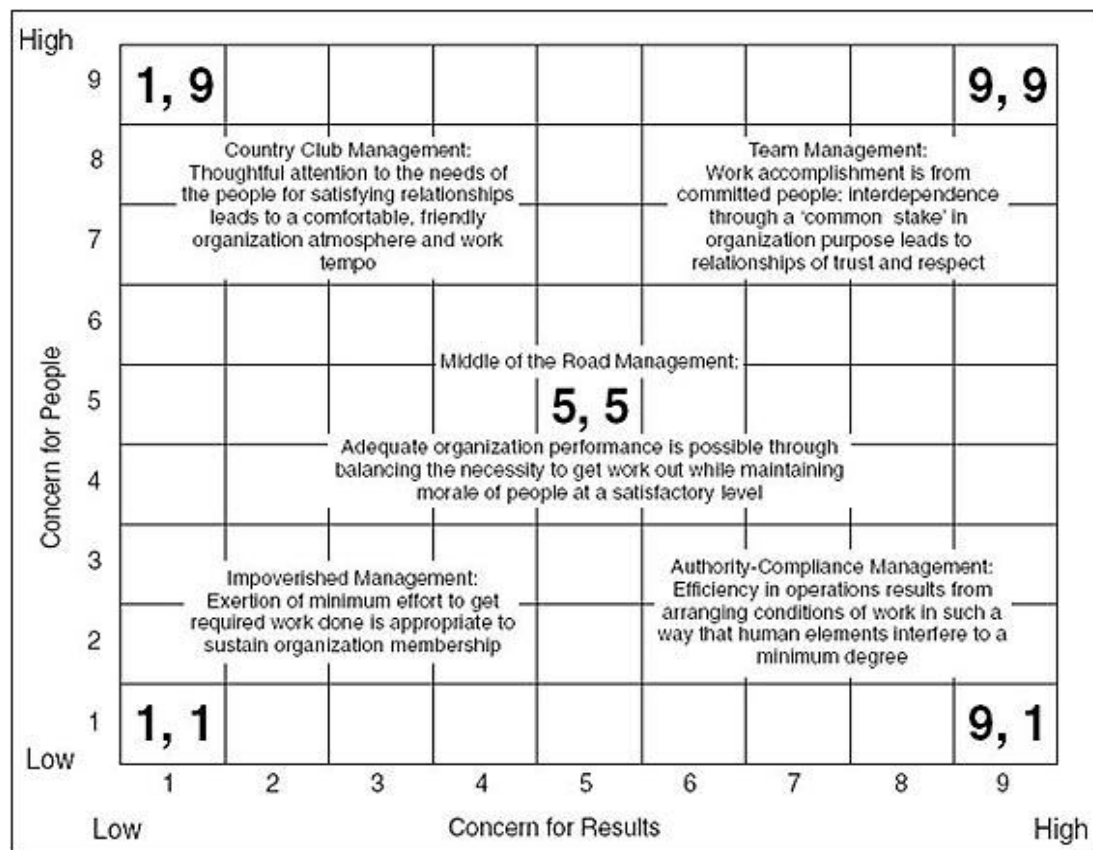


Figure -7.1

Leadership Styles Associated With Managerial Grid:

1. **The Indifferent or Impoverished (Low Production/Low People 1,1)** : Manager shows low concern for people. Managers use this style to save job and job seniority, protecting themselves by avoiding getting into trouble. As a result, disorganization, dissatisfaction and disharmony due to lack of effective leadership are present.
2. **Country Club Style (Low Production/ High People 1,9)**: The relationship-oriented manager has a high concern for people, but a low concern for production. He pays much attention to the security and comfort of the employees. He is almost incapable of employing the more punitive, coercive and legitimate powers. The organization will end up to be a friendly atmosphere, but not necessarily very productive.
3. **Produce, Dictatorial or Perish Style (High Production / Low People 9,1)**: An authoritarian or compliance leader. A task-oriented manager, he has a high concern for production and a low concern for people. He finds employee needs unimportant and simply a means to an end. He pressures his employees through rules and punishments to achieve the company goals.
4. **The Middle-of-the-road or The Status-quo Style (Medium Production / Medium People 5,5)**.: Balance and compromise. The manager tries to balance between the competing goals of the company and the needs of the workers. The manager gives some concern to both people and production, hoping to achieve acceptable performance. Consequently, compromises occur where neither the production nor the people needs are fully met.
5. **The Team or Sound Style (High Production / High People 9,9)**.: Contribute and commit. It is the ultimate. The manager pays high concern to both people and production. Motivation is high. This method relies heavily on making employees feel they are constructive parts of the company. Better employees and better working conditions results in higher production.

7.3.3. Contingency Theory

The personality and behavioral theories ignores situational factors in determining the success or effectiveness of leaders. Many later theorists assert that the emergence and success of leader is determined by several situational factors along with qualities and behavior of the leader itself

- a) **Fiedler's Contingency Model**: This model works on the theory that leadership effectiveness depends upon the situation. Fiedler advocated that any single style is not appropriate in all the situations. Different situations require different style of leadership. This model consists of three elements: leadership style, situational variables and their interrelationship.

Leadership Styles: Fiedler identified leadership styles on two dimensions:

Task Directed style: It is primarily concerned with the achievement of task performance.

Human Relations style: It is concerned with achieving good interpersonal relations and achieving a position of personal prominence.

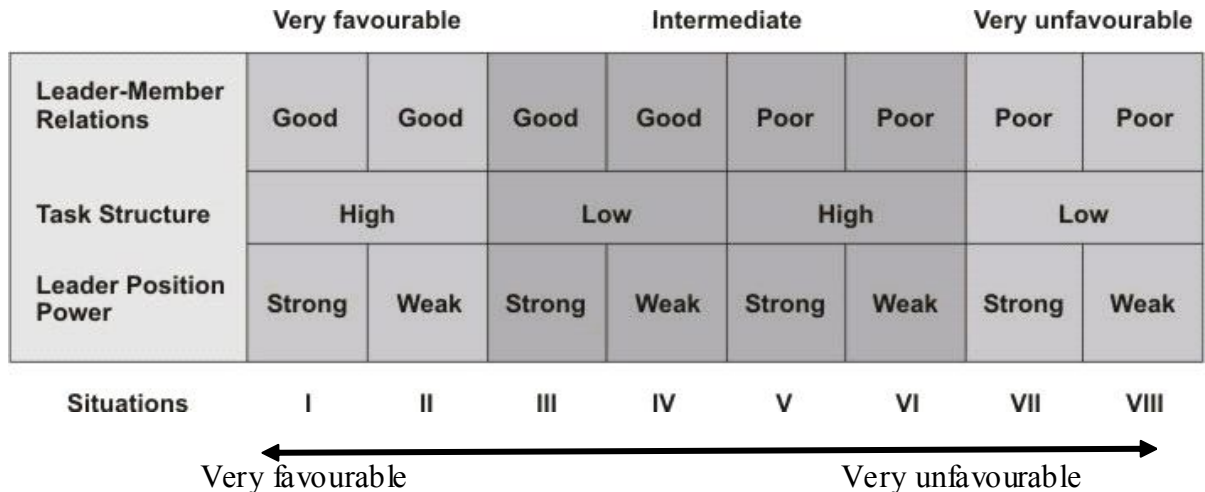
He used two types of scores of scores to measure the style adopted by leader: scores on least preferred co-worker (LPC) and scores on assumed similarity (AS) between opposites. Rating on LPC was based on individual's liking or disliking of working with other individuals and was measured on sixteen items such as pleasant-unpleasant, friendly-unfriendly, accepting-rejecting and so on. Rating on assumed similarity was based on degree to which leader perceived group members to be like him

Situational Variables: Fiedler identified three situational variables:

Leader member relations refers to degree to which followers have trust and confidence in the leader and the degree to which the leader understands his followers.

Position Power refers to the power associated with the job and the influence that go with the job.

Task Structure refers to the degree of the structured job tasks.



Favorableness/ unfavorableness of situation

Figure - 7.2

Relation Between Style and Situation Fiedler advocated that effectiveness of leadership depends on the situation. Task directed and human relations oriented styles tend to be effective in different situations. Task-directed leadership style tends to be better in group situations that are either very favorable or very unfavorable to the leader. Human relations leadership styles tends to be in group situations that are intermediate in favorableness.

Implications:

1. The favorableness of leadership situations should be assessed
2. Candidates for leadership positions should be evaluated using the LPC scale
3. If a leader is being sought for a particular leadership position, a leader with the appropriate LPC profile should be chosen
4. If a leadership situation is being chosen for a particular candidate, a situation should be chosen which matches his/her LPC profile

b) Hersey-Blanchard's Situational Model: The basic concept is that the most effective leadership style should vary with the “maturity level” of the subordinates.

Maturity Level refers to the following:

- i) The need for achievement, or motivation level of subordinates
- ii) Subordinate's willingness and ability to accept more responsibility.
- iii) Education and/or experience of subordinates with respect to the job.

When both components of maturity i.e. willingness and ability are combined we get the following combinations:

1. Low ability and low willingness- low maturity
2. Low ability and high willingness- low to moderate maturity.
3. High ability and low willingness- moderate to high maturity
4. High ability and high willingness- high maturity



Figure - 7.3

If we combine leadership style and maturity, we get the four leadership styles as follows:

1. **Telling:** When the subordinates have low ability and low willingness, they require telling leadership i.e. subordinates must be instructed in their tasks.
2. **Selling:** For subordinates who have high willingness but low ability selling leadership is required where, high employee-oriented behaviors are chosen.
3. **Participating:** Subordinates who have high ability but lack willingness requires high level of motivation. Here participating leadership is required where high support of leader is present.
4. **Delegating:** Subordinated have high level of maturity. Participative leadership in which low leadership support is required is use.

c) **Path-Goal Theory:** This theory is developed by Robert House. The basis of this theory is that it is the leader's job to give their followers information, support or other resources necessary for achievement of resources. It is a combination of situational leadership and Vroom's expectancy theory of leadership.

i) **Leader Behaviors:** House developed four leadership styles:

1. **Directive:** The leader gives subordinates orders and makes it clear what he expects from his subordinates.

2. **Supportive:** The leader exhibits the friendly behavior with the subordinates. He shows concern for his employees.
3. **Participative:** The leader makes decision with active participation of the employees.
4. **Achievement Oriented:** The leader sets challenges, seeks improvement of performance by displaying confidence in the abilities of the subordinates

ii) **Situational Variables:** The leader must consider two group situational variables-

1. **Characteristics of Subordinates:** There are three important variables in each employee relevant to effectiveness of leadership—centre of control, willingness to accept influence and self perceived task ability.
2. **Work Environment:** It consist of nature of task, formal authority system and work group.

According to path goal theory, leaders, to be effective, need to do the following: recognize the needs of those they manage and try to satisfy these needs through the workplace, reward people for achieving their goals, help subordinates identify the most effective paths they need to take to reach their goals, and clear those paths so that subordinates can reach their goals. The particular style of leadership that is effective in achieving these outcomes will depend on the contingency factors described above.

d) LMX Theory (Leader Member Exchange Theory): This theory focuses on the relationship developed by the leader with each member of the work group. It makes a dyadic relations between leader and follower. There are two distinct types of relationship between leader and the followers:

- i) **In-Group:** These are the members who go beyond their formal job description and leader in turn does more for these followers. They receive additional benefits or attention by the leaders.
- ii) **Out- Group:** Here the followers only try to work enough to fulfill their contractual obligations. They are more concern about the fulfillment of self interest.

Strengths:

1. It is very practical. It is very easy to find out the members of in-group and out-group.
2. It is the only theory which helps to find out the dyadic relationship between the leader and followers.
3. It notes the importance of communication in leadership.

7.3.4. Decision Theory

This theory says about what and how a leader makes decision.

Vroom and Yetton's Leader-Participation Theory: It is a normative model which gives a set of rules which should be followed in determining the form and amount of participation in decision making. This model is a decision tree incorporating seven contingencies and five alternative leadership styles. Vroom along with Arthur Jago improvised this theory. They expand the contingencies to 12. Vroom and Jago also developed a computer program to evaluate the problems and make the decisions. Vroom and associates have developed some specific, empirically supported contingency variables should be used while choosing the leadership styles.

7.4 Leadership Styles

Leadership styles refer to the pattern of behavior which a leader adopts in influencing the behavior of his followers. There are number of styles of leadership which are based on different theories.

1.4.1 Classical Leadership Styles

Styles in this approach are classified depending on how much authority is retained by leader versus how much is delegated to the subordinate employees.

- i) **Autocratic or Authoritarian Leader:** The autocratic leader makes his own decisions and then asks the employees to obey it. The employees are forced to carry out the orders of the leader. He is not the part of the group.
- ii) **Participative or Democratic Leader:** The leader who gives instructions only after consulting the group is a participative leader. He is actively involved in group. The decentralizes the managerial authority. It increases the acceptance of management's ideas.
- iii) **Free Rein or Laissez Faire Leader:** The leader leaves the group entirely to itself. The free rein leader avoids power. He is entirely dependent on team to identify problems and find the solution.

7.4.2 Tannenbaum and Schmidt Continuum of Leadership

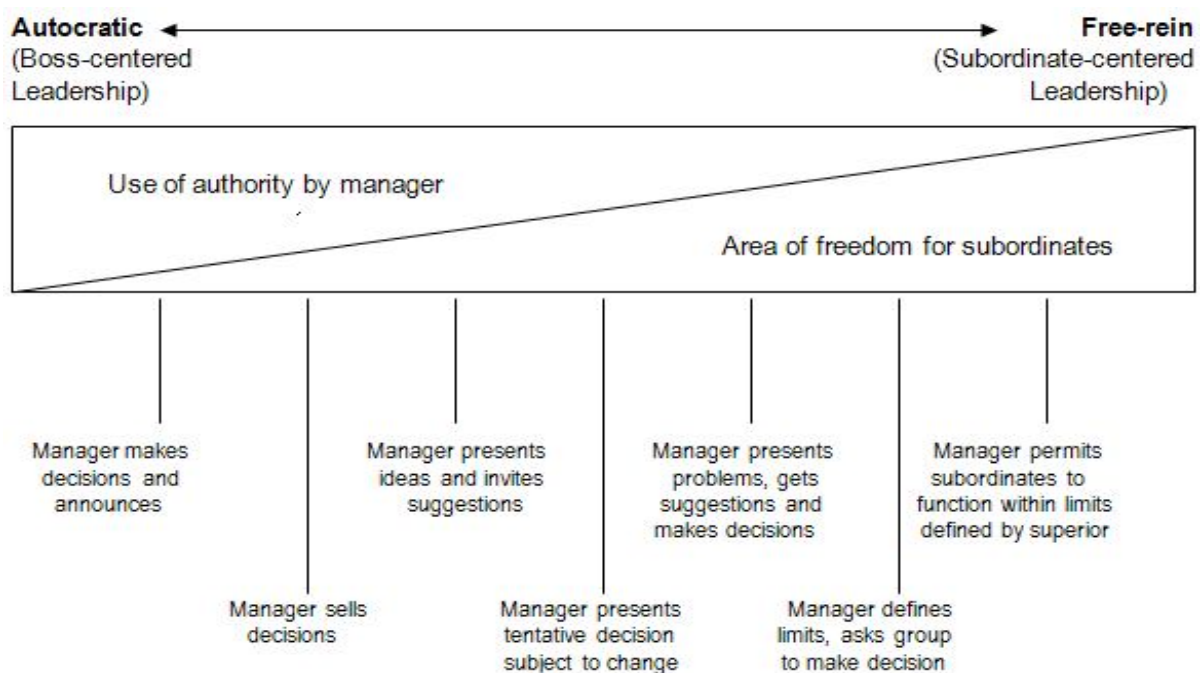


Figure - 7.4

- i) **Leader as an Announcer:** Here leader finds the problem, chooses an appropriate solution, makes decision and gives his subordinates to follow. He does not care about the thoughts of his subordinates.
- ii) **Leader as a Seller:** Leader identifies the problem, chooses appropriate solution and makes decision. But he tries to persuade his subordinates rather than forcing.
- iii) **Leader as a Clarifier:** Leader identifies the problem, arrives at a solution and makes his subordinates understand his line of thoughts. He clarifies all the doubts of his subordinates.
- iv) **Leader as a Senior Partner:** Leader identifies problem and comes up with a solution,

which is subject to change. He gives his subordinates a chance to voice their concerns and show the reactions before he finalizes his decisions.

- v) **Leader as a Seeker:** Here leader identifies the problem, seeks suggestion from subordinates and then makes the decision.
- vi) **Leader as an Equal Partner:** Leader defines the problem and sets the boundaries within which the decisions can be made by the subordinates.
- vii) **Leader as a Follower:** This is the extreme case. Here team identifies problem, identifies and find a solution and implements it.

7.4.3 Likert's style of Leadership:

Likert identifies four main styles of leadership:

- i) **Exploitative Authoritative:** Here the concern for people or employees is very low. Communication is downward i.e. from superiors to subordinates. The decisions are made top management
- ii) **Benevolent Authoritarian:** Here the leader adds the concern for people at an authoritative position. The leader now uses rewards to encourage appropriate performance and listens more to concerns lower down the organization. There is some delegation in decision making but most of the decisions are still made by the management.
- iii) **Consultative:** Leader makes efforts to listen to his subordinates. But they are involved in decision making in limited way.
- iv) **Participative:** Leader makes full use of group participation and involvement in setting performance standards. People across the organization are psychologically closer together and work well together at all levels

7.5 Contemporary Leadership Roles

Many leaders act as mentors, develop self-leadership skills in his employees and also exercise effective leadership even when not in face to face contact. Here we discuss these three contemporary leadership roles.

- a) **Mentoring :** Mentors are the senior employees who act as teachers for the new and less-experienced employees. They help employees in conception of the ideas, listen to the employees and solves the problem of the less experienced employees. The relationship between mentor and employee benefits both. It helps the mentor to have a full access to the lower employees, their problems , feelings etc. It helps an employees as a mentor helps in problem solving of the employee. Thus a mentor – employee relationship can result in success of a program or job.
- b) **Self-Leadership:** There are many behavioral qualities which an employees must control through various processes. Effective leaders help their followers to lead themselves. Self-managed and self-driven teams have much better results. A leader must develop such self-driven teams.
- c) **Online Leadership:** Now a days we have anytime-anywhere work culture. No face-to-face communication is present. So it is very difficult task for the leaders to lead people who are physically separated but only interactions is through digital messages. So the leaders must appropriately write their digital messages so as to motivate employees and to have a good relationship with them.

7.6 Leadership Effectiveness

The effectiveness of leaders is critical to organization's failure or success. Hence the leadership effectiveness is very important in business environment.

There are various determinants of effective leadership:

1. Effective leadership requires certain basic qualities among persons who assumes the role of leaders. These are necessary but not sufficient.
2. There is no ideal leadership style applicable for all kinds of situations. Various styles can be used for different situations.
3. The important situational factors which have an influence on leadership effectiveness are:

Task difficulty, skills of followers, attitudes of followers, relationship between leader and follower and the attitude of the leader itself.

Finding and Creating Effective Leaders: Till now we have learnt about various leadership styles and theories. But ultimately we have to find the answer the question : How organizations find effective leaders and how can effective leaders can be created?

Selecting Leaders: The process that organizations undergo to fill the management positions is an important exercise to identify the individuals who can effective in leading the organization. The search begins by identifying the qualities required by the individual for the particular job. What knowledge, skill and abilities are required for completing the job?

Various tests can be undertaken to identify the effective leaders. Personality tests which depict the traits associated with leadership – extraversion, conscientiousness and openness to experience etc can be used to find the right individual to fill the manager's post. Testing to find a leadership-candidate's score on self-motivation and self-monitoring can also be useful. Candidates with high motivation and high self-monitoring can prove to be better leaders than the ones who have a low score.

Interviews also help to identify the most suitable candidate. Prior experiences, Emotional Intelligence and various other traits are required to solve a situation. An interview is a good method to identify such candidate which has experience and intelligence to solve problems in a situation.

Organizations must plan ahead for leadership changes. Planning in advance helps to find the suitable candidate for the chair. E.g. - Former TATA group Chairman Ratan Tata names his successor Cyrus Mistry much before his retirement. It helped to identify the most appropriate candidate for the post of Chairman rather than haphazardly searching for one.

Training Leaders Companies spent a lot of money for the training of the employees and fitting them into the right jobs. Many organizations with the help of renowned business schools run leadership development programs.

7.7 Summary

Leadership is a basic tool for understanding the group behavior and group dynamics. It is the leader who provides the direction for attainment of a particular goal for the group. The trait theory shows the strong relationship with the leadership. It discussed that there are certain traits like extraversion, conscientiousness which help in leading a group in a better way.

The behavioral approach identified a relationship between people-oriented and task-oriented approaches. Initially these approaches were dismissed but recent studies have shown a significance of these approaches.

Contingency theory or situational theory formed the basis of the situational factors in decision making by the leaders. This theory concluded there are various relevant situational factors like task structure at job, level of group support. etc.

These various theories have enhanced our understanding of leadership. The Decision theory helps to identify the leadership styles by giving various contingency variables. These theories have helped us in finding the way of effective leadership.

Various leadership styles like classical, tannenbaum and likert's made us understand various leadership styles prevalent in the organizations.

Managers must know how to fill key positions in their organizations through tests, interviews etc. Many leaders can increase leadership potential by attending various courses, workshops, etc.

7.8 Self Assessment Questions

1. Define leadership as a process of influence. What are the various component of leadership?
2. What are various personality theories? Differentiate between Great Man's Theory and Trait Theory.
3. Discuss Ohio State Leadership Theory.
4. Define the basic principle of Contingency Theory of leadership. What is Fiedler's Contingency Model.
5. What are various leadership styles?
6. What is managerial grid provided by Blake and Mouton? What are the various leadership styles used in this grid?
7. What is path-goal theory of leadership?
8. How effective leaders can be created in an organization?

7.9 Reference Books

- Robbins, Judge, Sanghi. Organizational Behavior. Pearson Publication. 2009

Unit - 8 : Foundations of Group Behaviour

Structure of Unit:

- 8.0 Objectives
- 8.1 Introduction
- 8.2 What are Groups and How Are They Classified?
- 8.3 Classification of Groups
- 8.4 Stages of Group Development
- 8.5 Group Properties: Roles, Norms, Status, Size and Cohesiveness
- 8.6 Group Decision Making
- 8.7 Summary
- 8.8 Self Assessment Questions
- 8.9 Reference Books

8.0 Objectivesss

After completing this unit, you would be able to:

- To understand what is a group and differentiate between different types of groups.
- To know the reasons why people form groups.
- To identify the different stages of group development.
- Understand how role requirements change in different situations.
- How group size affects performance of the group.
- Identify advantages and disadvantages of cohesive groups.
- Compare the advantages and disadvantages of group decision making process.
- Highlight various techniques of group decision making process.

8.1 Introduction

Generally a number of people at a given place and time can be considered a group. People in the same department of an organization or students in a class can all be considered as groups. But from organizational point of view group has different meaning and definition. A group has two key elements, one is interaction among group members and other is interdependence over each other. It is an important point in consideration that a group to be effective should be smaller in size as it is difficult to interact closely with each other if group size is comparatively large.

8.2 What are Groups and How Are They Classified?

8.2.1 Defining Groups

A group is defined as two or more individuals, interacting and interdependent, who have come together to achieve particular objectives. There are two key elements in this definition that are important. First is the interaction amongst group members for example coworkers may work side by side on tasks that are related, but if they are not interacting with each other they are not a group in organizational sense of the word.

Second element of group is interdependence i.e influence of one group member over the other which means group members are mutually dependent with respect to achievement of common goals.

8.2.2 Reason for Group Formation

There are many reasons which influence group formation, most important being individual need satisfaction which means members of the group expect affiliation from each other to satisfy social need of theirs.

The most basic theory explaining group affiliation is geographic proximity. For example people working in the same area are more likely to form a group than those who are located at different places.

Although there may be many reasons why people join groups there are some reasons that stand out and are as follows:

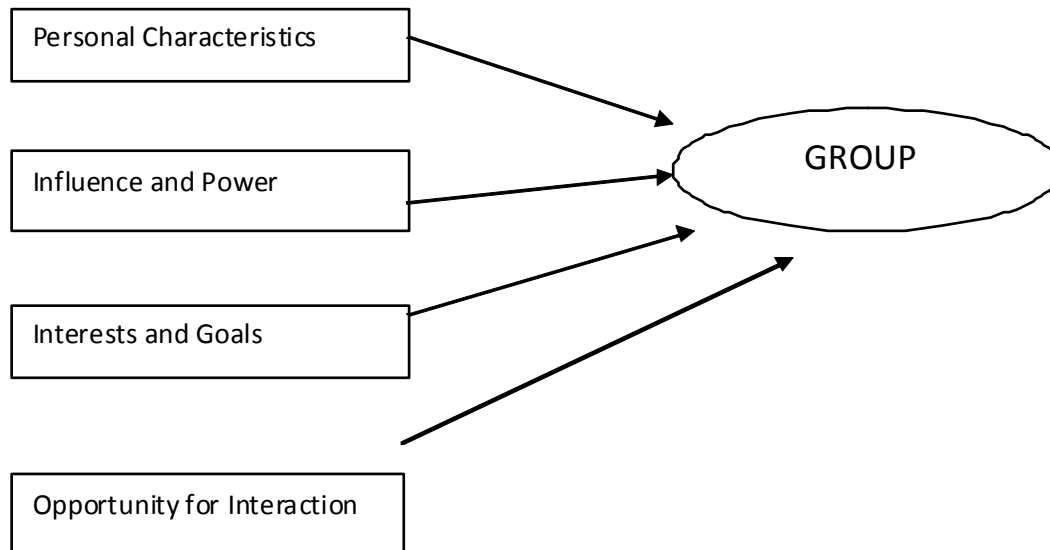


Figure - 8.1 : Reasons for group formation

- (I) Personal Characteristics:** Groups are more likely to be formed of people with similar attitudes, values and beliefs. Also people with similar political, religious affiliations and cultural similarities as also of same age, sex, intelligence or same interests are more likely to form themselves into groups.
- (II) Interests and Goals:** Interests and goals are common and require cooperation from others for achievement of goals and are a powerful force behind group formation. Individual with common goals tend to work together. For example within an organisation marketing people form a group, production people form another group and so do accounting people. Even though they have their individual goals, their organizational goals remain the same.

Some goals cannot be achieved by individuals and require group activity. For example buildings cannot be built by individuals alone and requires group efforts in all areas of buildings. If these individuals in the group with a common group and organizational goal also have similar personal characteristics than group cohesion can be strengthened and group efforts can be improved. Some groups are formed because of similar intellectual and recreational needs example golf clubs, chess clubs, football clubs etc. Groups are often organized to achieve problem solving and decision making tasks to design political and decision making strategies.

- (III) Opportunity for Interaction:** People when provided with opportunity to interact may discover that they have a lot in common thus leading to formation of groups. interaction leads to friendships and group formation for example people living in apartments, people travelling in same compartment of trains, people on a cruise etc have an opportunity to form informal groups.

In an organizational setting, management tries to create physical as well as psychological environment to increase interaction among individuals. Common cafeterias, coffee breaks given at the same time to induce higher interaction amongst group members.

(IV) Influence and Power: Mostly it is seen that managers listen to complaints of employees when employees approach them together in a group. The same managers may not listen to individual complaints. Groups also provide opportunity for individual members to become leaders of the group and influence other members with their views and reasoning. As a leader of a group he may influence people outside the group also. This gives him an opportunity to express his views and ideologies and this gives them increased public visibility and a chance to enhance their careers.

Activity A:

1. Why do individuals form groups or what are the benefits to individuals by becoming part of a group?
2. Do you think it is important to always have a positive attitude towards working in groups? Why or Why not?

8.3 Classification of Groups

Groups Can Be Either Formal Or Informal.

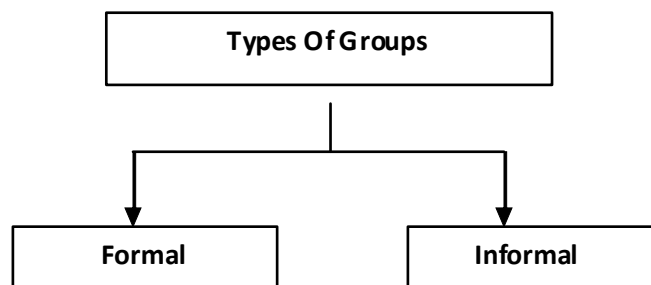


Figure - 8.2 : Types of Groups

8.3.1 Formal Group

Those defined by the organization's structure, with designated work assignments establishing tasks

The organization's managers to accomplish goals and serve the needs of the organization deliberately create formal groups. The major purpose of formal groups is to perform specific tasks and achieve specific objectives defined by the organization. The most common type of formal work group consists of individuals cooperating under the direction of a leader.

- a. The behaviors that one should engage in are stipulated by and directed toward organizational goals.
- b. Examples of formal groups are departments, divisions, taskforce, project groups, quality circles, committees, and boards of directors

It is possible to sub-classify groups as command, task, interest, or friendship groups.

- Command groups are dictated by the formal organization.
 - a. The organization chart determines a command group.
 - b. Composed of direct reports to a given manager

- **Task Groups**—organizationally determined—represent those working together to complete a job task. A task group's boundaries are not limited to its immediate hierarchical superior. It can cross command relationships.
 - b. For instance, if a college student is accused of a campus crime, it may require communication and coordination among the dean of academic affairs, the dean of students, the registrar, the director of security, and the student's advisor.
 - c. All command groups are also task groups, but the reverse need not be true.
- **An interest Group.** People who affiliate to attain a specific objective with which each is concerned.
 - a. Employees who band together to have their vacation schedules altered
 - b. Friendship groups often develop because the individual members have one or more common characteristics.
 - c. Social alliances, which frequently extend outside the work situation, can be based on similar age or ethnic heritage.

8.3.2 Informal Groups Satisfy Their Members' Social Needs

- a. These types of interactions among individuals, even though informal, deeply affect their behavior and performance.
- b. There is no single reason why individuals join groups.

Informal groups in organizations are not formed or planned by the organization's managers. Rather, they are self-created and evolve out of the formal organization for a variety of reasons, such as proximity, common interests, or needs of individuals. It would be difficult for organization to prohibit informal working relationships from developing.

Informal groups develop naturally among an organization's personnel without any direction from management. One key factor in the emergence of informal groups is a common interest shared by its members. For example, a group of employees who band together to seek union representation may be called an interest group

Activity B:

1. According to you what practices in your organization are considered formal and which are considered as informal?

8.4 Stages of Group Development

8.4.1 The Five-Stage Model

Groups generally pass through a predictable sequence of steps which is called as Five stage model of group development. The five stages are forming, storming, norming, performing and adjourning.

1. Forming: Characterized by a great deal of uncertainty about the group's purpose, structure, and leadership. Members are trying to determine what types of behavior are acceptable. Stage is complete when members have begun to think of themselves as part of a group.

2. Storming: One of intragroup conflict. Members accept the existence of the group, but there is resistance to constraints on individuality. Conflict over who will control the group. When complete, there will be a relatively clear hierarchy of leadership within the group.

3. Norming: One in which close relationships develop and the group demonstrates cohesiveness. There is now a strong sense of group identity and friendliness. Stage is complete when the group structure solidifies and the group has assimilated a common set of expectations of what defines correct member behavior.

4. 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. For permanent work groups, performing is the last stage in their development.

5. Adjourning: For temporary committees, teams, task forces, and similar groups that have a limited task to perform, there is an adjourning stage. In this stage, the group prepares for its disbandment. Attention is directed toward wrapping up activities.

Responses of group members vary in this stage. Some are upbeat, basking in the group's accomplishments. Others may be depressed over the loss of camaraderie and friendships.

Many assume that a group becomes more effective as it progresses through the first four stages. While generally true, what makes a group effective is more complex. Under some conditions, high levels of conflict are conducive to high group performance.

Activity C:

1. How might you apply your knowledge of the stages of development to your work?

8.4.2 An Alternative Model for Temporary Groups with Deadlines

Temporary groups with deadlines don't seem to follow the usual five stage model. They have their unique sequencing of actions :

- 1) Their first meeting sets the direction of the group
- 2) This first phase is that of inertia for group activity
- (3) A transition takes place at the end of this phase, which occurs exactly when the group has used half of its given time
- (4) A transition starts major changes
- (5) Second phase of inertia follows the transition
- (6) Groups last meeting is characterized by accelerated activity.

This pattern is called as Punctuated Equilibrium Model. This model is a set of phases that temporary groups go through and involves transition between inertia and activity.

8.5 Group Properties: Roles, Norms, Status, Size and Cohesiveness

Work groups have properties that shape member's behavior and help explain and predict individual behavior within the group as well as the performance of the group itself. Some of these properties include Roles, Norms, Status, Size and Cohesiveness.

1.5.1 Group Property 1: Roles

All group member are playing a role i.e., a set of expected behavior patterns attributed to somebody occupying a given position in a social unit.

Role Perception: it is the view of how we are supposed to act in a given situation. It is a fact that we indulge in certain types of behavior based on how we believe we are supposed to behave. We get these perceptions from stimuli all around us for example friends, books, movies etc.

Role expectations: They are the way others believe you act in a given context. The role of a supreme court judge is viewed as having propriety and dignity while football coach is seen as aggressive, dynamic and inspiring to his players. In the workplace role expectations are seen through the perspective of psychological contract between employers and employees, which sets out mutual expectations. It defines behavioral expectations that go with every role.

Management is expected to treat employees justly, provide good working conditions and communicate on how well employee is doing. Employees are expected to respond by demonstrating a good attitude, following directions and showing loyalty towards the organization. When expectations are not met negative results can be expected on employee performance and satisfaction from employees and similarly when employees expectations are not met by employers the result is some form of disciplinary action.

Role Conflict: This occurs when agreeing with one role requirement may make it difficult to agree with other. It is a situation in which an individual is confronted with divergent role expectations. During mergers and acquisitions employees are torn between their identities as members of original organization and of new company.

8.5.2 Group Property 2: Norms

Norms are acceptable standards of behavior within a group that are shared by the group's members which express what they they should and should not do under certain circumstances. Different group, societies and communities have different norms. Norms cover every aspect of behavior. There are different types of norms:

Most common is **performance norm** which tells about how hard members should work, what should be the level of output and how to get the work done. These norms are very powerful and significantly affect an individual's performance.

Appearance **norms** are about the dress codes, about the unsaid rules of when to look busy etc. Social **arrangement norms** are about with whom to have lunch with, whether to have friendships on and off the job .

Allocation of resources norms are related to assignment of difficult jobs, distribution of resources like money, equipment etc. All groups have established norms which are acceptable standards of behavior shared by their members that express what they should and should not do under certain circumstances. Unspoken and often unwritten set of informal rules that govern individual behaviors in a group. Group norms vary based on the group and issues important to the group. Without group norms Individuals would have no understanding of how to act in social situations.

8.5.3 Group Property 3: Status

Socially defined position or rank given to groups or group members by others. Status is a big motivator and has major behavioral consequences when individuals perceive a disparity between what they believe their status is and what others perceive it to be.

Status Characteristics Theory

Status is derived from one of three sources:

- Power a person has over others: they are likely to control group's resources, people who control the results or outcome are perceived to be of higher status.
- Ability to contribute to group goals: people whose contributions are critical to groups success tend to have a higher status.
- An individuals personal characteristics: someone whose personal attributes are valued positively by the group like good looks, intelligence, money etc. has typically higher status as compared to someone with fewer characteristics.

Status Effects: On Norms and Conformity

Status and Conformity: Groups place strong pressures on individual members to change their attitudes and behaviors to conform to group's standards.

The question is that whether people conform to the pressures of all the groups to which they belong, not truly as people belong to many groups and their norms differ and are also sometimes contradictory. Now what do people do? They conform to important groups to which they belong or feel would belong and these are called as Reference Groups. These are groups in which a person is aware of other members, defines herself/himself as a member.

Status and Norms: Status has effects on the power of norms and pressures to conform. High status individuals are often given more freedom to deviate from norms than are other group members. People in high status jobs have negative reactions to social pressure exerted by people in low-status jobs. High status people are also better able to resist conformity pressures than their lower-status peers.

Status and Group Interaction: People high in status seem to be more assertive group members who often speak out more, criticize more, give more commands and interrupt others. But status differences inhibit diversity of ideas and creativity in groups, as low status people participate less actively in group discussions and they are not likely to share their expertise thus affecting group performance.

Status Inequity: If status is perceived to be inequitable it will result in various forms of corrective behavior. it is important for employees to believe that status hierarchy is equitable.

8.5.4 Group Property 4: Size

Group size affects behavior (Twelve or more members is a "large" group -Seven or fewer is a "small" group).

Smaller group research shows are faster at completing task and doing something productive. They are also found to be more effective for taking action. Larger groups are found to be more effective in problem solving.

Social Loafing: The tendency for individuals to expend less effort when working collectively than when working individually caused by either equity concerns or a diffusion of responsibility

Managerial Implications of this are build in individual accountability

Prevent social loafing by:

- Set group goals
- Increase intergroup competition
- Distribute group rewards based on individual effort
- Use peer evaluation

8.5.5 Group Property 5: Cohesiveness

Degree to which group members are attracted to each other and are motivated to stay in the group

Managerial Implications

- Make the group smaller.
- Increase time members spend together.
- Stimulate competition with other groups
- Physically isolate the group.
- Encourage agreement with group goals.
- Increase group status and admission difficulty.
- Give rewards to the group, not to individuals.

8.6 Group Decision Making

Today many of the decisions of organizations are made in teams, groups or committees.

8.6.1 Advantages of Group Decision Making

1. Groups create information and knowledge that is more complete and better.
2. When resources of different individuals are collected it brings in heterogeneity in the decision making process.
3. Groups also lead to enhanced acceptance of a solution when decisions are taken in a group rather than an individual.

8.6.2 Disadvantages of Group Decision Making

1. They are more time consuming as groups take more time to reach a solution.
2. There are also pressures to conform to the group and members desire to be accepted by group can hinder any disagreements.
3. Group discussion can be dominated by one or few members because if the group comprises of some low or medium ability members groups overall effectiveness will suffer.
4. Group decisions also suffer from non-clarity of responsibility as in individual decision it is clear who will be accountable for outcome.

8.6.3 Two By-products of Group Decision are

(I) Groupthink

(II) Groupshift

First phenomenon groupthink is related to norms and describes situations in which group pressures for conformity affect the group from critical appraisal of unusual, unpopular or minority views. Groupthink is like a disease which can attack many groups and affect their performance.

Second phenomenon is groupshift which describes the way in which in discussing a given set of alternatives and reaching a solution group members tend to exaggerate the initial positions taken. Sometimes group decisions are more conservative whereas more often they lean towards greater risk. Conservatives tend to become more cautious whereas aggressive types take high risks.

8.6.4 Group Decision-Making Techniques

Most common form of group decision making takes place in **Interacting Groups**. Here members meet each other face to face and depend on both verbal and non-verbal ways to communicate. But it is observed that interacting groups often restrict themselves and pressure individual members towards conformity of opinion.

Brainstorming : it is a process in which ideas are generated by encouraging any and all alternatives without criticizing any of those alternatives. Members of a group sit together and group leader states a problem in a clear manner for all members to understand. Discussion takes place and as many alternatives are generated without criticizing any of those.

Nominal Group Technique : It is a technique where discussions or interpersonal communication is restricted during the decision making process. Members of the group before meeting writes their ideas independently, and after that each member is allowed to present their idea. No discussion takes place until all ideas are recorded. Later on group discusses the ideas and evaluates them. Each member then independently rank orders the ideas. The idea with highest ranking is considered for final decision.

8.7 Summary

A group is comprised of two or more individuals ,interacting and interdependent who have come together to achieve a common goal. Groups can be either formal or informal. Formal groups are those which are formed with a purpose by a formal authority to achieve certain objectives whereas informal group are those which are formed naturally in response to some common interests of members of the organization. Members of the informal groups become friends and support each other leading to the formation of a cohesive group. Cohesive group is more powerful and has greater influence in achieving goals. People join groups mainly for following reasons viz., Security, Status, Self-esteem, Affiliation, Power and Goal achievement. Also, a group has more power to achieve individual goals for its members than the individual by himself. Larger groups are more effective at fact-finding activities whereas smaller groups are good at action-taking tasks.

Group decision making has various advantages. First group members are generally broad based with different expertise and bring more knowledge and information for decision process. Also the process is more democratic and participative making it easily acceptable by group members.

But group decision making process is not free from problems also. The process is time consuming and costly and may be unsuitable for crisis situations. Group decisions can also be dominated by one or few members.

These problems can be avoided if clear guidelines are followed in making decisions. The purpose of group formation and agenda should be clearly defined.

There are many techniques which are adopted in group decision making process depending upon type of problems under consideration.

In general group decisions are superior to individual decisions in situations which are extraordinary and cannot be resolved by solutions to known methodologies.

8.8 Self Assessment Questions

1. Define a group. Explain different types of groups?
2. Discuss the five stages of group development?

3. How do group norms and status influence an individual's behavior?
4. How does group size affect performance?
5. Discuss how status affects performance?
6. Do you think role requirements change in different situations? If so, how?
7. Discuss the concept of Group Cohesiveness?
8. Explain in detail the advantages and disadvantages of group decision making process?
9. Explain the concept of Groupthink and Groupshift?
10. Discuss the various techniques of Group decision making process?

8.9 Reference Books

- Robbins, Judge, Vohra (2011), Organizational Behavior, Pearson Education, fourteenth edition
- Jit S Chandan (2009), Organizational Behavior, Vikas Publications, Third Edition
- Arun Kumar, N Meenakshi (2009), Organizational Behaviour, A Modern Approach, Vikas publications

Unit - 9 : Understanding Work Teams

Structure of Unit:

- 9.0 Objectives
- 9.1 Introduction
- 9.2 Why Teams are Becoming Popular Nowadays in Organizations?
- 9.3 Differences between Groups and Teams
- 9.4 Types of Teams
- 9.5 Creating Effective Teams
- 9.6 Turning Individuals into Team Players
- 9.7 Implications for Managers
- 9.8 Summary
- 9.9 Self Assessment Questions
- 9.10 Reference Books

9.0 Objectives

After completing this unit, you would be able to:

- Understanding why teams have become so popular in organizations
- Understand the difference between teams and groups
- Compare and contrast different types of teams
- Identifying characteristics of effective teams
- Identifying various techniques of effective team building
- Understanding contemporary issues in managing teams

9.1 Introduction

Teams are increasingly becoming primary way for organizing working in most modern organizations today. Teams can achieve high levels of participation, cooperation and collaboration among its members if three basic conditions are fulfilled i.e. mutual trust among members, a sense of group identity, and a feeling of group-efficacy i.e. a belief that team can perform well and that team members are more effective working together than apart.¹

9.2 Why Teams are Becoming Popular Nowadays in Organizations?

Some time ago when concept of teams got introduced in organizations like Tata Motors, Volvo etc. it made news since no one else was using it². But today that organization that doesn't use teams makes news. Teams are found in almost every organization.

As restructuring takes place in organizations to compete more effectively an deficiently teams are required to use employee talents.

Teams provide a better response to changing events than other forms of groupings in the organization.

They also quickly assemble, organize, refocus and split.

Teams also facilitate employee participation in operating decisions.

They are an effective means for management to democratize organizations and enhance employee motivation.

Activity A:

1. Do you think teams are really effective?" How do people work together in teams?

9.3 Differences between Groups and Teams

1. A work group is a group that inter-acts primarily to share information and to make decisions to help one another perform within each member's area of responsibility.
 - a) Work groups have no need or opportunity to engage in collective work that requires joint effort.
 - b) Their performance is merely the sum of all the group members' individual contributions.
2. A work team generates positive synergy through coordinated effort.
 - a) The individual efforts result in a level of performance that is greater than the sum of those individual inputs. Many organizations have recently restructured work processes around teams looking for that positive synergy that will increase performance.

Though there is potential in the creation of teams but nothing inherently magical that assures the achievement of this positive synergy.

Activity B:

1. Why do you think teams are increasingly becoming popular in organizations?

9.4 Types of Teams

A. Classified According to Their Objective

9.4.1. Problem-Solving Teams

1. Two decades ago teams were typically composed of five to twelve hourly employees from the same department who met for a few hours each week to discuss ways of improving quality, efficiency, and the work environment.
 - a) These are problem-solving teams.
 - b) Members share ideas or offer suggestions on how work processes and methods can be improved.
 - c) The teams weren't given the authority to unilaterally implement their suggested actions.
2. One of the most widely practiced applications of problem-solving teams during the 1980s was quality circles.
 - a) Work teams of eight to ten employees and supervisors who had a shared area of responsibility and met regularly to discuss their quality problems, investigate causes of the problems, and recommend solutions.

9.4.2 Self-Managed Work Teams

1. Problem-solving teams didn't go far enough in getting employees involved in work-related decisions and processes.
2. This led to experimentation with truly autonomous teams that could not only solve problems but also could implement solutions and take full responsibility for outcomes: self-managed work teams.

- a) They are usually composed of ten to fifteen people who take on the responsibilities of their former supervisors.
- b) Responsibilities include collective control over the pace of work, determination of work assignments, organization of breaks, and collective choice of inspection procedures.
- c) Fully self-managed work teams select their own members, and the members evaluate each other's performance.

Drawbacks of self-managed teams

- a) Research on the effectiveness of self-managed teams has not been uniformly positive.
- b) Employees on self-managed teams seem to have higher absenteeism and turnover rates than do employees in traditional work structures.

9.4.3 Cross-Functional Teams

1. Cross-functional teams are made up of employees at about the same hierarchical level, but from different work areas, who come together to accomplish a task.
2. Many organizations have used horizontal, boundary-spanning groups for decades.
 - a) A task force is really nothing other than a temporary cross-functional team.
 - b) Similarly, committees composed of members from across departmental lines are another example of cross-functional teams.
3. The popularity of cross-discipline work teams exploded in the late 1980s.
 - a) All the major automobile companies went to using this form of team to coordinate complex projects—Toyota, Honda, Nissan, BMW, GM, Ford, and DaimlerChrysler.
 - (1) Example, Harley-Davidson uses specific cross-functional teams to manage each line of its motorcycles.
 - b) These teams include Harley employees from design, manufacturing, and purchasing, as well as representatives from key outside suppliers.
4. Cross-functional teams are an effective means of allowing people from diverse areas within an organization (or even between organizations) to exchange information, develop new ideas and solve problems, and coordinate complex projects.
5. Cross-functional teams are difficult to manage.
 - a) It takes time to build trust and teamwork, especially among people from different backgrounds, with different experiences and perspectives.

9.4.4. Virtual Teams

1. Virtual teams use computer technology to tie together physically dispersed members in order to achieve a common goal. They allow people to collaborate online, whether they're only a room apart or separated by continents.
 - a) Virtual teams can do all the things that other teams do—share information, make decisions, and complete tasks.

- b) They can include all members from the same organization or link an organization's members with employees from other organizations (i.e., suppliers and joint partners).
- 2. The three primary factors that differentiate virtual teams from face-to-face teams are:
 - a) The absence of paraverbal and nonverbal cues
 - b) Limited social context
 - c) The ability to overcome time and space constraints
- 3. In face-to-face conversation people use paraverbal (tone of voice, inflection, voice volume) and nonverbal (eye movement, facial expression, hand gestures, and other body language) cues. These help clarify communication, but they aren't available in online interactions.
- 4. Virtual teams often suffer from less social rapport and less direct interaction among members.
 - a) They aren't able to duplicate the normal give-and-take of face-to-face discussion.
 - b) Virtual team members report less satisfaction with the group interaction process than face-to-face teams.
 - c) But virtual teams allow people who might otherwise never be able to collaborate to work together.
- 5. Companies like Hewlett-Packard, Boeing, Ford, VeriFone, and Royal Dutch-Shell have become heavy users of virtual teams.

9.5 Creating Effective Teams

A. Four general categories of key components have been identified-

- 1. Contextual
- 2. Composition
- 3. Work design
- 4. Process

B. Team effectiveness is the objective measures of the team's productivity, managers' ratings of the team's performance, and aggregate measure of member satisfaction.

9.5.1. Context

There are four contextual factors that appear to be most significant to team performance. They are the presence of adequate resources, effective leadership, a climate of trust, and a performance evaluation and reward system that reflects team contributions.

1. Adequate Resources

- a) A scarcity of resources directly reduces the ability of the team to perform its job effectively.
- b) Resources include support such as proper equipment, timely information, technology, adequate staffing, encouragement, and administrative assistance.

2. Leadership and Structure

- a) Team members must agree on who is to do what and ensure that all members contribute equally in sharing the workload.
- b) Agreeing on the specifics of work and how they fit together to integrate

individual skills requires team leadership and structure.

c) Evidence does indicate that self-managed work teams often perform better than teams with formally appointed leaders who can obstruct high performance when they interfere.

3. Climate of Trust

a) Interpersonal trust among team members facilitates cooperation, reduces the need to monitor each other, and bonds members.

b) Team members are more likely to take risks in this situation.

c) Team is more likely to accept and commit to its leaders' goals and decisions.

4. Performance Evaluation and Reward Systems.

a) Individual performance evaluations, fixed hourly wages, and individual incentives are not consistent with the development of high-performance teams.

b) Group-based appraisals, profit sharing, gainsharing, small-group incentives, and other system modifications that reinforce team effort and commitment should be considered.

9.5.2 Composition

1. Abilities of Members—To perform effectively, a team requires different types of skills.

a) Technical expertise

b) Problem-solving and decision-making skills to be able to identify problems, generate alternatives, evaluate those alternatives, and make competent choices.

c) Good listening, feedback, conflict-resolution, and other interpersonal skills

d) The right mix of the skills is crucial.

(1) It's not uncommon for one or more members to learn the skills in which the group is deficient, thereby allowing the team to reach its full potential.

2. Personality of Team Members

a) Many of the dimensions identified in the Big Five personality model have proved to be relevant to team effectiveness—especially extroversion, agreeableness, conscientiousness, and emotional stability.

b) The evidence indicates that the variance in personality characteristics may be more important than the mean.

3. Allocating Roles

a) Teams have different needs, and people should be selected for a team to ensure that there is diversity and that all various roles are filled.

b) Nine potential team roles can be identified.

(a) Creator-Innovators initiate creative ideas.

(b) Explorer-Promoters champion ideas after they're initiated.

(c) Assessor-Developers analyze decision options.

- (d) Thruster-Organizers provide structure.
- (e) Concluder-Producers provide direction and follow-through.
- (f) Controller-Inspectors check for details.
- (g) Upholders-Maintainers fight external battles.
- (h) Reporter-Advisers seek full information.
- (i) Linkers coordinate and integrate.
- c) On many teams, individuals will play multiple roles.
- d) By matching individual preferences with team role demands, managers increase the likelihood that the team members will work well together.

4. Diversity of Members

- a) Diverse teams increase the probability that the team will possess the characteristics needed to complete its tasks.
- b) Diversity promotes conflict, but also stimulates creativity.

5. Size of Teams

- a) Teams should be neither very small (fewer than four or five) or very large (more than ten).
- b) Very small teams are likely to lack a diversity of views.
- c) Large teams become difficult to get much done because member have trouble interacting constructively and agreeing on much, or can't develop the cohesiveness, commitment, and mutual accountability necessary.

6. Member Flexibility

- a) Individuals can complete each other's tasks, an obvious plus to a team.
- b) Cross-training should lead to higher team performance over time.

7. Member Preferences

- a) Not every employee is a team player.
- b) When selecting team members, individual preferences should be considered as well as abilities, personalities, and skills.
- c) High-performing teams are likely to be composed of people who prefer working as part of a group.

9.5.3. Work Design

1. Freedom and autonomy, the opportunity to utilize different skills and talents, the ability to complete a whole and identifiable task or product, and working on a task or project that has a substantial impact on others.
2. Evidence indicates that these characteristics enhance member motivation and increase team effectiveness because they increase members' sense of responsibility and ownership over the work and because they make the work more interesting to perform.

9.5.4 Process

1. The process variables include member commitment to a common purpose establishment of specific team goals, team efficacy, a managed level of conflict, and the reduction of social loafing.

A. Common Purpose

- a) Effective teams have a common and meaningful purpose that provides direction, momentum, and commitment for members—a vision.
- b) Members of successful teams put a tremendous amount of time and effort into discussing, shaping, and agreeing upon a purpose that belongs to them both collectively and individually.
- c) This common purpose, when accepted by the team, provides direction and guidance under any and all conditions.

B. Specific Goals

- a) Successful teams translate their common purpose into specific, measurable, and realistic performance goals.
- b) These specific goals help in clear communication.
- c) They also help teams maintain their focus on results.
- d) Teams goals should be challenging; difficult goals have been found to raise team performance on those criteria for which they are set.

C. Team Efficacy may be defined as the belief by team members that the team can succeed.

- a) Success breeds success.
- b) Management options
 - (1) Help teams achieve small successes that build confidence.
 - (2) Provide training to improve members' technical and interpersonal skills.

D. Conflict Levels

- a) Conflict in a team isn't essentially bad. Teams that do not have any conflict are likely to become indifferent and inactive.
- b) Types of conflict
 - (1) Relationship conflicts are based on interpersonal incompatibilities, tension, and animosity toward others—are almost always dysfunctional.
 - (2) Task conflicts—based on task content—are often beneficial because they lessen the likelihood of groupthink, stimulate discussion, promote critical assessment of problems options, and can lead to better team decisions.

E. Social Loafing

- a) Coast on the group's effort because their individual contributions can't be identified.
- b) Effective teams undermine this tendency by holding themselves accountable at both the individual and team level.

- c) Successful teams' members are clear on both their individual and joint responsibilities.

Activity C:

1. How do teams learn, and what factors are most important to team learning?

9.6 Turning Individuals into Team Players

A. The Challenge

1. One substantial barrier to using work teams is individual resistance of members.
2. To perform well as team, individual members must be able to communicate openly and honestly, confront differences and resolve conflicts, and put personal goals aside for the good of the team.
3. The challenge is greatest where:
 - a) The national culture is highly individualistic.
 - b) The teams are being introduced into an established organization that has historically valued individual achievement.
 - c) Examples: AT&T, Ford, Motorola, and other large U.S.-based companies.
4. On the other hand, the challenge for management is less demanding when teams are introduced:
 - a) Where employees have strong collectivist values such as in Japan or Mexico.
 - b) Or in new organizations that use teams as their initial form for structuring work.

B. Shaping Team Players: The primary options for turning individuals into team players are selection, training, and rewards.

1. Selection

- a) Some people possess the interpersonal skills beforehand to be effective team players.
- b) There are three options in situations faced where candidates lack team skills:
 - Train the candidate.
 - Place the candidate in a unit within the organization that doesn't have teams.
 - Don't hire the candidate.

2. Training

- People who are raised on the importance of individual achievement can be trained to become team players.
- Training improves various skills like problem-solving, communication, negotiation, conflict-management, coaching, and group-development skills.

3. Rewards

- The reward system needs to be redesigned to enhance cooperative efforts rather than competitive ones.
- Promotions, pay raises, and other forms of recognition should be given to individuals for how effective they are as collaborative team members.

- Behaviors requiring rewards include training new colleagues, sharing information with teammates, helping resolve team conflicts, and mastering new skills that one's team needs.
- One must not forget the intrinsic rewards that employees can get from teamwork. Teams provide friendship. It is exciting and satisfying to be an important part of a successful team.

4. The Ethics of Forced Team Participation

- It is debatable as to whether individuals should be forced to join teams when they were not hired under those conditions.

9.7 Implications for Managers

There are three important areas in the use of teams worth mentioning which are as follows:

1. **Extent of Teamwork:** Research comparing Asian, U.S. and Canadian workers show that 48 percent of Canadian employees, 51 percent of workers in Asia-Pacific region report high levels of teamwork and only 32 percent of US employees report levels of teamwork. Though work teams are prevalent in India also but studies show that most Indians are individual players rather than team players.
2. **Self-Managed Teams:** Research suggests self managed teams do not perform well in countries with high level of power distance, where roles of leaders and followers are clearly defined- a team needs to be structured so that leadership roles are clearly spelled and power relationships identified.
3. **Team Cultural Diversity and Team Performance:** Cultural diversity does interfere with team processes, as it is seen cultural diversity is good for tasks that require variety of viewpoints, but culturally different teams have difficulty learning with each other and in problem solving. But the good news is that some team-performance enhancing strategies seem to work in certain cultures.

9.8 Summary

1. Few trends have influenced jobs as much as the introduction of teams into the workplace. Teams require employees to cooperate with others, share information, confront differences, and put aside personal interests for the greater good of the team.
2. Effective teams have few common characteristics. The work should provide freedom and autonomy, the opportunity to utilize different skills and talents, the ability to complete a whole and identifiable task or product, and doing work that has a substantial impact on others. The teams require people with different types of skills: technical, problem-solving and decision-making, and interpersonal skills and high scores on the personality characteristics of extroversion, agreeableness, conscientiousness, and emotional stability. Effective teams are neither too large nor too small—typically five to twelve people. They have members who fill role demands, are flexible, and who prefer to be a part of a group. They have adequate resources, effective leadership, and a performance evaluation and reward system that reflects team contributions. They have members committed to a common purpose, specific goals, and members who believe in the team's capabilities, a manageable level of conflict, and a minimal degree of social loafing.
3. It is seen that individualistic organizations and societies attract and reward individual accomplishment, thus it is more difficult to create team players in these environments. To change, management should select individuals with effective interpersonal skills, provide training to develop teamwork skills, and reward individuals for cooperative efforts.

4. Teams are not always preferable to individuals.
5. Teams are growing in popularity because they typically outperform individuals when the tasks being done require multiple skills, judgment, and experience. When restructuring to compete more effectively and efficiently, companies have turned to teams as a way to better utilize employee talents. Teams also facilitate employee participation in operating decisions and help managers democratize their organizations and increase employee motivation.
6. A work group is a group that interacts primarily to share information and to make decisions to help one another perform within each member's area of responsibility. Work groups have no need or opportunity to engage in collective work that requires joint effort. A work team generates positive synergy through coordinated effort. The individual efforts result in a level of performance that is greater than the sum of those individual inputs.
7. The four most common forms are problem-solving teams, self-managed work teams, cross-functional teams, and virtual teams.
8. There are a number of group concepts that link directly to high performance in teams. The key components making up effective teams can be divided into four general categories: contextual influences, composition, work design, and process variables. Composition includes variables that relate to how teams should be staffed. To perform effectively, a team requires three different types of skills: technical expertise, problem-solving and decision-making skills, and good interpersonal skills. Teams have different needs, and people should be selected for a team on the basis of their personalities and preferences.

Effective teams include people selected to ensure that there is diversity and that various roles are filled. Effective teams require adequate resources, effective leadership, and a performance evaluation and reward system that reflects team contributions. Effective teams have a common vision that provides direction, momentum, and commitment for members.

Successful teams translate their common purpose into specific, measurable, and realistic performance goals. Effective teams have confidence in themselves and believe they can succeed—team efficacy. Effective teams undermine the tendency toward social loafing by holding themselves accountable at both the individual and team level.

9. Organizations have a number of options when creating team players; selection, training, and through rewarding cooperative effort.

9.9 Self Assessment Questions

1. Why have teams become a popular organizational tool for productivity improvement and empowerment of employees?
2. Why is it important for managers to understand the difference between teams and groups?
3. As a manager you are assigned a short-term project, four to five months, to study your small company's computer and information needs and then recommend a course of action. You need someone who has expertise in computers, someone with knowledge of information systems, a couple of users within your organization, and a software specialist. But your company only has the users. What type of team would be most effective? Why?
4. Discuss the different types of teams in detail?

5. Differentiate between a team and a group?
6. Discuss the different factors which determine whether teams are effective?
7. Discuss how teams differs in a global context?
6. As a manager, what basic group concepts do you need to consider in forming effective teams?
7. Your company has always rewarded individual effort. Now top management wants to implement teams as part of a reengineering process. As a manager how can you prepare your people to be team players?

9.10 Reference Books

- Robbins, Judge, Vohra (2011), Organizational Behavior, Pearson Education, fourteenth edition
- Jit S Chandan (2009), Organizational Behavior, Vikas Publications, Third Edition
- Arun Kumar, N Meenakshi (2009), Organizational Behaviour, A Modern Approach, Vikas publications
- Under what conditions are teams not effective?
- **<https://docs.google.com/viewer>**

Unit - 10 : Values

Structure of Unit:

- 10.0 Objectives
- 10.1 Introduction
- 10.2 Definition of Values
- 10.3 Types of Values
- 10.4 Value System of Indian Managers
- 10.5 Summary
- 10.6 Self Assessment Questions
- 10.7 Reference Books

10.0 Objectives

After completing this unit, you would be able to:

- Define and understand the nature of values.
- Explain the characteristics and importance of values.
- Point out various types of values.
- Explain Allport's value classification
- Contrast terminal values and instrumental values.
- Describe the Hofstede's Framework for Assessing Cultures.
- Understand the Global Leadership and Organizational Behavior Effectiveness Framework
- Define the implications of Values in Global Organizations
- List the dominant values in today's workforce.
- Explain the value system of Indian managers.
- Know the implications of values for managers

10.1 Introduction

Values are qualities that define people, organizations and products / services at their most basic level. They establish a foundation onto which expectations and trust (or distrust), is built. Organizational values define the acceptable standards which govern the behavior of individuals within the organization. Without such values, individuals will pursue behaviors that are in line with their own individual value systems, which may lead to behaviors that the organization doesn't wish to encourage.

In a smaller, co-located organization, the behavior of individuals is much more visible than in larger, disparate ones. In these smaller groups, the need for articulated values is reduced, since unacceptable behaviors can be challenged openly. However, for the larger organization, where desired behavior is being encouraged by different individuals in different places with different sub-groups, an articulated statement of values can draw an organization together.

Clearly, the organization's values must be in line with its purpose or mission, and the vision that it is trying to achieve.

In the context of decision making, values are the guidelines a person uses when confronted with a situation in which a choice must be made. Values are acquired early in life and are a basic (often taken for granted) part of an individual's thoughts. Values' influence on the decision-making process is profound:

- In ***establishing objectives***, value judgments must be made regarding the selection of opportunities and the assignment of priorities.
- In ***developing alternatives***, value judgments about the various possibilities are necessary.
- In ***choosing an alternative***, the values of the decision maker influence which alternative is chosen.
- In ***implementing a decision***, value judgments are necessary in choosing the means for implementation.
- In the ***control and evaluation phase***, value judgments cannot be avoided when corrective action is decided on and taken.

Behavior of people is influenced by the values which they hold, particularly in terms of those stimuli which have some value orientations. In the organizational context, understanding the influence of individual's value systems on their behavior is important. Values influence an individual's perception about the problem he faces and consequently the decisions he make to overcome these problems. Values influences the way in which an individual looks at the other individuals, groups of individuals that is, interpersonal relationships. Value becomes the basis of such interpersonal interactions.

Individual's judge organizational success as well its achievement on the basis of their value systems. Values determine the context to which individuals accept organizational pressures and goals.

10.2 Definition of Values

According to Milton Rokeach, a value is "an enduring belief that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence".

Values can be defined as broad preferences concerning appropriate courses of action or outcomes. As such, values reflect a person's sense of right and wrong or what "ought" to be. "Equal rights for all", "Excellence deserves admiration", and "People should be treated with respect and dignity" are representative of values.

Roberts and Robin (2000) describe values as part of the motivational system in the human personality. At the top of this hierarchical system are global aspirations for a certain worldview. At the next level down are values, which in turn are subsumed into important life goals such as career and relationship aspirations. At an even more specific level are contextualized goals such as personal strivings. Like attitudes, values that a person has are one of the major forces shaping behavior.

Values are linked to attitudes in that values serve as a way of organizing. Values are defined "as the constellation of likes, dislikes, viewpoints, inner inclinations, rational and irrational judgments, prejudices and association patterns that determine a person's view of the world".

Certainly, a person's work is an important aspect of her world. Moreover, the importance of value constellation is that, once internalized, it becomes a standard or criterion for guiding one's actions. The value of study is values, therefore, is fundamental to the study of managing.

Values have both content and intensity attributes. The content attribute says that a mode of conduct or end-state of existence is important whereas the intensity attribute specifies how important it is. A person's value system indicates a hierarchy of values based on a ranking of the individual's values in terms of their intensity.

This system is identified by the relative importance assigned to such values as freedom, pleasure, self-respect, honest obedience and equality.

10.2.1 Nature and Characteristics

Values are the enduring beliefs that a specific mode of conduct or end state of existence is personally or socially preferable to an opposite or converse mode of conduct or end state of existence. Values are more difficult to change or alter than are attitudes, although attitudes are based on values. As ethical conduct receives more visibility in the workplace, values increase in importance as a topic of discussion in management.

There are two attributes of values that can be used to rank order an individual's values into a hierarchical value system.

- **Content:** This is how important the mode of conduct or end-state of existence is to the individual.
- **Intensity:** This is how important this value is in relation to other values.

On the basis of definitions of values, we can infer its following characteristics.

- **Part of Culture:** Values are elements of culture, and culture is the complex of values, ideas, attitudes, and other meaningful symbols to shape human behavior in the society.
- **Learned Responses:** Human behavior represents learned phenomenon. Unlike animals, human beings have to learn almost everything about how to be human from experience. This is because human beings live in a society having certain culture characteristics which prescribe to behave in a particular way.
- **Inculcated:** Values are inculcated and are passed through generation to generation by specific groups and institutions. Such transmission starts from the family from where the socialization process starts.
- **Social Phenomenon:** Values are a people social phenomenon, that is, cultural habits are shared by aggregates of people living in organized society. Group is developed and reinforced through social pressure upon those who are interacting with one another.
- **Gratifying Responses:** Values exist to meet the biological and other needs of the individuals in the society. The society rewards behaviors which are gratifying for its members.
- **Adaptive Process:** Culture is adaptive, either through a dialectical process or evolutionary process. Dialectical or sharply discontinuous change occurs, when the value system of a culture becomes associated with the gratification of only one group or class in the environment.
- Values are the core of personality and a powerful force affecting behavior.
- Values contain a judgmental element in that they carry an individual's ideas as to what is right, or desirable.
- Values are learned responses and part of culture.
- There are individual values; but values also apply to organizations, professions, societies, and other entities.
- Values are learned responses and part of culture.
- They are inculcated and are passed through generation to generation by specific groups and institutions.

- Many values are relatively stable and enduring. This is because of the way in which they are originally learned.
- They are levels of worth placed by an individual on various factors in the environment.
- They tend to be broad views of life and are influenced by parents, peer groups, and associations.

10.2.2 Importance of Values

- Values lay the foundation for the understanding of attitudes and motivation because they influence our perceptions.
- The study of values is fundamental to the understanding of managing and organizational behavior. The value orientation of managers underlies managerial behavior. Values are pervasive because they involve in the selection of missions, goals and objectives. The job of planning, organizing and controlling the behavior of individuals should be compatible with managers' values. Thus, values are fundamental to managing. Interpersonal activities of managers are based on different and contradictory values. Similarly various managerial strategies are also influenced by particular value orientations.
- Values allow the members of an organization to interact harmoniously. Values affect their formation and development as individuals, and make it easier to reach goals that would be impossible to achieve individually.
- Fred E. Fiedler's theory of leadership effectiveness argues that managers cannot be expected to adopt a particular leadership style if it is contrary to their "need-structures" or value orientations.
- Individuals enter organizations with notions of what is right and wrong with which they interpret behaviors or outcomes.
- Influence our perception of the world around us.
- Imply that some behaviors or outcomes are preferred over others.

For the well-being of a community, it is necessary to have shared rules that guide the behavior of its members; otherwise the community will not function satisfactorily for the majority. When families, schools, companies, and society in general function poorly, many times it is due to a lack of shared values, which is reflected in a lack of consistency between what is said and what is done.

For example, it is difficult to teach our children "tolerance" if our leaders and rulers constantly insult those with whom they disagree. By the same token, it's difficult to promote "respect" if teachers, professors, bosses, or parents, when faced with complex situations, defend their decisions by saying, "Here you do what I say" or, "Things are like that because I say so". In practical terms, a community is unlikely to function well, much less perfectly, if its members don't share certain principles that permanently guide the way they relate to each other, in good times and in bad times.

The word "community" means couples, families, the workplace, the classroom, the neighborhood, the city, the country, and any other place where people interact. If we don't share their values, we will neither feel at ease nor function properly in that community, and we'll feel little satisfaction in being a part of it. In a company's organizational culture values are the foundation of employee attitudes, motivations and expectations. Values define their behavior. If values don't have the same meaning for all employees, their daily work will be more difficult and cumbersome. The work environment becomes tense, people feel that they are not all moving in the same direction, and clients pay the consequences.

Being a pillar of a company, values not only need to be defined, they must also be maintained, promoted and disseminated. Only then will workers have a better chance of understanding and using them in their daily activities.

Activity A:

1. Define values. Explain its nature and importance.
2. Values reflect a person's sense of right and wrong. Elaborate.
3. What are the different characteristics of values?

10.3 Types of Values

Researchers on cultural aspect of human behavior have classified personal values in different ways. A brief description of different classification is presented below:

10.3.1 Allport's Value Classification

Allport et al have classified values into six categories:

Economic-People having values of economic orientation attach importance to what is useful. They are concerned with the practical affairs of the work.

Theoretic-they involve themselves in use of rational critical and empirical processes. They strive to discover the truth.

Political-These people place great emphasis on power.

Social-They attach importance to love and affection. They care for the interests of others and are sympathetic to them.

Aesthetic-Aesthetic people put emphasis on artistic values and harmony. They may not be creative or artists but have love for these.

Religious- They attaches more importance to unity.

10.3.2 Grave's Classification

Grave has classified various personal values into five categories. These are *existentialism-orientation* of behavior congruent with existing realities, *conformistic-orientation* towards achievement of material beliefs through control over physical resources, *socio-centric-orientation* with getting people, *tribalistic-orientation* towards safety by submitting to power, *ego-centric-orientation* to survival and power.

10.3.3 England's Classification

England classified personal values into two categories: pragmatic and moralist. *A pragmatic* is one who takes a pragmatic view of the situation which is stereotyped; he opts for concepts and actions which appear to him as important and successful irrespective of good or bad. *A moralist* is one who is guided by the ethical considerations of right or wrong, just or unjust, honest or dishonest.

10.3.4 Rokeach's Classification

Rokeach has classified various personal values into two main categories: terminal (end) values and instrumental (means) values. This instrument consists of two sets of values each with 18 value items. The sets are terminal and instrumental values.

1. Terminal Values. Focuses on desirable end-states; goals a person would like to achieve. In our personal lives, Terminal Values are those things that we can work towards or we think are most important and we feel are most desirable – terminal values are desirable states of existence.

Terminal Values

- A comfortable life (a prosperous life)
- An exciting life (a stimulating, active life)
- A sense of accomplishment (lasting contribution)
- A world at peace (free of war and conflict)
- A world of beauty (beauty of nature and the arts)
- Equality (brotherhood, equal opportunity for all)
- Family security (taking care of loved ones)
- Freedom (independence, free choice)
- Happiness (contentedness)
- Inner harmony (freedom from inner conflict)
- Mature love (sexual and spiritual intimacy)
- National security (protection from attack)
- Pleasure (an enjoyable, leisurely life)
- Salvation (saved, eternal life)
- Self-respect (self-esteem)
- Social recognition (respect, admiration)
- True friendship (close companionship)
- Wisdom (a mature understanding of life)

In a nutshell, Terminal Values signify the objectives of the life of a person – the ultimate things the person wants to achieve through his or her behaviour (the destination he wants to reach in life) whereas Instrumental Values indicate the methods an individual would like to adopt for achieving his life's aim (the path he would like to take to reach his destination).

2. Instrumental Values. Lists preferable modes of behavior or means of achieving terminal values. Instrumental Values are core values, permanent in nature, comprise personal characteristics and character traits. Organizations also have Instrumental Values (which can be ascertained from the organizational culture) and these are permanent in nature and difficult to change.

Instrumental Values

- Ambitious (hardworking, aspiring)
- Broad-minded (open-minded)
- Capable (competent, effective)
- Cheerful (lighthearted, joyful)
- Clean (neat, tidy)
- Courageous (standing up for your beliefs)
- Forgiving (willing to pardon others)

- Helpful (working for the welfare of others)
- Honest (sincere, truthful)
- Imaginative (daring, creative)
- Independent (self-reliant, self-sufficient)
- Intellectual (intelligent, reflective)
- Logical (consistent, rational)
- Loving (affectionate, tender)
- Obedient (dutiful, respectful)
- Polite (courteous, well-mannered)
- Responsible (dependable, reliable)
- Self-controlled (restrained, self-disciplined)

For example, the instrumental values of a PSU will differ from that of an MNC though both may be in the same business. Instrumental Values are difficult to change.

Results have shown that people in the same occupations or categories tend to hold similar beliefs. This can explain some of the conflict shown when members of different categories attempt to negotiate with each other over common concerns.

10.3.5 Contemporary Work Cohorts

The nature of the society in which the employee grew up also affects values. The following are descriptions of the major cohorts of employees in the U.S. workforce.

These cohorts, and the descriptions of them, are intuitive and should not be taken as universal traits. Still, the observations may be useful in describing general trends in the U.S. population. Understanding that an individual's values differ from, but tend to reflect, the societal values of the period in which they grew up can be a valuable aid in predicting behavior.

1. Veterans/Traditionalists: Entered workforce during the 1950s through 1960s. They believe in the value of hard work, maintaining the status quo, and respect authority figures. They work hard and are practical. There is a heavy emphasis on the RVS terminal values of a comfortable life and family security.

2. Baby Boomers: The largest cohort, these people entered the workforce from 1965 through 1985. Tend to distrust authority and place a great deal of emphasis on achievement and material success. They are hard working pragmatists. RVS terminal values emphasized are sense of accomplishment and social recognition.

3. Generation X: These employees started from 1985 through 2000. They value flexibility, life options, and job satisfaction. Family and relationships are very important and they are very skeptical people, especially toward authority. They like money but value increased leisure time. Gen Xers are less willing to sacrifice for employers. RVS emphasis is true friendship, happiness, and pleasure.

4. Nexters/Generation Y: Starting in 2000, the most recent cohort has high expectation and expects meaning from their work. Very motivated by money and material possessions, Gen Yers like teamwork but they are very self-reliant. High scores in RVS on freedom and a comfortable life.

10.3.6 Values Across Cultures

There are two main frameworks that can be used to better understand the differences in cultures and thereby better predict behavior of employees from those cultures.

Hofstede's Framework for Assessing Cultures:

Examines five value dimensions of national culture. While there are many criticisms of this framework, it is one of the most widely read and accepted in OB.

- a. Power Distance:** *The degree to which people accept that power in institutions and organizations is distributed unequally.* High power distance means that great inequities in power and wealth are tolerated. Low power distance cultures stress equality and upward opportunities.
- b. Individualism/Collectivism:** Individualistic cultures primarily value the individual while in collective societies; the group is the dominant value.
- c. Masculinity/Femininity:** *The value a culture places on traditional gender roles.* Masculine societies have men dominating society and separate roles for men and women. Feminine cultures value equality among the sexes.
- d. Uncertainty Avoidance:** *The degree to which people in a culture prefer structured over unstructured situations.* High uncertainty avoidance cultures are anxious over ambiguity and uncertainty, they emphasize law and controls. Low cultures accept a greater variety of opinion and higher levels of risk while relying less on rules.
- e. Long-Term/Short-Term Orientation:** *Degree of long-term devotion to traditional values.* Long-term cultures are future-oriented and value tradition. Short-term cultures are immediate and accept change more readily.

10.3.6.2 Global Leadership and Organizational Behavior Effectiveness (GLOBE) Framework for Assessing Cultures:

A relatively recent program of research, this framework uses nine dimensions of national culture. It can be seen as an extension of Hofstede's framework.

- a. Assertiveness:** The extent to which people are encouraged to be tough, confrontational, assertive, and competitive.
- b. Future Orientation:** The extent to which future-oriented behaviors are encouraged and rewarded (Equivalent to Hofstede's long-term/short-term orientation.)
- c. Gender Differentiation:** The extent to which society maximizes gender differences. (Equivalent to Hofstede's masculine/feminine.)
- d. Uncertainty Avoidance:** Reliance on social norms and procedures to remove uncertainty. (Equivalent to Hofstede's dimension of the same name.)
- e. Power Distance:** The degree to which unequal power is acceptable. (Equivalent to Hofstede's dimension of the same name.)
- f. Individualism/Collectivism:** The degree to which individuals are encouraged to be integrated into groups. (Equivalent to Hofstede's dimension of the same name.)
- g. In-Group Collectivism:** Extent to which people take pride in membership in small groups (family, friends, and work organizations).
- h. Performance Orientation:** The degree to which group members are rewarded for performance improvement and excellence.

i. Humane Orientation: The degree individuals are rewarded for fair, generous, and altruistic behaviors.

10.3.7 Organizational Values

Values also apply to organizations. An organizational value may be quality, belief in people, innovativeness, or social responsibility. A company reinforces its values by its actions. Its top managers act as role models. Values are the traits identified in excellent companies.

Some organizational values may be as follows:

- ***Customer Delight:*** a commitment to surpassing customer expectations.
- ***Leadership by Example:*** a commitment to be ethical, sincere and open in dealings.
- ***Fairness:*** a commitment to be objective and transaction-oriented, thereby earning trust and respect.
- ***Pursuit of Excellence:*** a commitment to strive relentlessly, to constantly improve terms, services and products as to become the best.

10.3.8 Work Values

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

1. Achievement: it has concern for the advancement of one's career.
2. Concerns for others: it reflects caring, compassionate behaviors, or helping others on difficult tasks.
3. Honesty: it is refusing to mislead others for personal gain.
4. Fairness: it emphasizes impartiality and recognizes different points of view.

Individuals can rank-order these values in terms of their importance in their work lives.

10.3.9 Espoused Values and Enacted Values

Meglino and Ravlin states that espoused values represents the values that we want others to believe we abide by. Individuals, organizations, professions, and others groups might say they value environmentalism, creativity, and politeness, whether or not they really do value these things in practice. Values are socially desirable, so people create a positive public image by claiming to believe in values that others expect them to embrace. Enacted values, on the other hand, represent the value-in-use. They are values we actually rely on to guide our decisions and actions.

Activity B:

1. Elaborate Allport's classification of values.
2. Describe the different classification of values.
3. Explain the difference between terminal values and instrumental values.
4. Explain the two main frameworks to understand the differences in cultures.

10.3.10 Fostering Values in Organizations

In order for an organization to internalize a set of values its members must first identify with them. Management must assume the responsibility of defining, informing and cultivating them, according to the mission.

This is a two-way commitment. Leaders have the responsibility of promoting organizational values, and the rest of the members have the responsibility of getting to know them and implementing them. The greatest challenge is not in the theory but in the practice. Organizations foster values all the time, through the attitudes and behaviors of their leaders, at all levels. Every action conveys a value.

For example, if a company must give a course during a non-working day, it must properly communicate the reason for doing so. Otherwise, the organization ends up conveying the idea that continuing education is not work, and isn't very important. Another example of a situation that conveys values contrary to those we wish to convey is when supervisors don't attend training sessions but rather send their subordinates, or when they do the opposite of what was taught in the course, or when they try to encourage effort or creativity with the argument that it "this is easy".

Promoting values like work, constant improvement, personal excellence, learning or proactive behaviors in organizations, requires courage and a special effort from leaders. What we do or don't do has a greater effect than words alone. Those at the same level within an organization also communicate what their personal values are. For example, those who don't collaborate on a task end up losing the appreciation and respect of their peers.

In addition to defining them in terms of specific behaviors, organizations must show the practical benefits of implementing values. This is far from obvious to many. It's always best to make the outcomes explicit. The most efficient way to foster values is to reinforce good practices and behaviors that better reflect the desired organizational culture. This is a proven and effective way to stimulate others to assume principles with conviction. Threats and punishment in the best of cases produce only fear, not conviction.

The principle of positive reinforcement is simple: One cannot force people to do well what they don't want to do. This does not imply that mistakes must be overlooked or that we must be lenient. But positive reinforcement is much more than a pat in the back. For this method to work, people must receive praise immediately for a specific behavior, and we must express the positive feeling that implementing the value entails. If this method is practiced systematically, the organizational environment works as a virtuous cycle of value reproduction.

10.3.11 Implications of Values in Global Organizations

Conducting business in global markets often creates situations which directly challenge the values of managers. In the USA the solicitation of gifts in exchange for favorable business decisions is highly discouraged. In Asia and Mexico business traditions encourage the exchange of gifts in business transactions. What many American managers may consider to be payoffs and kickbacks may simply be refined and accepted ways of doing business in other countries. In companies with global business aspirations it is not unusual to find managers who are going overseas for assignments to be trained in culture based value differences. These managerial seminars frequently emphasize the following principles:

1. Be an open minded and view other peoples' values as moral, traditional and practical.
2. Do not prejudge the business customs of others as immoral or corrupt. Assume that they are legitimate until proven otherwise.
3. Search for legitimate ways to operate within others' ethical points of view; do not demand that they fit into your value system.
4. Avoid rationalizing questionable actions with excuses such as:

- This isn't really illegal or immoral.
 - This is in the company's best interests.
 - No one can find out about this.
 - My company will back me up on this.
5. Refuse to do business when stakeholder actions violate the law or basic organizational values.
 6. Conduct business as openly and honestly as possible.

Activity C:

1. What are the implications for values in global organizations?
2. Determine the ways fostering values in the organizations.

10.4 Value System of Indian Managers

Managers do not look exclusively at what an organization might to (i.e., environmental opportunities) and can do (i.e., state of the organization's resources); they become heavily influenced by what they personally want to do (i.e. managerial value systems). This is the key role played by managerial values.

Values affect managerial behavior in many ways. For example, managerial values:

1. Influence a manager's perception of various situations and problems.
2. Influence a manager's decisions and solutions to problems.
3. Influence the way a manager looks at other individuals and groups of individuals, thus affecting interpersonal relationships.
4. Influence the extent to which a manager will be affected by organizational pressures and stress.

Various researchers have attempted to identify the value systems of Indian managers. These researchers have used Allport-Vernom-Lindzey model, Graves's model and England's model. Besides, many of them have measured managerial values in the context of work values. However, their major findings are presented below:

1. Managers tend to have value orientation towards economic, theoretic, political, social, aesthetics and religious in that order.
2. Managerial values tend to be existential, conformist, manipulative, socio-centric and egocentric.
3. Indian managers are more pragmatist than moralist. There are some generally acceptable unethical practices in business.
4. In terms of work values, Indian managers tend to:
 - Money oriented during early days of their career and later shifts to matters like job satisfaction and finally at the end of the career, to intangible value like status.
 - High importance is attached to values like loyalty and obedience.

Indian managers give importance to various occupational values in order of: to be free from supervision, adventurous experiences/challenges, social status and prestige, to exercise leadership and control over others, opportunities to work with people, chances to earn a good deal of money, stable future.

A significant finding of one study is that there is no difference in goal values of those who are formally exposed to some management education programmes and those who are not exposed to such programmes. The quality and content of our management education systems have to be looked upon from this point of view. At present it seems that they offer more in terms of techniques rather than the transmission of values. Perhaps, a new look may be required to approach this problem because the education of country emphasizes the inculcation of certain value systems. Second, the organizational climate does not have impact.

Implication for Managers

A. **Personality.** Managers need to evaluate the job, the work group, and the organization in order to determine what the optimum personality would be for a new employee.

B. **Values.** While values don't have a direct effect on behavior, they do strongly influence attitudes, behaviors and perceptions, so knowing a person's values may help improve prediction of behavior. Additionally, matching an individual's values to organizational culture can result in positive organizational outcomes.

Activity D:

1. Identify the major value systems of Indian managers. What are the implications of these?

10.5 Summary

Like attitudes, values that a person has are one of the major forces shaping behavior. Values are convictions and a framework of philosophy of an individual on the basis of which he judges what is good or bad, desirable or undesirable, ethical or unethical.

Rokeach, a noted socio-psychologist, has defined values as "global beliefs that guide actions and judgments across a variety of situations". He further says that "Values represents basic convictions that a specific mode of conduct is personally or socially preferable to an opposite mode of conduct".

"Values are important to the study of organizational behavior because they lay the foundation for the understanding of attitudes and motivation and because they influence our perceptions"

Values tend to be stable not flexible because we establish those values (e.g. what is desirable) in our early lives from neighborly influences.

Many organizations define their values as a sort of managerial obligation. They don't seem to be very clear or convinced about the benefits to their daily activities, or at least it isn't evident in practice.

Organizations transmit a message in everything they say and do, or in what they don't say and don't do. By the same token they also reflect the values of their mission and their public.

In this regard, it's of fundamental importance for every organization to understand and communicate the value of values. While values don't have a direct effect on behavior, they do strongly influence attitudes, behaviors and perceptions, so knowing a person's values may help improve prediction of behavior. Additionally, matching an individual's values to organizational culture can result in positive organizational outcomes.

Values lay the foundation for the understanding of attitudes and motivation because they influence our perceptions. Values allow the members of an organization to interact harmoniously. Values affect their formation and development as individuals, and make it easier to reach goals that would be impossible to achieve individually. Individuals enter organizations with notions of what is right and wrong with which they interpret behaviors or outcomes. Values influence our perception of the world around us. It also implies that some behaviors or outcomes are preferred over others.

10.6 Self Assessment Questions

1. What is the concept of values?
2. What are the factors which determine value formation?
3. Explain the characteristics of values.
4. Define the various types of values.
5. Describe the difference between terminal values and instrumental values.
6. Behavior of people is influenced by the values they hold. Elaborate.
7. How values are important for Indian managers?

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Unit - 11 : Attitude

Structure of Unit:

- 11.0 Objectives
- 11.1 Introduction
- 11.2 Definition of Attitude
- 11.3 Source and Types of Attitude
- 11.4 Values and Attitude
- 11.5 Summary
- 11.6 Self Assessment Questions
- 11.7 Reference Books

11.0 Objectives

After completing this unit, you would be able to:

- Define and understand the nature of attitude.
- Explain the characteristics and importance of attitude.
- Point out various source and types of attitude.
- Know about the different components of attitude.
- Discuss the functions of attitude.
- Explain the determinants of attitude.
- Discuss the features of attitude.
- Discuss the link between attitude and behavior.
- Know the factors affecting the formation of attitude
- Describe how attitude is measured.
- Know the implications of attitude to managers.
- Understand values and attitude.

11.1 Introduction

There are many ways to define an attitude, and several definitions are currently accepted. Basically, an attitude is a stable and enduring disposition to evaluate an object or entity (a person, place or thing), in a particular way. “I like working on this project” and “I do not like working after office hours” are examples of attitudes because they express a person’s general feeling, either favorable or unfavorable toward something.

An attitude is a set of evaluations of one’s job that constitute one’s feelings toward, beliefs about, and attachment to one’s job. Overall attitude can be conceptualized in two ways. Either as affective jobsatisfaction that constitutes a general or global subjective feeling about a job, or as a composite of objective cognitive assessments of specific job facets, such as pay, conditions, opportunities and other aspects of a particular job. Employees evaluate their advancement opportunities by observing their job, their occupation, and their employer.

Employee attitudes are important to organizations because attitudes constitute another psychological attribute. Attitudes are evaluative statements-either favourable or unfavourable –concerning objects, person, idea or value. An attitude is a predisposition to respond in a positive or negative way to someone or something in one’s environment.

Attitudes represent the cluster of beliefs, assessed feelings, and behavioral intentions toward a person, object, or event (called an attitude object). Attitudes are judgments, whereas emotions are experiences. An Attitude is nothing but a point of view one holds for other people, situations, event, object, places, phenomena, or beings. It is essentially like an evaluative statement that is either positive or negative depending on the degree of like or dislike for the matter in question. An attitude reflects how one thinks, feels and behaves in a given situation.

A person may have a large number of attitudes, but OB focuses on a very limited number of job-related attitudes. These include job satisfaction, job involvement (the degree to which a person identifies with his or her job and actively participates in it) and organizational commitment (an indicator of loyalty and identification with the organization).

11.2 Definition of Attitude

Psychologists define attitudes as a learned tendency to evaluate things in a certain way. This can include evaluations of people, issues, objects or events. Such evaluations are often positive or negative, but they can also be uncertain at times. For example, you might have mixed feelings about a particular person or issue.

- Allport (1935) defined an attitude as a mental or neural state of readiness, organized through experience, exerting a directive or dynamic influence on the individual's response to all objects and situations to which it is related. A simpler definition of attitude is a mindset or a tendency to act in a particular way due to both an individual's experience and temperament.
- An attitude is defined as, "a learned pre-disposition to respond in a consistently favorable or unfavorable manner with respect to a given object".
- Attitude is a mental and natural state of readiness organized through experience, exerting a directive or dynamic influence upon the individual's response to all objects situations with which is related.
- An attitude is a cognitive element; it always remains inside a person. In organizational context, employees have attitudes related to job security or uncertainty, prestige of the department and the work that does etc. The individual's attitudes toward these factors are indicative of his apathy or enthusiasm toward the activities and objectives of the organization.
- Attitude means settled behavior, which implies that in a given situation, a person will act automatically in a certain manner depending on his or her attitude.
- Thurstone defined attitude as "the sum total of a person's inclinations and feelings, prejudice or bias, preconceived notions, ideas, fears, threats and convictions about any specific topic".
- Attitude is an enduring system of positive or negative evaluations, emotional feelings and 'pros' and 'cons' action tendencies with respect to a social object.
- Attitude is a residuum of experience, by which further activity is conditional and controlled.
- Attitude is the degree of positive or negative affect associated with some psychological object.
- Attitude is an individual mental process which determines both the actual and potential responses of each person in the social world.
- Attitude is an acquired tendency to act in specific ways toward objects.
- Attitude is a subjective and personal affair.

11.2.1 Nature and Characteristics

An attitude is a tendency to react positively or negatively in regard to an object. For example, a person who has a positive attitude towards the religion is likely to enjoy going to worship services, believe that the religious institutions foster morality and may, therefore, contribute financially also. An attitude is always directed toward some object, such as the temple, school, etc. A person who has an attitude has a readiness or a disposition to react favorable or unfavorably to anyone of a large variety of related situations. Until some situation arouses it, however, the attitude is latent.

Attitude affects behaviour of an individual by putting him ready to respond favourably or unfavourably to things in his environment. Attitude acquired through learning over the period of time. The process of learning attitude started from childhood and continues throughout the life of person.

Attitude is characterized by the following elements:

- **Valence:** It refers to the magnitude or degree of favorableness or unfavorableness toward the object/event. If a person is relatively indifferent toward an object then his attitude has low valence.
- **Multiplicity:** It refers to the number of elements constituting the attitude. For example, one student may show interest in studies, but another not only shows interest, but also works hard, is sincere, and serious.
- **Relation to Needs:** Attitudes vary in relation to needs they serve. For example, attitudes of an individual toward the pictures may serve only entertainment needs. On the other hand, attitudes of an employee toward task may serve strong needs for security, achievement, recognition, and satisfaction.

11.2.2 Importance of Attitude

- Attitudes serve as one way to organize our relationship with our world. They make our interactions more predictable affording us a degree of control.
- Attitudes also enable us to reduce the vast amount of information that we possess into manageable units. Attitude represents the combination of many bits of information for us.
- We can use others attitudes to make judgments about them.
- It has been found consistently that the more similar our attitudes are to those of others, the more we like them.
- Finally, people's attitudes can sometimes be useful in predicting behavior, such as how they will vote in an election or which brand of car they buy.

11.2.3 Determinants of Attitude

Attitudes are determined by the following:

1. **Experience:** Individuals develop certain job related attitudes through job experience.
2. **Association:** Our geographic region, religion, educational background, race, age, sex and income-class-all strongly influence our attitudes.
3. **Family:** Family members exert influence on the initial "core" of attitudes held by an individual.
4. **Peer Groups:** As persons approach their adulthood, they increasingly rely on their peer groups for approval/attitudes.

5. Society: Social class and religious affiliation play a vital role in forming attitudes of an individual.

6. Personality Factors: Personality differences between individuals appear to be very important factor of attitude formation.

11.2.4 Features of Attitudes

The following are the features of attitudes:

a) Attitudes Affect Behavior: People have a natural tendency to maintain consistency between their attitudes and behavior.

b) Attitudes are Not Visible: Attitude constitutes psychological phenomena which cannot be directly observed, but can be understood by observing the consequences of attitudes.

For ex, positive attitude of a worker is observed by his or her high productivity.

c) Attitudes are Acquired: Attitudes are gradually learnt over a period of time, right from childhood, throughout the life time of a person.

d) Attitudes are Pervasive: Attitudes are formed in the process of socialization and may relate to anything in the world. For ex, attitude towards persons, politics, religion, work, superiors, colleagues, subordinates, government policies etc.

Activity A:

1. Define attitude. Explain its nature and characteristics.
2. Why attitudes are important?
3. Explain the different determinants of attitude.
4. Discuss the features of attitudes.

11.3 Source and Types of Attitude

All attitudes ultimately develop from human needs and the values people place upon objects that satisfy those perceived needs. This section discusses sources that make us aware of needs, their importance to us, and how our attitudes develop toward objects that satisfy needs.

- **Personal Experience:** People come into contact with objects in their everyday environment. Some are familiar while others are new. We evaluate the new and reevaluate the old and this evaluation process assists in developing attitudes toward objects. Our direct experiences with sales representative products services and stores help to create and shape our attitudes toward those market objects. However, several factors influence how we will evaluate such direct contacts.

Needs: Because needs differ and also vary over time, people can develop different attitudes toward the same object at different points in their life.

Selective Perception: We have seen that people operate on their personal interpretation of reality. Therefore the way people interpret information about products stores and so on, affects their attitudes. Personality is another factor influencing how people process their direct experiences with objects. How aggressive passive introverted extroverted and so on that people are will affect the attitudes they form.

- **Group Associations:** All people are influenced to one degree or another by other members in the groups to which they belong. Attitudes are one target for this influence. Our attitudes toward products ethics warfare and a multitude of other subjects are influenced strongly by groups that we value and with which we do or wish to associate. Several groups, including family, work, and peer groups, and cultural and sub-cultural groups, are important in affecting a person's attitude development.
- **Influential Others:** A consumer's attitude can be formed and changed through personal contact with influential persons such as respected friends relatives and experts. Opinion leaders are examples of people who are respected by their followers and who may strongly influence the attitudes and purchase behavior of followers.

To capitalize on this type of influence, advertisers often use actors and actresses who look similar to or act similar to their intended audiences. People tend to like others who are similar to themselves because they believe that they share the same problems form the same judgments and use the same criteria for evaluating products. Another application which advertisers use to influence audience attitudes is the so called slice of life commercial. These ads show typical people confronting typical problems and finding solutions in the use of the advertised brand, Examples include ads for Head and Shoulders shampoo (to solve dandruff problems).

- **Classical Conditioning:** The classical conditioning processes that made Pavlov's salivate at the sound of a bell can explain how attitudes are acquired. People can develop associations between various objects and the emotional reactions that accompany them. We can hold positive attitude towards a particular dress or jewellery because our favorite model wears it. Advertisers also make use of classical conditioning of attitudes by linking they want consumers to buy with a positive feeling or event.
- **Social Learning:** Attitudes are also learnt from others as for example, from parents, teachers, supervisors, models etc. An individual may learnt by having contact with others or even watching TV programmes. Social learning is a convenient way of developing attitudes. For example, an unemployed person entering the job market for the first time may be favourably disposed towards a government job because others in the society have such an attitude towards government job.
- **Modelling:** Most of the attitudes are framed through modeling, in which individuals acquire attitudes by merely observing others. The observer overhear other individuals expressing an opinion or watches them engaging in a behavior that reflects an attitude, and this attitude is adopted by the observer. For an individual to learn attitude from observing a model, for processes must take place:
 - 1) The learner must focus on the model
 - 2) The learner must retain what was observed from the model
 - 3) The learner must practice the behavior
 - 4) The learner must be motivated to learn from the model
- **Society and Culture:** Social values, norms, culture, language, and other social factors contribute to the formation of individual's attitude. At an early age, child is taught what attitudes are acceptable by the society. People belonging to the different social groups may develop different attitudes towards the same object. Culture also plays a definitive role in attitude development.
- **Association:** A new attitude object may be associated with an old attitude object and the attitude towards the letter may be transferred towards the former. For example, if a newly recruited worker

remains most of the time in the company of a worker towards whom the supervisor has a favorable attitude, the supervisor is likely to develop a positive attitude towards the new worker also. Thus the favorable attitude for the old worker has been transferred to the new worker.

Types of Attitudes

A person can have thousands of attitudes, but OB focuses the attention only on a very limited number of job-related attitudes. The following are some types of attitudes:

- **Job Satisfaction:** It refers to an individual's general attitude toward his or her job. A person with a high level of job satisfaction holds positive attitudes towards the job, while a person who is not satisfied holds a negative attitude about the job.
- **Job Involvement:** It measures the degree to which a person identifies psychologically with his or her job and considers his or her perceived performance level important to his or her self-worth. Employees with a high level of job involvement strongly identify with and really care about the kind of work they do on their job.
- **Organizational Commitment:** It is defined as a state in which an employee identifies with a particular organization and its goals, and wishes to maintain membership in the organization. So high job involvement means identifying with one's specific job, while high organizational commitment means identifying with one's employing organization.

Activity B:

1. Explain the various sources of attitude.
2. What are the different types of attitudes?

11.3.1 Components of Attitude

Three basic components of attitudes are:

- 1) **Cognitive** or informational component.
- 2) **Affective** or emotional component.
- 3) **Conative** or overt or behavioral component.

There are three components of attitudes such as Cognitive (Thinking), Affective (Feeling) and Behavioral.

i) Cognitive Component: Cognitive component deals with thinking, evaluation, comparison, rational, logical issues with respect to the targeted object. This will facilitate to form a strong belief or further strengthen the belief system towards various objects. By observing and analyzing the various features of Nokia handsets, you may form a very good opinion stating that Nokia is best among others. Such an evaluation is based on the cognitive component of attitudes.

ii) Affective Component: Affective component deals with feelings or emotional issues of the targeted objects. The emotional components involve the person's feelings, or affect-positive, neutral, or negative-about an object. Thus, emotion is given the greatest attention in the organizational behavior literature in relation to job-satisfaction.

iii) Cognitive or Behavioral Components: This refers to intention to behave in a certain way towards someone or something. As I do not like rock music, I am not interested to attend the concert. The action of not attending is due to a part of disliking of rock music concert. All these three components collectively act together for the formation of attitudes.

Activity C:

1. Describe the three components of attitude.

11.3.2 Functions of Attitude

Attitudes serve four major functions for the individual: (1) the adjustments function, (2) the ego defensive function, (3) the value expressive function (4) the knowledge function. Ultimately these functions serve people's need to protect and enhance the image they hold of themselves. In more general terms, these functions are the motivational bases which shape and reinforce positive attitudes toward goal objects perceived as need satisfying and / or negative attitudes toward other objects perceived as punishing or threatening. These situations are diagrammed in Figure below. The functions themselves can help us to understand why people hold the attitudes they do toward psychological objects.

(1) Adjustment Function: The adjustment function directs people toward pleasurable or rewarding objects and away from unpleasant, undesirable ones. It serves the utilitarian concept of maximizing reward and minimizing punishment. Thus, the attitudes of consumers depend to a large degree on their perceptions of what is needed satisfying and what is punishing. Because consumers perceive products, services and stores as providing need satisfying or unsatisfying experiences we should expect their attitudes toward these object to vary in relation to the experiences that have occurred.

(2) Ego Defensive Function: Attitudes formed to protect the ego or self image from threats help fulfill the ego defensive function. Actually many outward expressions of such attitudes reflect the opposite of what the person perceives him to be. For example a consumer who has made a poor purchase decision or a poor investment may staunchly defend the decision as being correct at the time or as being the result of poor advice from another person. Such ego defensive attitude helps us to protect out self image and often we are unaware of them.

(3) Value Expression Function: Whereas ego defensive attitudes are formed to protect a person's self image, value expressive attitudes enable the expression of the person's centrally held values. Therefore consumers adopt certain attitudes in an effort to translate their values into something more tangible and easily expressed. Thus, a conservative person might develop an unfavorable attitude toward bright clothing and instead be attracted toward dark, pin striped suits.

Marketers should develop an understanding of what values consumers wish to express about themselves and they should design products and promotional campaigns to allow these self expressions. Not all products lend themselves to this form of market segmentation however. Those with the greatest potential for value expressive segmentation are ones with high social visibility. Cross pens, Saks Fifth Avenue clothes. Ferrari automobiles and Bang & Children stereo systems are examples.

(4) Knowledge Function: Humans have a need for a structured and orderly world, and therefore they seek consistency stability definition and understanding. Out of this need develops attitudes toward acquiring knowledge. In addition, the need to know tends to be specific. Therefore an individual who does not play golf, nor wish to learn the sport is unlikely to seek knowledge or an understanding of the game. This will influence the amount of information search devoted to this topic. Thus, out of our need to know come attitudes about what we believe we need or do not need to understand.

11.3.3 Important Theories of Attitude

1. Balance Theory: the theory is concerned with consistency in the judgement of people and or issues that are linked by some form of relationship.

There are three elements:

- a) Person
- b) Other person
- c) Impersonal entity

There are two types of relationship to connect these three types of elements

- 1. The linking relations or sentiments
- 2. The unit relation

Both linking and unit relations are positive or negative towards any object or person or stimuli etc. or these three types of elements.

The balanced states are stable and imbalanced states are unstable. When imbalanced state occurs the psychological tension created motivates the person to restore balance cognitively by changing the relation. Psychologically a balance state is most stable.

2. Congruity Theory: This theory is similar to balance theory. The focus of the theory is on changes in evolution of a source and a concept that are linked by an associative or dissociative assertion.

Congruity exists when a source and concept positively associated have exactly the same evaluation, and when a source and concept that are negatively associated have exactly the opposite evaluation attached to him.

3. Affective Cognitive Consistency Theory: The theory is also called structural because it is concerned with what happens within the individual when an attitude changes. It is concerned with the consistency between a person's overall attitude towards an object or issue and its his beliefs about the relationship.

Cognitive structure means end relationship between the object or issue and the achievement of desired undesired values of goals.

4. Cognitive Dissonance Theory: It is little-bit similar to affective cognitive theory. The difference between these two is that the stimuli arise from environment in the first one. This theory tends to tie in the third component of attitude.

There are three types of cognitions:

- 1. Dissonance
- 2. Consonance
- 3. Irrelevant

Activity D:

- 1. Describe the functions of attitude.

11.3.4 Attitude Formation and Change

Individual attitude are formed over time as a result of repeated personal experiences with ideas, situations or people. One of the very important ways to understand individual behavior in an organization is that of studying attitude, which is situational specific and learned.

An attitude may change as a result of new information. A manager may have a negative attitude about a new employee because of his lack of job-related experience. After working with a new person, a manager may come to realize that he is actually very talented and subsequently may develop a more positive attitude toward him.

The factors affecting the formation of attitudes are:

- **Psychological Factors:** People attitude towards education, family, work , health, religion, politics economics etc. during their learning process, right from their childhood to adult age. They learn from the member of their family and develop attitudes regarding these attitude objects.
- **Social Factors:** People are part of the society in which they live. Hence, they are influenced by the language, culture, norms, values and beliefs of the society to which they belong and develop attitudes which would be in tune with their social needs.
- **Organizational Factors:** People spend major part of their life in the organization in which they are employed. They are influenced by the nature of their jobs, fellow employees, and quality of supervision, monetary rewards associated with jobs, trade unionism, informal groups, organizational practices and policies in forming their job-related attitudes.
- **Economic Factors:** People's attitudes towards issues such as pleasure, work, marriage, working women etc. are influenced by economic factors such as their economic status in the society, inflation rate, economic policies of the government and the economic conditions.
- **Political Factors:** Political factors such as ideologies of political parties (democracy or totalitarianism) political stability and the behavior of political leaders affect the attitudes of people to a great extent.

Work-Related Attitudes

People in an organization form attitude about many things such as about their salary, promotion possibilities, superiors, fringe benefits, food in the canteen, uniform etc. Especially some important attitudes are job satisfaction or dissatisfaction, organizational commitment and job involvement.

Job Satisfaction or Dissatisfaction:

Job satisfaction is an attitude reflects the extent to which an individual is gratified or fulfilled .by his or her work. Extensive research conducted on job satisfaction has indicated that personal .factors such as an individual's needs and aspirations determine this attitude, along with group and organizational factors such as relationships with co-workers and supervisors, working conditions, work policies and compensation.

A satisfied employee also tends to be absent less often, makes positive contributions, and stays with the organization. In contrast, a dissatisfied employee may be absent more often may experience stress that disrupts co-workers, and may keep continually look for another job.

Organizational factors that influence employee satisfaction include pay, promotion, policies and procedures of the organizations and working conditions. Group factors such as relationship with co-workers and supervisors also influence job- satisfaction. Similarly, satisfaction depends on individual factors like individual's needs and aspirations. If employees are satisfied with their job, it may lead to low employee turnover and less absenteeism and vice-versa.

11.3.5 Organizational Commitment

Two other important work-related attitudes are organizational commitment and involvement. Organizational commitment is the individual's feeling of identification with and attachment to an organization. Involvement refers to a person's willingness to be a team member and work beyond the usual standards of the job. An employee with little involvement is motivated by extrinsic motivational factor and an employee with strong involvement is motivated by intrinsic motivational factors.

There are a number of factors that lead to commitment and involvement. Both may increase with an employee's age and years with the organization, with his sense of job security and participation in decision-making. If the organization treats its employees fairly and provides reasonable rewards and job security, employees are more likely to be satisfied and committed. Involving employees in decision-making can also help to increase commitment. In particular, designing jobs, which are interesting and stimulating, can enhance job involvement.

Job Involvement

Job involvement results in an individual's tendency to exceed the normal expectations associated with his or her job. An employee having low degree of involvement considers his job as just means of livelihood. He or she has a little interest in learning how to perform the job better. On the other hand, a person with a high degree of job involvement will desire intrinsic job satisfaction from the job itself and is motivated to learn more about how to perform the job more effectively.

The work-related attitudes such as organizational commitment and job involvement will become stronger with an individual's age, tenure of the service in the organization, sense of job security, and participation in decision-making.

Some of the things management can do to promote its employees work-related positive attitudes are:

1. Treating the employees fairly and providing reasonable rewards and job-security.
2. Allowing employees to participate in management (having a say in how things are done).
3. Designing jobs so that they are interesting and stimulating to the employees.

11.3.6 Method of Attitude Change

There are various methods through which a positive change in attitudes may be brought. In the social context, Cohen has suggested four methods for attitude change. These are:

- Communication of additional information
- Approval and disapproval of a particular attitude,
- Group influences, and
- Inducing engagement in discrepant behavior.

In some or the other, all these methods involve introducing discrepancies among the elements making up the individuals attitudes in the hope that the elements will be rebalanced through the effective component of the attitudes. Thus, in actual practice, the central variable in attitude change is the feeling component with the attitude object. From organization's point of view, manager can take following actions in bringing change in attitudes of organizational members.

1. Group action

2. Persuasion through leadership
3. Persuasion through communication, and
4. Influence of total situation.

11.3.7 Measurement of Attitude

Attitude changes can be found in the analysis of factors such as absenteeism, turnover rate and productivity. Attitude can be measured by various methods some of which use questionnaires which are filled up by the employees. Two general types of questionnaires commonly used are:

- 1) Attitude scale
- 2) Opinion survey

Two types of attitude scales are:

- 1) Thurstone scale
- 2) Likert scale

In Thurstone scale, a large number of statements, each of which expressing a view point of some kind towards the company are written. The employee is asked to arrange each of these statements to express judgments ranging from the most favorable viewpoints and the least favorable viewpoints reflecting his or her attitude toward the statements.

In Likert's method, a number of statements describing attitudes are prepared and each statement have five degrees of approval, viz., *strongly agree*, *agree*, *undecided*, *disagree* and *strongly disagree*. The person is asked to indicate his or her choice of one of these five degrees of approval regarding this statement.

Usually, attitude scales help to measure the attitudes of individuals and thereby quantify the morale of employee groups. But they do not enable managers to identify specific factors that cause employee unrest and dissatisfaction.

Depth Interview. It is an unstructured, direct interview in which the interviewer will ask probing questions of the type "what did you mean by that statement?" "Why did you feel this way?" And "what other reasons do you have?" Etc. until the interviewer is satisfied that he has obtained all the information he wants to collect regarding the respondent's attitude. The interviewer may use depth interviews to encourage the employee to express him or herself and solicit information about his or her job satisfaction, job involvement, job commitment etc.

Activity E:

1. What are "employee attitude"? What are its effects on employee performance?

11.4 Values and Attitude

Values are about how we have learned to think about how things ought to be, or people ought to behave, especially in terms of qualities such as honesty, integrity and openness, which when people are asked what their values are tend to be the main values.

Values can be defined as broad preferences concerning appropriate courses of action or outcomes. As such, values reflect a person's sense of right and wrong or what "ought" to be. "Equal rights for all", "Excellence deserves admiration", and "People should be treated with respect and dignity" are representative of values.

Values are stable, evaluative beliefs that guide our preferences for outcomes or courses of action in a variety of situations. They are perceptions about what is good or bad, right or wrong. Values tell us what we “ought” to do. They serve as a moral compass that directs our motivation and, potentially, our decisions and actions. Values partly define who we are as individuals and as members of groups with similar values.

Values tend to influence attitudes and behavior. For example, if you value equal rights for all and you go to work for an organization that treats its managers much better than it does its workers, you may form the attitude that the company is an unfair place to work; consequently, you may not produce well or may perhaps leave the company. It is likely that if the company had a more egalitarian policy, your attitude and behaviors would have been more positive.

Attitudes are the established ways of responding to people and situations that we have learned based on the beliefs, values and assumptions we hold. How we respond to situations and our behavior can reflect our attitude. However, we can control our behavior in a way that does not reflect our beliefs and values, which in order to embrace a diverse culture and behaviors as a successful manager; we have to adapt our behavior in a positive manner.

11.5 Summary

The attitude is the evaluative statements or judgments concerning objects, people, or events. More precisely attitudes can be defined as a persistent tendency to feel and behave in a particular way toward some object which may include events or individuals as well. Attitudes have traditionally been described as a process in which we logically calculate our feelings toward the attitude object based on an analysis of our beliefs.

According to Edwin A. Locke, job satisfaction is the pleasurable or positive emotional state that results when an individual evaluates his job or job experience. Job involvement refers to the degree to which a person psychologically identifies with his job, actively participates in it, and considers that his performance in the job contributes to his self-worth. Organizational commitment refers to the extent to which an individual identifies with a particular organization, and its goals and wishes to remain a member of that organization. Organizations can reduce turnover by taking steps to enhance the job satisfaction of their employees and increase their job involvement and organizational commitment.

Attitudes enable people to adapt to their work environment. They are also used by people to defend their ego, express their values, and to interpret events. The cognitive dissonance theory refers to the incompatibility that an individual may perceive between two or more of his attitudes, or between his behavior and attitudes. The efforts made by an individual to reduce dissonance depend on the significance of the elements that give rise to the dissonance, the extent to which they can be controlled, and the rewards that the individual is likely to lose by not overcoming the dissonance.

11.6 Self Assessment Questions

1. Define the term attitude.
2. Explain the nature and characteristics of attitude.
3. What are the different components of Attitude?
4. What are the various sources and types of attitude?
5. Explain the basic functions of attitude.
6. How attitudes are formed?

7. Enumerate the determinants of attitudes.
8. Explain the features of attitudes.
9. Explain the relationship between:
 - a) Attitude and Behavior.
 - b) Attitude and OB.
10. How attitudes can be measured? What are attitude scales? What are its two types? Elaborate.

11.7 Reference Books

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Unit - 12 : Job Satisfaction

Structure of Unit:

- 12.0 Objectives
- 12.1 Introduction
- 12.2 Components of Job Satisfaction
- 12.3 Theories of Job Satisfaction
- 12.4 Factors Affecting Job Satisfaction
- 12.5 Consequences of Job Satisfaction
- 12.6 Measuring Job Satisfaction
- 12.7 Summary
- 12.8 Self Assessment Questions
- 12.9 Reference Books

12.0 Objectives

After completing this unit, you would be able to do the following:

- Explain the meaning of Job Satisfaction
- Elucidate the concept of Job satisfaction
- Identify the various components of Job Satisfaction
- Explain the various theories of Job satisfaction
- Point out the Factors affecting Job Satisfaction and Consequences of Job Satisfaction
- Point out the various instruments of measuring Job Satisfaction

12.1 Introduction

In today's dynamic and globalized environment, it is necessary for any organization to keep its employees happy and engaged. With the so called ongoing "war of talent" forecasted to be intensifying over days to come, no organization can afford to ignore the needs and aspirations of its employees. More so in a service organization, where the satisfaction of employees gets reflected in their on-the-job behavior and in turn has a direct impact on the customers' satisfaction levels. Job satisfaction is also the index of the general life satisfaction of individuals (employees) and reflects the well-being of any person. A high job satisfaction level of employees of an organization reflects high on its corporate image. It is also an indicator of the corporate environment and culture of any organization. Job satisfaction has both humanistic and financial values for any organization, therefore, it is one of the most frequently studied work attitude in Organizational Behavior.

Job Satisfaction is defined as a positive attitude that an employee holds towards his job. According to Locke, it is a "pleasurable or positive emotional state resulting from the appraisal of one's job experience". Job Satisfaction consists of an employee's Cognitive, Affective and Behavioral reactions to his job. This feeling is relatively stable and is a result of employee's perception of how well his job offers those things which are viewed by him as important. The degree of satisfaction varies with how well outcomes fulfill or exceed expectations. Generally speaking, people experience job satisfaction when their job matches their needs and interests, when working conditions and rewards are satisfactory and when employees like their co-workers. The extent to which a person's job, fulfills his dominant needs and is consistent with his expectations and values, the job may be considered as satisfying. It expresses a sound amount of harmony between one's expectations compared with reward and relates to equity and psychological contract.

According to Davis and Newstrom, Job Satisfaction is “a set of favorable or unfavorable feelings with which employees view their work. It’s a feeling of relative pleasure or pain that differs from objective thought and behavioral intentions”.

Smith, Kendell and Hulin regard Job Satisfaction as persistent feeling towards discriminative aspects of job. These feelings are regarded to be associated with perceived differences between what is expected and what is experienced in relation to the alternatives available in a given situation. Appropriate measure of the satisfaction may then be sensitive to the effects of differences in a crucial aspect not only of the actual situation, but also of the expectations of individuals, as determined by their backgrounds and experience and by the long and short term alternatives which are present in the psychological field.

Job Satisfaction has been considered and measured both in terms of a general feeling or an overall attitude of the employee towards his job, an end state of feelings and as a feeling about specific job dimensions or facets like pay, promotion opportunities, and supervision, coworkers, work itself that interact in different ways to create a feeling of satisfaction with the job. “Industrial/Organizational psychologists differentiate these two levels of feelings as: Global job satisfaction and Job- facet satisfaction respectively”.

12.2 Components of Job Satisfaction

As an attitude, job satisfaction is conceptualized as consisting of Evaluative or Cognitive, Affective and Behavioral components.

The Cognitive/Evaluative Component: It is the semantic content of job satisfaction. An individual’s perceptions, opinion, beliefs and expectations regarding the organization are the focus of his or her cognitions: for example-”this job is too demanding” or “this job is very challenging”. It is the perception of the extent to which his expectations have been met. Cognitions in which the individual perceives that his or her expectations have been met, generally leads to positive evaluations and consequently to job satisfaction. Additionally, positive evaluations are more likely when cognitions (expectations) support a positive and secure future with the organization. An individual’s overall response to the employing organization is summarized in the evaluative component. It represents dislike verses like for the organization. Evaluations occur automatically every day.

The Affective Component: The affective component of attitudes comprises of the feelings or emotions people associate with their job. It’s the extent to which organizational membership evokes positive feelings. It represents the pleasurable or uncomfortable feelings; feelings of anger or joy; feelings of security or stress; feelings of affirmation or withdrawal that are stirred up by the organization. Positive Affect results from information, feedback, and situations that affirms or reinforces the individual’s self-worth and self-concept, and is reflected by the enthusiasm, alertness and activeness of the employee. Self-worth is confirmed when individuals feel accepted as valued members of the organization and their competencies and core values get acknowledged. When individuals are in a positive affect state on their job, they tend to evaluate the organization that employs them positively. Negative Affect on the other hand is evoked by invalidating situations. Employees experience distress and unpleasant engagement that is reflected through anger, contempt, disgust, guilt, fear, and nervousness at work. When individuals are in a negative affect state while working, they tend to evaluate the organization negatively.

The Behavioral Component: This is the action component of job satisfaction that is seen in how people act in relation to their work, perhaps showing up early and staying late or taking every opportunity to avoid work by calling in “sick”. “The behavioral component represents an employee’s behaviors or, more often, behavioral tendencies towards his or her job.” A dissatisfied employee is likely to leave or think about

leaving his job or staying absent from work, avoid taking responsibilities, hide in the corner, stop exhibiting any Extra Role Behaviour (ECB) or Organizational Citizenship Behavior. He speaks negatively about the organization and becomes careless at work causing losses and accidents. On the other hand, a satisfied employee emits enthusiasm, creativity, productivity, willingness to be helpful to co-workers and customers, robustness and zeal.



Figure - 12.1: Components of Job satisfaction

(Source: Components of Job Satisfaction (The Pennsylvania State University, 2010) Retrieved from <https://wikispaces.psu.edu/display/PSYCH484/11.+Job+Satisfaction>)

Akin to any attitude then, Job Satisfaction is acquired through a process of learning- from experience, association, family, peer groups, society and personality factors. The attitudinal nature of satisfaction implies that individuals tend to approach (or stay with) a satisfying job and avoid (or quit) a dissatisfying job.

12.3 Theories of Job Satisfaction

Several theories concerning causes of job satisfaction have been proposed in the Organizational literature. These theories can be loosely classified into one of the three categories:

1. Situational theories, which hypothesize that job satisfaction results from the nature of one's job or other aspects of the environment, for example-the Two Factor theory.
2. Dispositional theories/approaches which assume that job satisfaction is rooted in the psychological makeup of the individual.
3. Interactive theories, which propose that job satisfaction results from the interplay of situational and personal factors for example the Social Information Processing Theory (SIP).

The Two Factor Theory, proposed by Fredrick Herzberg, attempts to explain satisfaction and motivation in the work place. He proposed that the satisfaction and dissatisfaction were not two ends of the same continuum. Rather he put forward the concept of Two- continuum model of Job satisfaction, where the opposite of Satisfaction was No Satisfaction and the opposite of Dissatisfaction was No Dissatisfaction. Further, he proposed that satisfaction and dissatisfaction are driven by different factors: "Hygiene" factors

effect job satisfaction and “Motivators” effect job dissatisfaction. The hygiene factors are variables such as work conditions, pay, interpersonal relationship etc. If hygiene factors are absent, an employee will be dissatisfied. But however well these hygiene needs are met they do not, by themselves, produce job satisfaction; for that to happen motivators are required. The motivators are intrinsic factors that influence satisfaction based on fulfillment of higher order needs such as “achievement, recognition for achievement, interesting work, increased responsibility, growth, and advancement”. Employees will be satisfied only when motivators are present in a job.

Developed by Locke in 1976, the **Range of Affect theory** (or value theory) instead of focusing on the needs stipulates that Job Satisfaction may be more closely related to whether or not work provides people with what they want, desire or value. Workers examine what their job provides in terms of pay, working conditions and promotion opportunities, and then compare those with the perceptions to what they value or find important in a job. To the extent that the two (provisions and expectations) match, job satisfaction results. The basic premise of this theory is that facets of work are differentially weighted when employees make their assessment of Job Satisfaction. For example, if pay is very important to an employee, the fact that his/her current pay is close to what was expected would have a large positive impact on his/her overall assessment of job satisfaction. In contrast, if pay is relatively unimportant, the fact that expectations were met or unmet would have a relatively small impact on employee’s job satisfaction.

The idea that “people who are satisfied in life are satisfied with their job” is called the **Dispositional Theory**. Disposition is a habit, a preparation, a state of readiness, or a tendency to act in a specified way. People have inborn dispositions that cause them to have tendencies toward a certain level of satisfaction, regardless of their job. The Dispositional theory thus suggests that job satisfaction is a characteristic that stays with people across situations. People have an innate disposition to be satisfied or dissatisfied, regardless of the job. Job satisfaction is significantly correlated with life satisfaction. People who are generally happy, cheerful and optimistic report higher levels of job satisfaction than those who are inherently irritable, short tempered and gloomy. In other words, satisfaction with one’s job spills over into other aspects of the life and satisfaction with other aspects of life spills over into satisfaction with one’s job.¹⁰ Three behavioral theories aid in the understanding of the dispositional theory. These three theories include: research on positive affectivity and negative affectivity, the Big Five personality attributes and Core Self Evaluations. Positive affectivity is a personality characteristic described as high energy, enthusiastic and pleasurable engagement while negative affectivity is a personality type characterized as distressed, non-pleasurable engagement and nervousness. Research has shown that people with positive affectivity are happier in their work and in life than those with negative affectivity. Research has also shown a strong correlation between the five personality traits of extraversion, neuroticism (or emotional instability), agreeableness, conscientiousness, and openness (or culture) and job satisfaction. The Big Five personality traits and positive- negative affectivity are both a result of the genetic makeup of a person and are determined by heredity.

The third facet of dispositional theory, the **Core Self Evaluation Theory**, developed by Judge, Locke, and Durham in 1997, has been accepted as a model for determining job satisfaction and job performance. According to this theory “four personality variables are related to peoples predisposition to be satisfied with life and with their job: self- esteem, self-efficacy (perceived ability to master their environment), locus of control (perceived ability to control their environment), and emotional stability (low neuroticism). This theory again links personality attributes and practices with motivation, job satisfaction and job performance.

All of these three dispositional theories emphasize the connection between job satisfaction, and performance but focus entirely on the employee’s attributes. Thus, the dispositional theory suggests that some people will be satisfied, motivated and high performing at work regardless of the job/organization characteristics, while

other people will not be happy no matter how great their job or organization. Nevertheless, the data indicates that despite the correlation, there are elements within organizational control which can affect employee job satisfaction and personality can only explain less than half of the level of job satisfaction.

Social Information-Processing Theory (SIP) proposes the idea that people's attitudes towards their job are based on the information they get from other people. This approach specifies that employees adopt attitudes and behaviors in keeping with the indications provided by others who are close to them and surround them. The Social Information-Processing theory (SIP) argues that coworkers' attitudes have a major effect on peoples' perception and overall job satisfaction. When surrounded by positive people who show a positive attitude that endorse job security, individuals are more likely to be satisfied with their jobs. The overall job satisfaction is a result of a rationalizing process through which individuals will 'make sense' of their job by cognitively constructing characteristics of their job that are consistent with the social context. In other words, this theory suggests that employees develop a generalized reaction to the work environment (i.e. attitude) based on information gained from their social contexts that include their peers, family members, co-workers and friends. The social information processing model suggests that job satisfaction can be affected by very subtle things like the careless comments others make.

12.4 Factors Affecting Job Satisfaction

Over time researchers have identified a number of factors/ variables that contribute to a person's level of job satisfaction. These factors can be broadly grouped into three categories:

1. **Job Context Factors** such as pay, promotions, supervision, company policies and administration, benefits, co-workers etc;
2. **Job Content Factors** such as achievement, advancement, recognition, responsibility and the quality of work itself; and
3. **Personal factors** such as age, race, gender, self-concept, genetics etc.

Content and Context Factors

The pay: Money is the most commonly cited reasons, when individuals are asked why they work. No wonder, it is generally believed that the remuneration system of any organization affect the level of job satisfaction of its employees. Although the research findings on the effect of pay on an individual's level of job satisfaction are very contradictory most studies have found that income and job satisfaction were positively correlated, and the relationship was stronger for individuals with extrinsic value orientations. This is the reason that most models of pay satisfaction propose a positive relationship between pay level and pay satisfaction; and pay satisfaction is considered one of the core components of overall job satisfaction. In 1991, Hulin proposed an integrative model which predicts that all else equal, role outcomes—such as pay—will result in higher levels of job satisfaction. On the other hand there are many researches that have revealed a weak or a modest relationship between the variables. It has however been observed that the general pay levels in the industry, the relative wealthiness of the people, stage in economic cycle etc. can act as moderators to this relationship.

The Promotion/Advancement: Promotions are also an important aspect of a worker's career and life, affecting other facets of the work experience. They can mean- a reward for an employee's performance encouraging him to perform better through an increase in salary; a transfer to a new location; a placement into a different job, where employee's skills could be used to greater effect; increase in status, facilities as well as responsibilities. Promotions may carry an increase in job amenities such as a bigger office or spending

account, increase in authority over co-workers or the acknowledgement of work well done and consequent ego boost. These provide a feel of growth and fulfillment to the employees. Given all of the dimensions in which promotions can affect workers' careers and compensation, the importance of promotions as a determinant of job satisfaction is considerable.

Promotion constitutes an important aspect of workers' labor mobility, most often carrying substantial wage increases and can have a significant impact on other job characteristics such as responsibilities and subsequent job attachment). Firms use promotions as a reward for highly productive workers, creating an incentive for workers to exert greater effort. Promotions will only be an effective mechanism for bringing out greater effort if workers place significant value on the promotion itself. Otherwise, firms would simply use pay increases to reward effort and productivity.

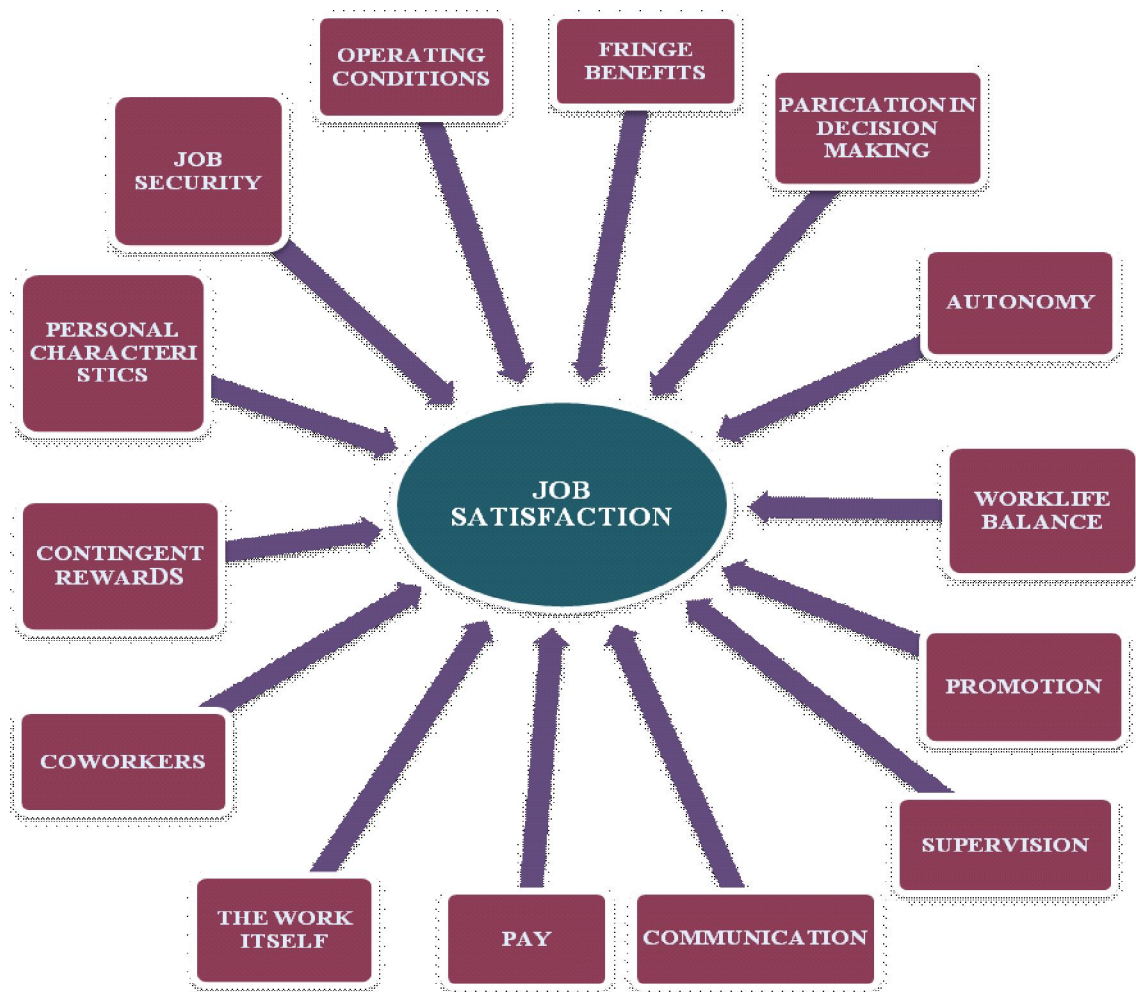


Figure - 12.2: Factors Affecting Job Satisfaction

The Co-workers: Man is a social animal and he needs to satisfy his social needs wherever he goes. As a large part of an individual's adult life is spent at his workplace, a good relationships with colleagues has been cited as the key to job happiness. In fact, workplace culture and "fitting in" can be the biggest differences between being happy at work and wanting to look for something else.

If the environment at workplace is not congenial, a person tends to lose interest in the job and wants to switch to another place where he can find "friends". Politics at workplace can be detrimental to the level of Job satisfaction as it brings the relationship with peers and friends under stress and makes the environment at workplace unpleasant.

The Supervision: Supervision is another important factor that affects Job Satisfaction levels of employees. Glickman in 1990 introduced four categories of supervisory approaches: 1) Collaborative, 2) Nondirective, 3) Directive and 4) Directive control. These approaches differ in the amount of power and control given to the supervisee during interaction with the supervisor. Some approaches give more control to the supervisor, while others give more control to the supervisee. In collaborative supervision, the supervisor and the supervisee share decision making about future improvement. Non-directive supervision occurs when the supervisee formulates his or her own plan about future development. The supervisee has the liberty to frame the supervisory interaction; the supervisor only gives advice. The directive informational approach occurs when the supervisor frames the supervisory plan and the supervisee decides whether to follow the plan. In the directive control approach, the supervisor frames the supervisory plan and expects the supervisee to follow and implement it.

A supervisor generally performs three main supervisor responsibilities: a) carrying out observation of supervisees, b) giving guidance and support to supervisees, and c) giving feedback to the supervisees. Based on the norm of reciprocity, employees who perceive fair treatments by authorities/Supervisors in carrying out these responsibilities are more likely to support positive actions through greater commitments to the values and goals of the organizations; display increased job satisfaction, organizational citizenship behaviors, improved job performances and reduced withdrawal behaviors.

Communication: Effective communication is essential for the successful performance of organizations. An unclear communication or non-communication can cause frustration and dissatisfaction among the employees and disrupt the effectiveness of any organization. Many researchers have concluded that organizational communication is a predictor of Job Satisfaction and also that Communication Satisfaction plays an important role in overall job satisfaction. Communication dimensions with the greatest support as predictors are: accuracy of information, desire for interaction, optimum communication load, faith and influence of the superior, and communication satisfaction.

In organizational context, communication process is important because it is the chain of understanding that integrates the members of an organization from top to bottom, bottom to top, and side to side. Employees need to be communicated about their role in the organization, what is expected of them, what resources are available to them, what are the rules and regulations, what will be their reward etc. The people at supervisory positions need to train, coordinate, counsel, assess, and oversee throughout with this very process.

Participation in Decision Making: A number of surveys have concluded that job satisfaction seems to increase with worker participation or involvement in the decision making process of their organizations. Employee's Participation is generally defined as a process in which influence is shared among individuals who are otherwise hierarchically unequal. Participatory management practices balance the involvement of managers and their subordinates in information processing, decision making and problem solving endeavors. Workers who are at least sometimes able to take part in the planning of own work or able to apply own ideas at work are significantly more satisfied or less dissatisfied than those who are never able to contribute to their work in this way.

Some workers respond to their dissatisfaction by searching for a "voice" in organizational affairs. Giving employees more input into the organizational decision-making process may give them a needed means of self-expression, "a voice". Giving employees' authority in the decision-making process provides them with an opportunity for expressing their dissatisfaction and promoting organizational change and they are less inclined to view labor unions as their only means of expressing their displeasure. In reality, it provides employees with an organizationally approved internal voice for putting across their concerns and aggravation

to senior management. This freedom of expressing their views decreases the dissatisfaction and gives them a feeling of involvement with the organization.

Besides being an instrument of tension release, employee decision-making authority can also put a stop to labor conflicts. By giving employees a say in decisions before they are executed, there is reduced chance that management's decisions will be resisted by employees and more chances that the decisions will be smoothly and fully implemented.

Job Security: In today's competitive market, volatile economic conditions, downsizing and bankruptcies, companies throw their employees overboard, over a slight collapse of the stock market. In such a scenario, job security remains the biggest concern of the employees and the most important factor affecting their job satisfaction. It is their professional skills and the importance of their job and their contribution to the organizations that can ensure some security. Older employees are fearful of getting obsolete and new comers are scared that they are too inexperienced to be valued by their companies. Pressure of losing their job any day, causes a lot of stress to employees and dampens their morale and involvement. The Employee Job Satisfaction survey report released by the Society for Human Resource Management in 2010 reveals that for many years in a row, employees have ranked job security as among the top two "very important" contributors to job satisfaction. Private companies as compared to their public counterparts are mistrusted by the employees as far as job security is concerned. And one of the major reasons cited by people for their longing for a public sector job is its job security. But excessive Job Security also has a serious flip-side: excessive job security can actually hamper productivity and cause lethargy!

Autonomy: "Work autonomy," is the degree to which employees feel they can make their own decisions and influence what happens on the job. There have been a number of researches to support that autonomy at work is the most important determinant of job satisfaction. The degree of job autonomy is seen to be highly related to overall job satisfaction. As job autonomy increases from 'no freedom' to 'limited freedom', to 'basically one's own boss', the probability of being satisfied with the job increases. There may even be a reciprocal relationship between job satisfaction and job autonomy in so far as workers who are happy in their job are more likely to perform well and as a result get promoted to jobs with greater autonomy.¹¹ The European working conditions survey of the European foundation for the improvement of living and working conditions, 2010 also reports a positive relationship between job satisfaction and job autonomy- overall job satisfaction is positively correlated with autonomy and involvement in decision making, choice of techniques and methods and scheduling". The freedom to choose working methodology, pace of work, work breaks and prioritize tasks has a positive effect on Job Satisfaction.

Fringe Benefits: Fringe benefits stand as an important part of compensation and include a collection of various benefits provided by an employer to the employees, in addition to direct wages or salaries, such as company car, house allowance, medical insurance, child care, parental leaves, paid holidays, pension schemes, subsidized meals, tax free profit sharing subject to certain conditions. It is generally believed that fringe benefits if properly administered can contribute to increased job satisfaction. Firstly because they form a considerable portion of the pay packages and secondly, these benefits are often not subject to taxation and are therefore cheaper to gain through an employer than through the market. Employee's fringe benefits are used by organizations to recruit and retain top talent. Especially in times of economic uncertainty, when organizations might not be able to offer their employees fat pay packages or sharp pay raises and bonuses, benefits become one of the many tools employers generally use to increase loyalty, productivity and job satisfaction. Benefits have remained among the top two most important contributors of job satisfaction according to the Employee Job Satisfaction survey report of 2009, conducted by Society for Human Resource Management.

Contingent Rewards: Contingent Incentives are understood as material rewards such as bonuses and equity-based compensation (e.g., stock options and grants of stock, profit sharing) which vary directly with the desired behavior or result. It is also called “variable pay”.

Organizations use contingent reward system to boost the productivity of employees because under a performance-contingent reward system employee's performance is positively related to satisfaction as good performance will result in increased bonus and this in turn will reinforce better performance.

The principle of contingent rewards says that rewards should be given to the employees only when they earn them because a fundamental principle of motivation is to use rewards to reinforce desired behaviors if they occur. When they don't occur (i.e., performance is poor), rewards should be withheld.

This way an increased variable pay indicates an inclusive approach where the organization is acknowledging and appreciating a good performance. Contingent rewards can also increase the level of employee involvement with the organization. On the other hand, if this variable pay forms a large portion of an employee's compensation (way too big for an employee's comfort), stress and job satisfaction will occur. Having a large amount of our income at risk and based on short term performances can cause stress that interferes with the performance of employees.

Nature of Work: The most notable situational influence on job satisfaction is the nature of the work itself—often called “intrinsic job characteristics.” When employees are asked to assess different aspects of their job such as supervision, pay, promotion opportunities, coworkers etc, the nature of the work itself in general comes out as among the most important job aspects. This means the extent to which the job provides the individual with interesting tasks that utilizes his talent in a variety of ways, provides opportunities for learning, and the chance to accept responsibility and is a identifiable whole; is directly related to his job satisfaction level. Research made with reference to the job characteristics, and approach to the job design shows that feedback from the job itself and autonomy are two major job-related motivational factors. Some of the most important ingredients of job satisfaction include interesting and challenging work and a job that provides status.

Operating Conditions: The environment in which people work, has a tremendous effect on their level of pride for themselves and for the work they are doing. If operating conditions are good – clean, attractive surroundings- employees find it easier to carry out their job. Up to date equipments and facilities, comfortable place to sit and work can make a world of difference to an individual's psyche. Improper working conditions that repetitively hassle and annoy the employee tend to cause stress to him and lower his job satisfaction. Working conditions do not bother the employees much unless they are extremely appalling. But this is important because it has a straight effect on job satisfaction. On the contrary, if working conditions are given importance, productivity and accomplishment of objectives are enhanced. Ergonomics is a branch of research which specifically considers the tools and equipment as well as workspace features as extensions of the human body and studies them in order to protect workers from long-term muscular or nerve injury due to poor bodily positioning or muscle use. The ergonomic features most frequently studied in workspace include lighting, noise, office furniture and spatial layouts in offices. This outlines their importance in work as well as satisfaction.

The Work- Life Balance: In today's world of cut throat competition maintaining a work life balance of employees is a challenge that most organizations are facing. Work life balance is a balance of Achievement and Enjoyment in each of the four life quadrants: Work, Family, Friends and Self. It's a feeling of contentment with both one's career and personal life. Most employees today are experiencing burnout due to overwork and increased stress at work. They feel they are constantly running against time and they have no control

over it. This condition is seen in nearly all occupations from blue collar workers to upper management. This stress is detrimental; both to the employee's health and to the organizations bottom line.

Researchers have observed that employees working longer hours are less satisfied with their jobs than those who work less, for the obvious reason that they have less time to spend with their families and friends but some other findings conclude that this relationship gets affected by the higher payment employees receive for working overtime and it was found that employees working for more than 45 paid hours a week were more satisfied than employees working a standard full time week of 37 hours.

Personal Factors: All factors directly related to the individual are defined as *personal factors* and range from *demographical characteristics* (i.e. age, gender, marital status, education level or tenure) to *personal dispositions* (i.e. intelligence, extraversion or neuroticism). Demographic characteristics are seen to have a correlation with job satisfaction. Various combinations of these demographic factors affect job satisfaction differently. Usually older employees, women employees are more satisfied with their jobs than the others. Employees with high self-esteem and tolerance for stress are a more satisfied lot.

Judge, Locke, and Durham introduced the concept of core self-evaluations in an effort to provide a trait that would be a useful predictor of job satisfaction, as well as, perhaps, other applied criteria. Core self-evaluations is a basic, fundamental appraisal of one's Worthiness, effectiveness, and capability as a person. The presence of this trait in an employee is in itself an indicator of high job satisfaction.

It has been argued that to a considerable degree job satisfaction is a result of the personality of an employee and his general tendency to experience positive or negative moods. The Big five personality traits (Emotional stability, Agreeableness, Extraversion, Conscientiousness and Openness to experience) as well as positive and negative affectivity are a result of the genetic makeup of a person and are determined by heredity. People that are generally happy, cheerful and optimistic report higher levels of job satisfaction than those who are irritable, short tempered and gloomy. The results of a research on the levels of job satisfaction of identical twins and fraternal or unrelated persons showed that identical twins had more similar levels of job satisfaction than fraternal twins and unrelated persons.

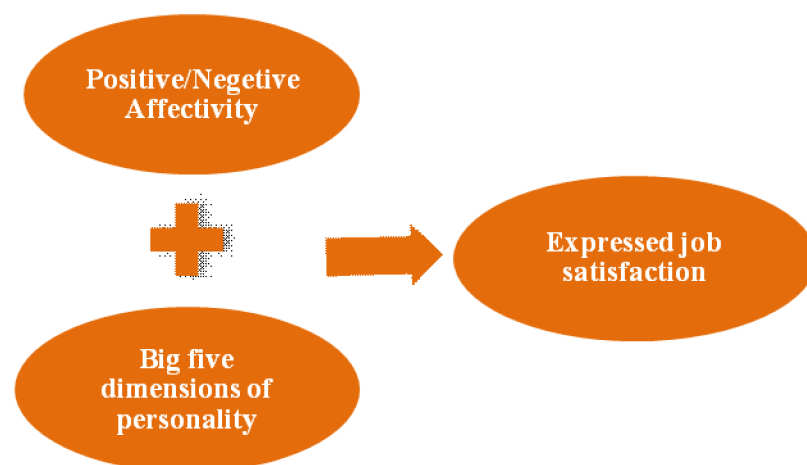


Figure -12. 3 : Effect of Genetic factors on Job Satisfaction

(Source: Illies R. & Judge T.A. (2003). On the heritability of Job Satisfaction: The mediating role of personality. *Journal of Applied Psychology*, 88, 750-759)

Gender: Generally it has been found that women are more satisfied than their male counterparts as far as job is concerned. This may be due to the fact that females have lower expectations from their jobs because of the cultural environment that constrained female participation in the workforce and considers household as their main responsibility. Referred as the 'The gender/job paradox' or the paradox of the contented female worker, it refers to the fact that women report higher job satisfaction than men despite a clear disadvantaged position in the labour market in terms of earnings, recruitment/dismissals, promotions and career prospects. This may also be due to the fact that women work to achieve personal goals rather than for economic reasons. They are not under pressure as the bread winners of their family and are happy in assisting to pay for the household expenses.

Age: "In general, job satisfaction increases with age," commented Tom W. Smith, director of the General Social Survey at the National Opinion Center at the University of Chicago. The reason behind this positive relation is the sense of achievement people feel after they have moved up the career ladder. Moreover, the aged employees enjoy better working conditions and are in a better position to choose jobs that match their talent or requirements. Most of the research findings on the relation between age and job satisfaction, holding other factors constant, seem to support a positive relationship between the two variables. However, various other types of relationships have also been brought out in many studies: negative linear, U-shaped, inverted U-shaped or inverted J-shaped, or no significant relations.

Marital Status: Marital status seems to be an important factor influencing job satisfaction. Most of the studies have revealed that the married person finds more dissatisfaction in his job than his unmarried colleague. The reason is that the increased family members and consequent increase in responsibilities make it difficult to meet the expenditure like the increased cost of living, educations to children etc. Also, the off-the-job time they get is usually not enough to fulfill all family responsibilities.

Educational Level: Educational qualifications and job satisfaction have been said to have a positive relationship between them. The reason being, that employees with higher education levels experience more growth opportunities than those who are less educated. They have more and brighter opportunities to leverage their careers and get into jobs that suit their ambitions and desires. But what happens if higher qualifications are not utilized in the job and becomes useless? A high educational level can then indicate a low job satisfaction.

Tenure: Tenure and Job satisfaction are also generally believed to be positively related. After working in an organization for a long time, an employee adapts and accepts the organizational culture as well as the practices of that organization. In other words he becomes "used to" the place and feels comfortable and satisfied, working there. And it is equally true the other way round: only a satisfied employee will continue to work in an organization and his tenure is reflective of his satisfaction with his job.

Herzberg in his research found that the employee's tenure had a U-shaped relationship with Job Satisfaction. Satisfaction dropped within the first year of work as initial work expectations are not fulfilled and remained low for a number of years. With increase in maturity and experience, an employee adjusts his ambitions and work expectations to a more realistic level and consequently his satisfaction level increased.

12.5 Consequences of Job Satisfaction

Job Satisfaction and Task Performance: A very frequently asked question is - Is a happy worker a productive worker? Most researches have concluded that there is a positive but moderate to weak relationship between Job satisfaction and performance. Generally there are three major views in this regard:

The *traditional view* holds that the job satisfaction induces employees to exert more efforts towards better performance since he is happy and wants to do his best for the organization that made him happy.

The *second approach* proposes that it is performance that causes job satisfaction and this relationship between performance and job satisfaction is moderated by the perceived fairness of reward. If the employees feel that their good performance will result in desired outcomes, they will perform better and on receiving expected reward, be satisfied. It has been concluded that performance and satisfaction will be most strongly correlated when rewards are made contingent upon performance than when they are not.

The *third approach* contends that Job satisfaction and Performance are not directly related. This is because the two are caused by different factors. Job satisfaction is closely affected by the amount of rewards that an individual derives from his job, while his level of performance is closely affected by the basis for attainment of reward. (If an individual is amply rewarded even if he doesn't perform well, he will be satisfied but give poor performance).

Moreover there are many jobs that do not have much scope for enhancement of performance, or very large changes in performance, eg: assembly line jobs. In such cases there is no effect of job satisfaction on performance.

Job Satisfaction and Work Behavior: Satisfaction is a feeling that cannot be seen or measured but it can be inferred through behavior. Mainly four kinds of behavior are said to be most reflective of a person's Job Satisfaction/dissatisfaction. They are: Exit, Voice, Loyalty/Compliance and Neglect. The responses to dissatisfaction differ in constructiveness versus destructiveness and activity versus passivity, defining four categories of response: exit, voice, loyalty, and neglect. Greater job satisfaction is associated with greater tendencies toward Voice and Loyalty, and with lesser tendency for Exit and Neglect. If an employee has superior alternatives he will have greater tendencies toward exit and voice, and lesser towards neglect. On the other hand if an employee feels that he has invested a great deal in his company in form of hard work, efforts, time etc, he will have greater tendencies toward voice and loyalty, and lesser towards neglect.

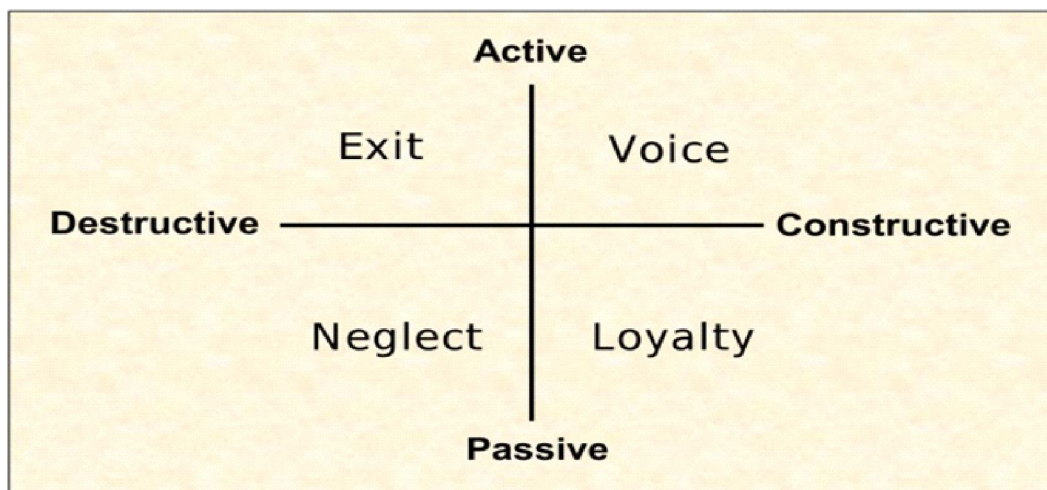


Figure - 12.4 : Behavioral responses of Job Dissatisfaction

(Source: C. Rusbult and D. Lowery (1985) "When Bureaucrats Get the Blues," *Journal of Applied Social Psychology*, New Jersey, 15, No. 1)

Exit: Exit refers to leaving the situation, when an employee starts looking for job at other places and submits his resignation at an appropriate moment. It may involve searching for other employment, actually leaving the organization, or just requesting transfer to another work unit. Employee turnover is one of the most obvious outcomes of job dissatisfaction, particularly for employees with better job opportunities

elsewhere. Exit decision is seen to be triggered by specific “shock events,” such as a conflict episode or an important violation of one’s expectations. These shock events produce more than just dissatisfaction; they generate strong emotions that energize employees to think about and search for alternative employment.¹⁸

Voice: Voice refers to any attempt to change, rather than escape from, the dissatisfying situation. Voice is a positive/constructive response. It includes discussing the problem with superiors, raising the issue at union meetings, trying to solve the problem with management through suggesting viable alternatives or actively helping to improve the situation. However, voice can also be more confrontational, such as by filing formal complaints. In the extreme, some employees may even resort to counterproductive behaviors to get attention and force changes in the organization.

Loyalty: Loyalty has been described in different ways. The most widely held view is that “loyalists” are employees who keep their spirits high by being optimistic and respond to dissatisfaction by patiently waiting or “suffering in silence” for the problem to work itself out or get resolved by the management. According to A. O. Hirschman, the author of *Exit, Voice, and Loyalty*, the loyalty of a member to the organization he belongs to is higher when the entrance costs (physical, moral, material, or cognitive) are higher.

Neglect: Neglect includes keeping the mouth shut, reducing work effort, paying less attention to quality, resigning to the fate and allowing the situation to worsen, increasing absenteeism and lateness. Absenteeism bears cost for the organization. It is generally believed that neglect is a passive activity that has negative consequences for the organization.

Organizational Citizenship Behavior (OCB): One of the most innate consequences of job satisfaction is Organizational Citizenship Behavior. Organ (1988) defines OCB as “individual behavior that is discretionary, not directly or explicitly recognized by the formal reward system, and that in the aggregate promotes the effective functioning of the organization” This behavior has three main elements: (1) obedience; (2) loyalty, and; (3) participation. Employees engaging in OCB happily and enthusiastically comply with the policies, go an extra mile to be of help and utility to the organization, do things that are “right and proper” for the sake of the organization. Every citizen believes the vision and mission of the company to be his own and takes decisions which are in line with the company’s business objectives. The Citizens of a Company willingly work for the good of the company even without reward and perform much better than any other employee. Their behavior includes actions that improve social relationships and cooperation within organization (e.g. offering help to workers when it is requested, demonstrating a cheerful and cooperative attitude, protecting or conserving organizational resources, tolerating temporary inconveniences without complaining and so on) .

The five popular OCB categories are listed below:

- **Altruism** – Also referred to as “pro-social behavior”, altruistic OCBs include helping behaviors in the workplace such as volunteering to assist a coworker on a project.
- **Courtesy** – These behaviors can be seen when an employee exhibits basic consideration for others. Examples of courteous OCBs include “checking up” on coworkers to see how they are doing and notifying coworkers of commitments that may cause them to be absent from work.
- **Sportsmanship** – Unlike other forms of OCBs, sportsmanship involves not engaging in certain behaviors, such as whining and complaining about minor issues or tough work assignments.
- **Conscientiousness** – Conscientiousness is basically defined as self-discipline and performing tasks beyond the minimum requirements. Conscientious OCBs involve planning ahead, cleanliness, not “slacking off”, adhering to the rules, punctuality, and being an overall good citizen in the workplace.

- **Civic Virtue** – Civic virtue differs from other OCBs because the target of the behavior is the group or organization as a whole, rather than an individual coworker. Civic virtue OCBs include being a good representative of the organization and supporting the organization, especially in its efforts outside of its major business objectives. Examples of civic virtue OCBs are participating in charitable functions held by the organization and defending or otherwise speaking well of the organization.

Job Satisfaction and Organizational Commitment: Allen & Meyer (1997) defined organizational commitment as “the net sum of a person’s commitment to an organization. . .”. Commitment binds an individual to the organization. It refers to the strength of individuals’ identification with and involvement in a particular organization.¹⁹ The high level of job satisfaction has a positive effect on the emotions of a person. He stays happy and content with his job, has low turnover intentions, shows productive behavior and experiences better physical and psychological well-being. It is for this reason that, job satisfaction is assumed to be related to organizational commitment (because both have similar consequences). A committed employee stays with the organization through thick and thin, attends work regularly, puts in a full day, protects company assets, shares company goals and so on. Certainly it is an advantage to the employer to have committed workforce. Organizational Commitment has three constituents: Affective Commitment (want to stay), Normative Commitment (ought to stay) and Continuance Commitment (have to stay). Many researchers have identified job satisfaction as causally antecedent to organizational commitment.

Job Satisfaction and Customer Satisfaction: It is very common to hear the corporate leaders making statements like: “Happy workers make happy customers” and “Our frontline is our bottom-line” The reason is that, empirical studies have time and again confirmed a strong positive relationship between employee satisfaction and customer satisfaction. Positive change in employee attitudes leads to a positive change in customer satisfaction. There are two main reasons for it: Firstly, satisfied employees are motivated employees who have high energy and willingness to give good service that fulfills the needs and demands of the customers delivering a more positive perception of the service/product provided. Moreover, satisfied employees have enough emotional resources to show empathy, understanding, respect, and concern for the customers. These employees provide customers with high interpersonal sensibility and high quality of interpersonal treatment that has a significant impact on customer satisfaction. Secondly, satisfied employees are less likely to quit their jobs, and after working for a long time in one organization these employees gain more experience and better skills to serve clients. It has been found that perceived employee satisfaction, perceived employee loyalty, and perceived employee commitment had a considerable impact on perceived product quality and on perceived service quality (see figure 2.5).

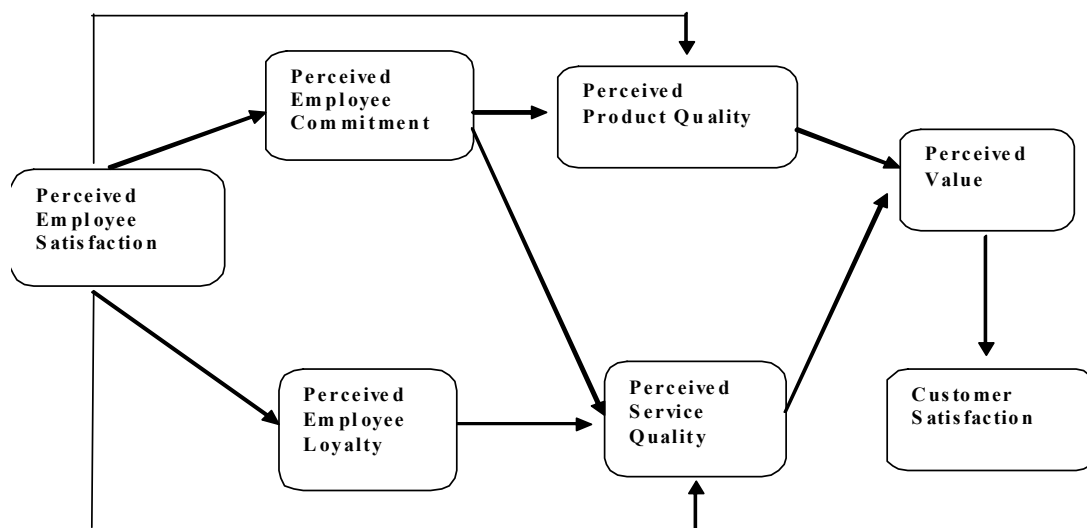


Figure - 12.5: From Employee Satisfaction to Customer Satisfaction

(Source: Caterina C. Bulgarella (2005), Employee Satisfaction & Customer Satisfaction: Is there a relationship?, Guidestar Research)

12.6 Measuring Job Satisfaction

Job Satisfaction is an attitude or an abstract cognition that exists only in an individual's mind and cannot be measured directly. Moreover people may have different attitudes towards various aspect of the job. Then, how to gauge an employee's job satisfaction level? Research on job satisfaction uses various methods like interviews, observations, and questionnaires. As attitudes cannot be inferred correctly from behavior and interviews can be very time consuming, questionnaire is the most frequently used research method owing to its unrestrained nature. Researchers can use an existing assessment tool, or scale, as a means of assessment or they can build their own measurement scales. Using an existing scale provides the researcher with a valid, reliable, and consistent construct when assessing job satisfaction. The few popular methods of measuring Job Satisfaction are listed below:

Job Satisfaction Survey (JSS): The Job Satisfaction Survey is a multidimensional instrument that was developed by Paul E. Spector. This six point Likert scale measures nine aspects of job satisfaction, which were chosen from a review of the literature on job satisfaction dimensions. These aspects include- pay, promotion, benefits, supervision, coworkers, contingent rewards, operating procedures, nature of work and communication. The scale consists of 36 items, so that the nine facets are covered by four items each. Responses to each item ranges from 1- "strongly disagree" to 6- "strongly agree".

Job Descriptive Index (JDI): Developed by Smith Kendall and Hulin in 1969, it is one of the most popularly used standardized instruments of measuring Job Satisfaction. Questions on the JDI deal with five distinct aspects of the job: the work itself, pay, promotional opportunities, supervision, and people (coworkers). It is a "facet" measure of job satisfaction, meaning that participants are asked to think about specific facets of their job and rate their satisfaction with those specific facets. Individuals respond to the questionnaire by indicating whether or not various adjectives describe aspects of their work. The scale is easy, participants indicate either a yes, a no, or can't decide (indicated by '?') in response to whether given statements accurately describe one's job.

The Job in General (JIG) scale is a measure of global satisfaction with one's job. It provide an overall evaluation of how employees feel about their jobs This scale was originally developed and validated by Ironson, Smith, Brannick, Gibson, and Paul in 1989. It consists of eighteen items which describe global job satisfaction and is generally used in conjunction with JDI as it complements the Job Descriptive Index diagnostics on specific facets of employee job satisfaction.

Minnesota Satisfaction Questionnaire (MSQ): The Minnesota Satisfaction Questionnaire is a rating scale for assessing an employee's satisfaction with his or her job. It was developed by Weiss, Dawis, England and Lofquist in 1967 and measures intrinsic satisfaction, extrinsic satisfaction and general satisfaction. Three forms are available: two long forms (1977 version and 1967 version) and a short form. The MSQ provides specific information on the aspects of a job that an individual finds rewarding. People answering to this scale rate the extent to which they are satisfied with the various aspects of their job. The long form of this questionnaire is made up of 100 questions measuring 20 job aspects. Ability Utilization, Co-workers, Moral Values, Achievement, Creativity, Recognition, Activity, Independence, Responsibility, Advancement, Security, Supervision-Human Relations, Authority, Social Service, Supervision—Technical, Company Policies, Social Status, Variety, Compensation and Working Conditions. The short form consists of 20 items from the long-form MSQ that best represent each of the 20 scales.

Job Diagnostic Survey: Hackman and Oldham in 1975 proposed the Job Diagnostic Survey (JDS) for evaluating the immediate work environment constituting five “core” dimensions that are significantly associated with job satisfaction and a high sense of workers’ motivation. These five dimensions are- skill variety, task identity, task significance, autonomy and feedback. JDS measures both overall and specific facets of job. Attention to these five job design characteristics produces three critical psychological states: experienced meaningfulness of the work, experienced responsibility for outcomes of the work, and knowledge of the actual results of the work activities, which in turn increase the likelihood of positive personal and work outcomes like high internal work motivation, high quality performance, high satisfaction with the work, and low absenteeism and turnover.

Pay Satisfaction Questionnaire (PSQ): A questionnaire designed to assess employees’ level of satisfaction with various aspects of their pay. The Pay Satisfaction Questionnaire (PSQ) was developed as a multi-dimensional construct by Heneman and Schwabin 1979. The PSQ subsequently has become a popular instrument because it can be used to better understand satisfaction with the various components of compensation e.g., base pay, raises, benefits, structure and administration.

Critical Incident Technique: Another important method of assessing job satisfaction is the critical incident technique in which participants are asked to describe events/ incidents relating to their job that they find especially satisfying or dissatisfying. It is qualitative approaches for obtaining specific, behaviorally focused description of events on job that bring out the aspects of job an employee likes or dislikes. For example if an employee quotes the incident of how his coworkers filled in for him when he was sick or supported him when he stood up for his rights, it shows he is happy with his coworkers and satisfied.

12.7 Summary

A work attitude that is of most interest to the researchers of organizational behavior, Job Satisfaction has important organizational, personal and social implications. Job satisfaction is also an ethical issue that influences the organizations reputation in a community. A number of theories have been put forward overtime by the researchers like the Two Factor theory, Range of Affect theory, Dispositional theory and Social Information Processing theory that explain the causes and consequences of Job Satisfaction.

As an individual’s cognitive evaluation, it has a complex construct and is a consequence of the interplay of a number of factors- personal and job related. Job Satisfaction manifests itself through higher productivity of employees, low turnover, low absenteeism and low accident rates, high life satisfaction, high customer satisfaction, organizational commitment and citizenship behavior. A number of measures have been developed over time to measure the Job satisfaction of employees.

The chapter introduced the concept of job satisfaction, highlighting its components and discussed in brief the different theories relating to job satisfaction. Furthermore, it sought to provide an overview of job satisfaction antecedents, whereby job content factors, job context factors and personal determinants impacting on job satisfaction were discussed.

In terms of the job satisfaction consequences, various areas where research has been conducted have been discussed. The popular measures used to measure Job Satisfaction have also been elaborated. From the literature review it is evident that job satisfaction is a phenomenon that has been extensively researched and is of significant importance to employees and managers alike.

12.8 Self Assessment Questions

1. Define Job Satisfaction. What are the three components of Job Satisfaction?

2. What causes Job Satisfaction?
3. Are happy workers productive workers? Why?
4. How can we measure Job Satisfaction?
5. How can managers enhance the level of job satisfaction of their workers?
6. Why should organizations work towards improving the job satisfaction of their employees?
7. What outcomes do job satisfaction influence?
8. Why is Job Satisfaction called “a floating concept”?

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Unit - 13 : Power and Politics

Structure of Unit:

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- 13.1 Introduction
- 13.2 The Meaning of Power
- 13.3 Characteristics of Power
- 13.4 Significance of Power
- 13.5 Classifications of Power
- 13.6 Consequence of Power
- 13.7 Leadership and Power
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- 13.10 Politics
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- 13.14 Reality of Politics
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- 13.17 Issues, Linkages and Implications
- 13.18 Specific Political Strategies for Power Acquisition
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13.0 Objectives

After reading this chapter, you should be able to do the following:

- Understand the meaning of power and politics.
- Differentiate between Power, Influence and Authority.
- Recognize the positive and negative aspects of power and influence.
- Recognize the sources and bases of power.
- Understand the antecedents and consequences of organizational politics.
- Understand the important issues related to power and politics in organizations.

13.1 Introduction

The various studies carried out so far of organizational behavior have remained confined mainly to groups, informal organization, interactive behavior, conflicts and stress as important dynamics of organizational behavior but Power and Politics although visible as an important dynamic of organizational behavior have remained altogether sidelined. Anyone who has been associated with a formal organization can verify that organizations are highly political and grasping power is the ultimate goal. The conflict of interest between strategy execution and the existing power structure in any organization can be a major obstacle to strategy execution. While the ability to form coalitions and gain the support of influential people in the organization can help immensely in the execution of formulated plans. Power and politics in an organization therefore

merit recognition as an important dynamic (how to use or abuse it) in organizational behavior

13.2 The Meaning of Power

Power is a part of life. It is universal and integral to all forms of organized behavior. It characterizes human interaction and permeates interpersonal communication. Power is the ability of individuals to exert their influence over others while political behavior is the 'power in action'.

However, power does not have a universally accepted definition. A recent search of the literature of power found it referred to as the ability to get things done despite the will and resistance of others.

It is the ability to win political fights and outmaneuver the opposition. Some have suggested it to be the raw ability to mobilize resources to accomplish some end without reference to any organized opposition. Pfeffer, the most closely associated power theorist simply defined power as 'a potential force/ ability to influence behavior, to change course of events, to overcome resistance and to get people do things that they would not do otherwise'.

Max Weber defined power as "the probability that one actor within a social relationship will be in a position to carry out his own will despite resistance."

Emerson suggests that "The power of actor A over actor B is the amount of resistance on the part of B which can be potentially overcome by A." Power appears to involve one person changing the behavior of one or more other individuals — particularly if that behavior would not have taken place otherwise.

According to Woodrow Wilson, the 28th President of USA, "Power consists in one's capacity to link his will with the purpose of others, to lead by reason and a gift of cooperation"

Definitions of power are usually intertwined with the concepts of authority and influence. The individual who possesses power has the ability to manipulate or change others. Such a person need not demonstrate outward evidence to show that he holds power. Power need not be legitimate.

13.3 Characteristics of Power

The concept of power usually has a strong negative undertone characterized by destructive opportunism and dysfunctional game playing. The famous saying by Lord Acton "Power corrupts; absolute power corrupts absolutely" is typical of much of this popular perception about power. However, following are the major characteristics of power:

(A) Dependence relationship: The basic feature of power is dependence. Dependence gets intense when the resources one controls are important, scarce and non-substitutable. Higher the dependence of one person on another, higher is the amount of power with the first individual to exert force on the later.

(B) Reciprocal Relationship: It is based on the two-way concept of influencing- one influencing another and in turn getting influenced by the later. Power is visible only in a relationship between two or more persons. Different people exercise power at different levels in an organization it is as such reciprocal. There is, therefore, no specific point of power in an organization.

(C) Power is specific: Power can only be exercised by specific persons in a specific and or given circumstances. It is, as such, specific as every individual person cannot exercise power all the time.

(D) Power can contract or expand: Power adjusts itself according to the circumstances it embraces and is therefore, elastic in nature. Power of a manager gets enhanced when he is raised to higher position in an

organization and gets reduced when demoted to a lower rank, shifted to a new environment with a new position and from one department to another.

(E) Power is Instrumental in achievement of goals: Power is necessary for influencing and getting things done. It is important for achieving personal as well as organizational goals because it is through the influence and authority, gained power that one can get things done.

(F) Power is intentional and involves conscious decision and not random action. The use of power is conscious as the person using it well realizes that he has the power and can use it effectively.

(G) Power is an action idea and is apparent in use and not in mere possession. The fact that a person possesses power becomes obvious to others only when he uses that power publically. A power that stays locked inside an individual without being used or displayed through action is no power.

Power mostly implies an individual process of influence from the agent to the target. It is however becoming increasingly clear that power involves a reciprocal relationship between the agent and the target. The power relationship can be better understood by examining some of the characteristics of the target.

The following characteristics have been identified as especially important to the influence ability of targets:

1. **Dependency**-Greater the dependency of the target on the agent the more targets are likely to get influenced. Dependency is enforced on the basis of three factors such as importance, scarcity and substitutability. The more the important the resource, the agent holds, the more is his power over the target.
2. **Uncertainty**-Uncertain people about the correctness of a behavior the more likely they are to be influenced to change that behavior,
3. **Personality**-there exists both positive and negative relationship between self-esteem and influence ability,
4. **Intelligence**- Highly intelligent people may be more willing to listen but they also tend to be held in high esteem, they are more likely to resist influence,
5. **Gender**-Women, as they were raised, were considered as more likely to conform to influence but as their role in the society is changing, there is not much distinction of influence ability by gender,
6. **Age**- Social psychologists have generally concluded that minors up to the age of 8-9 years are more susceptibility to influence and as they grow it decreases until adolescence when it levels off and
7. **Culture**- Cultural values of a society have a tremendous impact on the influence ability of its people e.g. whereas western culture emphasizes individuality, dissent and diversity which tend to reduce influence ability but the Indian culture which emphasizes cohesiveness, agreement and uniformity it is conducive to promote influence ability.

13.4 Significance of Power

Since the beginning of human civilization, people have been fascinated by power and have liked using it. Without taking into account its negative or positive side, it can be agreed that power is important for people to establish certain actions and to achieve their desired goals. Power is important to many people as it can be meant for status and prestige, and also for promotion, leading and ruling. Anyhow, such intentions if not properly associated with the organizational purposes and directed goals, will not benefit the organization.

Thus, the reality of power should be wisely accepted that it is important to enable someone to contribute effectively to his/her organization. Regardless of the positive or negative aspects of power, in any situation, a good working knowledge of power basics is important for effective leadership to occur. Power provides energy to some organizations and helps in effective functioning of operations, understanding organization behavior, coordinate activities of the people and is considered as the base of authority and responsibility.

13.5 Classifications of Power

A great deal of power people have in an organization comes from the specific jobs or titles they hold. In other words, they are able to influence others because of the formal power associated with their jobs. This is known as the position power. John French and Bertram Raven, the psychologists, have identified and described five categories of the sources of social power viz: reward, coercive, legitimate referent and expert.

- (1) **Reward power:** This source of power depends on a person's ability to control resources and reward others. However, this power derives its effectiveness when the target of this power values these rewards. Managers, in an organization, usually have many rewards at their disposal such as pay increase, promotion, valuable work assignments, higher responsibility, praise, recognition and valuable information etc. Here the managers have the powers to administer positive reinforcers but the other person must perceive this ability of the manager. Here the recipient holds the key. Manager may reward his man but if the man does not value it, then manager really holds no power but if the manager calmly listen to chronic complaints of his people and if they perceive this to be rewarding, the manager nevertheless has reward power.
- (2) **Coercive Power:** Fear is the sources of this power. Managers with coercive powers have the ability to inflict punishment on another person. The other person here believes that any threat by his manager may lead to punishment or undesirable outcomes for him. This form of power contributes greatly to the negative connotations that power has for most people. Persons perceive that they will be punished if they do not conform to the organizations' rule, regulations, directives and policies. It is their belief that compels them to attend office on time and attend to and finish their assignments promptly in the organization.
- (3) **Legitimate Power:** This source of power stems from the internalized values of the other persons that give the legitimate to the agent to influence them. The others here feel that they have the obligation to accept this power. This power is closely aligned with both reward and coercive power because the person with legitimacy is also in a position to reward and punish. Here legitimacy does not depend on relationship but on the position or the role the person holds. A captain of a team, oldest in the family, toughest man in a street gang, group supervisors, an elected member of a society and a union leader in an organisation may have legitimacy. In effect, the legitimate power creates an obligation to accept and be influenced.
- (4) **Referent Power:** This source of power comes from the desire of the other persons to get identified with the agent wielding power. They want to identify with the powerful person, regardless of the outcomes. This power comes from others because they feel he is attractive and has desirable resources or personal characteristics. Sport, film political social celebrities fall in this category and advertiser take advantage of their socially recognition power. Here timing is very important. Only current celebrities wield this power as they are presently visible and are in the forefront of the public awareness. In an organization managers with referent power must be attractive to their people so

that they will want to identify themselves with them.

- (5) **Expert Power:** This power has its source in the expertness of others and the extent to which they are in a position to attribute knowledge and knowhow to the power holder. Experts are perceived to have detailed knowledge in certain well defined areas. Although all the sources of power depend on an individual's perception but expert power may be even more dependent on this than the others. Here, in particular, the target must perceive the agent the expert power holder, to be credible, trustworthy, reliable and relevant.

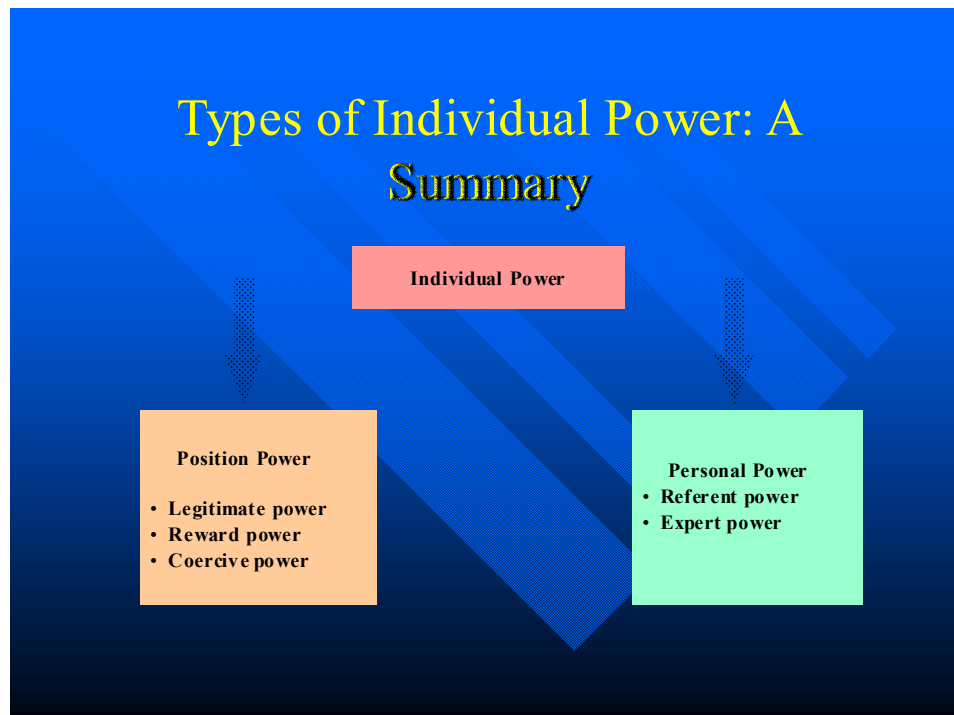


Figure - 13.1: Types of Power

13.6 Consequence of Power

Many actions and feelings, both positive and negative, can result from the use of power. Obviously, a goal of any good and ethical leader is to use power so that it culminates in a positive outcome. Followers can be expected to react in one of three ways to uses of power.

- **Commitment**—Followers accept power as reasonable and legitimate
- **Compliance**—Followers accept the process and go along with it, although they don't feel deep commitment to it
- **Resistance**—Followers don't agree with the attempt at influence and resist it

Power sources associated with positional authority—legitimate, reward and coercive powers—are generally considered to be harsher sources of power. Often these types of power are used to manipulate or control people, which is the primary reason followers interact at only resistance or compliance levels.

Expert and referent powers are not granted by an organization but are dependent upon an individual's passions or interests. Within certain situations, followers will bypass positional authority to consult those with expert or referent power. These power sources have been found to be related to higher follower satisfaction and performance, and, as a result, followers often interact at the commitment level.

Consequences of Power

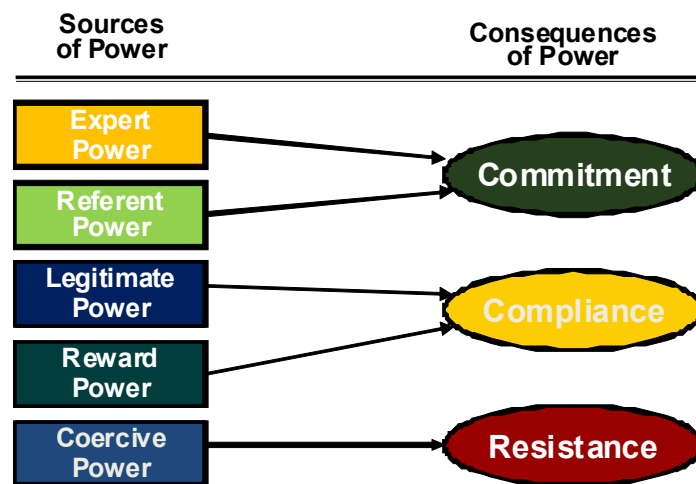


Figure - 13.2: Consequences of Power

13.7 Leadership and Power

A leader always has some measure of power, but many power holders have no trace of leadership.

—Howard Gardner

Not all those with power are leaders but all leaders have power. Power plays a significant role in the workings of leadership. Effective leaders know how to influence people. In most organizations, it's not about authority, it's about influence. Differentiating between power, authority and influence is important here, as these terms have slightly different meanings that make them unique in leadership situations.

Power is the control or command over others.

Influence refers to the ability to affect or sway the course of an action, and

Authority is the power vested in a particular position.

A manager might have the legitimate power or authority to influence subordinates since authority is, a legitimate source of power. It is the legitimate right to manipulate or change others. Barnard has defined authority as “the character of a communication in a formal organization by virtue of which it is accepted by a contributor to or member of the organization as governing the action he contributes. Authority legitimizes promotion of collective goals that are associated with the group consensus whereas the power is the pursuit of individual or particularistic goals with group compliance

However, effective leaders use their influence with vision to motivate people and themselves and in this way can accomplish great events. Influence is conceived as being broader in scope. It involves the ability to alter other people in general ways such as changing their satisfaction and performance. Influence is considered more associated with leadership than power but it is so conceptually close power that the two terms can be used interchangeably.

The visionary leader understands how to influence people through the use of expectations. They harness the expectations to inculcate an inner strength that keeps pushing the followers forward on a path no matter how difficult it is. Setting positive and negative expectations exert tremendous influence.

A leaders' power also lies knowing how to develop, maintain and repair relationships. In many cultures, like that of India, business leaders place a greater emphasis on relationship development. Typically, successful business needs sound and long lasting relationships, both internal and external. Successful leaders devote substantial time and effort to develop trust, rapport, credibility, and empathy: the foundation elements of influencing people. Another characteristic of successful use of power is effective persuasion when authority does not work. Technically, persuasion ends with someone saying, "I agree." Incidentally, persuasive influence of people requires a fair amount of sales savvy and a fairly sophisticated understanding on attitude change and cognition.

The responsibility of leadership also requires the leaders to function as a coaches—showing and teaching others how to do it. Leaders exert a lot of influence on their protégées by virtue of Coaching (and by extension, mentoring and teaching) and providing them with new knowledge and new skills on how to influence people.

13.8 The Bases of Power

Where does power come from? Why do some people have more power than others? The answer is 'Dependency'.

Dependency is directly related to power. The more a person or unit is dependent on someone, the more power he has. Dependency is power that a person or unit gains from his ability to handle actual or potential problems facing the organization. One can know how dependent he is on someone when he answers three significant questions relating to the three aspects: scarcity, importance and substitutability. It has been observed that generally possessing any of the following three aspects of a resource could make others depend on one, two would make him extremely needed, and having all three could make him indispensable.

1. **Scarcity:** In the context of dependency, scarcity refers to the uniqueness of a resource. The more difficult something is to obtain, the more valuable it tends to be. Effective persuaders exploit this reality by making an opportunity or offer seem more attractive because it is limited or exclusive. They might convince one to take on a project because "it's rare to get a chance to work on a new project like this," or because "You have to sign on today because if you don't, I have to offer it to someone else."
2. **Importance:** Importance refers to the value of the resource. The key question here is "How important is this?" If the resources or skills one controls are vital to the organization, he will gain some power. The more vital the resources that he controls are, the more power he will have. For example, if Mr Sharma is the only person who knows how to fill out online forms, it is important that others are able to work with him, because filling and sending these forms as a part of self appraisal or claiming reimbursement or lodging complains and problems may be important to them.
3. **Substitutability:** Finally, substitutability refers to one's ability to find another option that works as well as the one offered. The question around whether something is substitutable is "How difficult would it be for me to find another way to this?" The harder it is to find a substitute, the more dependent the person becomes and the more power someone else has over them. If you are the only person who knows how to make a piece of equipment work, you will be very powerful in the organization. This is true unless another piece of equipment is brought in to serve the same function. At that point, your power would diminish. Similarly, countries with large supplies of crude oil have traditionally had power to the extent that other countries need oil to function. As the price of oil climbs, alternative energy sources such as wind, solar, and hydropower become more attractive to

investors and governments.

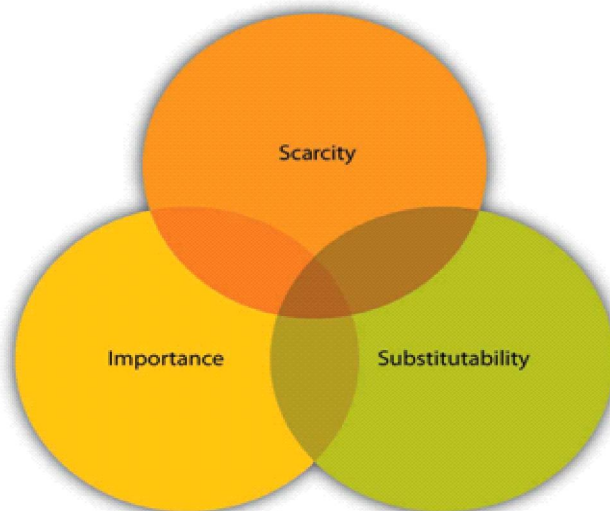


Figure - 13.3 : Bases of Power

13.9 Power Distribution in Organizations

Power in organization is often a result of structural characteristics. They have a hierarchical structure associated with varying amount of power. Organizations are large and complex systems that may contain hundreds and thousands of people working in them. These systems have a formal hierarchy in which some tasks are more important regardless of who performs them. In addition, some positions have access to more information and greater resources, or their contribution to the organization is more critical than others. In other words, the important power processes in organizations are both horizontal and vertical and there exist multiple basis of power.

In organizational hierarchy, top managers control more resources and can determine their distribution as well as use them to reward or punish. This is an additional source of power. Moreover in organizations, all important decisions are taken at the top and the decision making capability of low level workers is restrained by the frame of reference and guidelines laid by the top management. Hence the outcome of their decisions is also restricted.

Power is also increased when a position encourages contact with high level people. Access to powerful people and the development of a relationship with them provides a strong base of influence. Although these positions may not be higher in hierarchy, their centrality provides them greater power.

The control of information also forms the bases of power in organizations. Information is the primary business resource and by controlling what information is collected, how it is interpreted and how it is shared, can influence the way decisions are made. Top managers generally have access to more information than the other employees. Amount of power in an organization as well as in an interpersonal situation is variable and changes overtime. Middle level and low level can also use the information they have to increase their power in an organization.

Forming alliances and friends across departments and levels provides access to information and therefore top managers usually try to surround themselves with people loyal to them and gain their support.

To solve this problem of distribution of power Tannehbaum has identified two classes of conditions under which expansion of power takes place

The first class is that of an external expansion of power into the organizational environment.

The second class is concerned with the number of internal organization environment condition which include :1) Structural conditions expediting, interaction and influence among members. 2) Motivational conditions implying increased interest by members in exercising control and a greater ability to control members.

Power is carried out within a fixed amount of framework and it is the framework that changes over time. Moreover, at any point of time, the amount of power in an organization is fixed-a zero sum game .i.e. if any person or group gains power, another loses.

Organization as a social entity also participates in power distribution in two ways: Structural and Functional power.

In structural power the distribution of power is done according to the positions held. According to structural power the higher position has more power as compared to the lower position as higher position enjoys power of more sanctions, to distribute more rewards and punishments.

According to functional power the allocation of power as per the subject depends on specialization and division of labor. Specialization creates a pattern of dependence in which, each participant is a greater or a lesser degree contributes to the organizational objectives.

Since various units and persons perform different types of functions in the organization, their power will be different. Hickson has provided a modal which explains the difference in power among various units.

13.10 Politics

Politics is defined as the complex or aggregate of relationships of people in society, especially those relationships involving authority or power. It is any activity concerned with the acquisition of power, gaining one's own ends, etc. Political behavior focuses on the use of power to affect decision making in a self-serving way. In organizations too political behavior refers to non-sanctioned actions that are taken to influence others in order to meet personal goals.

However, there is another view about an inverse relationship between power and politics that the point that people who lack power use more politics.

In any case power and politics are closely entwined.

Harold Lasswell's (1936) defines politics as the study of who gets what, when and how.

A comprehensive definition drawn from literature states that "organizational politics consists of intentional acts of influence undertaken by individuals or groups to enhance or protect their self-interest when conflicting courses of action are possible".

Farell and Peterson define politics as "those activities that are not required as part of one's formal role in the organization but that influence or attempt to influence the distribution of advantages and disadvantages within the organization."

Tushman defines politics as, "the structure and process of the use of authority and power to affect definition of goals, directions and other major parameters of the organization. Decisions are not made in a rational or formal way but rather through compromise, accommodation and bargaining".

13.11 The Two Faces of Power

Besides the sources and situational/contingency nature of power there are other types of power also that

have been identified. The social psychologist David McClelland identified two major types of power, one he called negative and the other one positive.

Negative use of power has been found to be associated with personal power. People with this face of power are “I” oriented e.g. I should look good if this project is completed well then I can earn a rise or a promotion. This personal power, he described, as being primitive with negative consequences. The behavior is guided by self interest. Such use of power may lead to members ignoring or obstructing organizational goals the achieve personal goals which may also lead to conflicts of interest and tense the working environment. The subordinates working under such managers usually complain and are dissatisfied. A lot of resources including time is wasted in resolving conflicts and cooling temperatures.

The negative effects of political behavior can be limited by:

- Providing Sufficient Resources
- Introducing Clear Rules
- Encouraging Open communication
- Reducing uncertainty
- Creating awareness
- Managing Change Effectively

Positive power, in contrast, is social in nature. People with this face of power have concern for group goals. They are “we” oriented and have democratic connotations. They are quite effective as they tend to believe in participative decision making.

How the dynamics of power are used and what type of power is used is very important in an organization as it has great potential to affect human performance and organizational goals.

13.12 Characteristics of Politics

Politics exist whenever people work together.

Any behavior of members that is self-serving is generally termed as political.

Politics involves some kind of power either directly or indirectly which is exercised by those who are in formal positions or by other persons who are close to formal authority.

Political behavior is not officially sanctioned by organizations.

Political behavior can be legitimate or illegitimate.

Legitimate political behavior refers to normal everyday politics- complaining to the boss, bypassing the chain of command, forming coalitions, obstructing organizational policies or decisions through inaction or excessive adherence to rules and developing contacts outside the organization.

Illegitimate political behavior includes sabotage, whistle blowing, and symbolic protests like calling in sick or going on strike, or going “slow”.

Consequences of political behavior can be destructive or constructive. When political behavior is undertaken strategically to maximize self-interest and people in the organization pursue selfish ends competitively, they are likely to harm the organization. The reason is that the focus is not on organizational goals but on personal goals. Extreme political climate in organizations can also cause anxiety, tension and fatigue.

Constructive political behavior is selfless and is differentiated from unethical behavior. It reflects a sense of responsibility and a greater common cause.

13.13 Organizational Politics: Concept

Organizational politics is a natural phenomenon in any organized society and an integral part of organizational life. The organizations are made of people with different goals, values and interests who have conflicts of interests over limited resources. Organizations that are driven by unhealthy levels of political behavior suffer from lowered employee organizational commitment, job satisfaction, and performance as well as higher levels of job anxiety and depression. Individual antecedents of political behavior include political skill, internal locus of control, high investment in the organization, and expectations of success. Organizational antecedents include scarcity of resources, role ambiguity, frequent performance evaluations and promotions, and democratic decision making.

13.14 Reality of Politics

Politics is a fact of life in organizations. People who ignore this fact of life do so at their own peril. But why, you may wonder, must politics exist? Is not it possible for an organization to be politics free? It's possible but unlikely.

Organizations are made up of individuals and groups with different values, goals and interests. This sets up the potential for conflict over resources. Departmental budgets, space allocations, project responsibilities and salary adjustments are just a few examples of the resources about whose allocation organizational members may disagree.

Resources in organizations are also limited, which often turn potential conflict into real conflict. If resources were abundant, then all the various constituencies within the organization could satisfy their goals. But because, they are limited, not everyone's interest can be provided for. Furthermore, whether true or not, gains by one individual or group are often perceived as being at the expense of others, within the organization. These forces create competition among members for the organizations limited resources.

Maybe the most important factor leading to politics within organizations is the realization that most of the 'fact' that are used to allocate the limited resources are open to interpretation. What, for instance, is good performance? What's an adequate improvement? What constitutes an unsatisfactory job? One person's view that an act is a 'selfless effort to benefit the organization' is seen by another as a 'blatant attempt to further one's interest'.

13.15 Antecedents to Political Behavior: Factors Contributing To Politics

Power and politics are very closely related concepts. In an organization, politics is how one can reasonably get ahead of others. Some believe there is inverse relationship between power and politics. In an era where HR managers compete for limited resources those enjoying higher power indulge in less politics while others with little or no power increasingly take recourse to politics. Political skills largely deal with the acquisition of power. Recognition of the political realities of power acquisition and some specific political strategies for enquiring power are of particular interest for understanding the dynamics of organizational behavior. Organizations are portrayed as highly rational structures where authority is meticulously followed the chain of command and the managers hold legitimized power. However, the informal managerial roles played by some of them in an organization portray more realistic view of organization. It is this view of organizations where the political aspect of power is brought to the forefront. As Pfeffer noted that big organizations are akin to governments which are fundamentally political entities. To understand them one needs to understand organizational politics.

Politics is not a simple process and it can vary from organization to organization and even from subunit of an organization to another. Organisational politics consists of intentional acts of influence undertaken by individuals or groups to enhance or protect their self-interest when conflicting courses of action are possible. Political behavior of its managers tends to be opportunistic for the purpose of maximizing their self-interest. Research on organizational politics has identified a few antecedents that affect the degree to which organizations are political. They can be broadly grouped into Individual and organizational antecedents.

Individual Antecedents:

There are a number of potential individual antecedents of political behavior. We will start off by understanding the role that personality has in shaping whether someone will engage in political behavior.

Political skill refers to peoples' interpersonal style, including their ability to relate well to others, self-monitor, alter their reactions depending upon the situation they are in, and inspire confidence and trust. Aristotle famously said that "man is a political animal", and he distinguished mankind from other creatures such as bees who are merely social. What makes mankind political is our ability to differentiate the good, and to collectively strive for it. Bees are not political because although they are social they cannot reflect on their purpose nor adjust their behaviour. Researchers have found that individuals who are high on political skill are more effective at their jobs or at least in influencing their supervisors' performance ratings of them.

Individuals who are high in internal locus of control believe that they can make a difference in organizational outcomes. They do not leave things to fate. They believe, they can control their environment and are more orene to proactive stance and attempt to manipulate situations in their favor. Therefore, those high in internal locus of control are expected to engage in more political behavior. Research shows that these individuals perceive politics around them to a greater degree.

Investment in the organization is also related to political behavior. If a person is highly invested in an organization either financially or emotionally, they will be more likely to engage in political behavior because they care deeply about the fate of the organization.

Finally, expectations of success also matter. When a person expects that they will be successful in changing an outcome, they are more likely to engage in political behavior. Think about it: If you know there is no chance that you can influence an outcome, why would you spend your valuable time and resources working to effect change? You wouldn't. Over time you'd learn to live with the outcomes rather than trying to change them.

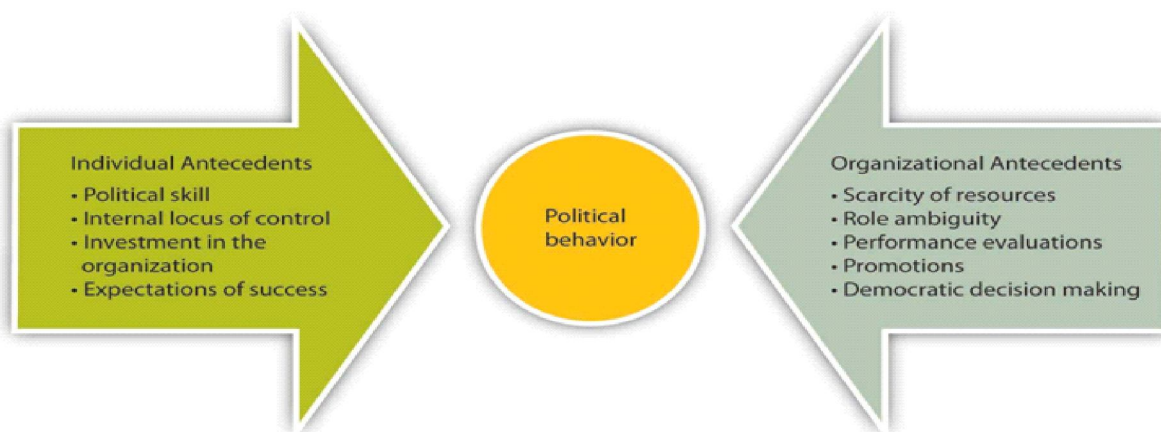


Figure - 13.4 : Individual and Organizational Antecedents to Political Behavior

Organizational Antecedents

Political behavior in organizations can have organizational antecedents namely,

Scarcity of resources: When an organization's resources are on a decline or the existing pattern of resources is changing, the pursuit to maximum share of resources becomes intense.

Role Ambiguity: An organizational culture dominated by low trust, role ambiguity encourages political behavior. Role ambiguity means that the prescribed behaviors of the employee are not clear. This confusion breeds political activities in which pursuit of personal gains is disguised as pursuit of organizational goals.

Unclear Performance Appraisal: Subjective performance criteria create ambiguity. The more the organizations use subjective criteria in the appraisal, emphasize a single outcome measure, or allow significant time to pass between the time of an action and its appraisal, the greater the likelihood that an employee can get away playing politics.

Promotions: Promotions and other such rewards when based on a zero sum game or win/lose approach lead to people resorting to illegitimate means to get promoted/rewarded. The zero-sum approach treats the reward 'pie' as fixed so that any one's gain is another's loss.

Democratic (non-programmed) decisions: Democratic decision making is complex and ambiguous and managers have to depend on others which lead to rise in political behavior. Today managers are told to allow employees to advise them on decisions and rely to a greater extent on group input into the decision process. Many managers, however use such committees and group meetings superficially to serve their own interest through maneuvering and manipulation.

A reorganization effort brought about by external forces may also encourage political maneuvering. Today's organizations work on limited resources, high technology, high but complex goals and are radically innovative and undergo drastic changes from time to time and as such are more political. Within an organization, members do tend to become territorial over physical space, roles, ideas, relationship and other potential possessions in the organization.

13.16 Reasons for Organizational Politics

Organizational politics is a natural phenomenon of every human group including an organization. Some prominent factors contributing to politics are:

- 1) **Lust for power-** People play politics to play power for control and decision making. No one wants to lose power because it is a tool that can be effectively used for self-benefits. People with power feel in control of things and have the advantage of maneuvering decisions in favorable direction.
- 2) **Discretionary Authority-** Organizations provide positions with discretionary authority to use such powers in case of special needs like an emergency. Normally, discretionary authority becomes the basis of organizational politics and seeks to maintain power equal or greater than others.
- 3) **Protection of self-interests-** Various coalitions seek to protect their interests and positions of influence by moderating environment pressures and their effects.
- 4) **Ambiguity in Organizations-** Sometimes there is unequal distribution of authority and roles which generate politics. The more ambiguous and unclear the roles and responsibilities of organizational members are, the more they will indulge in politics. This type of ambiguity has a dehumanizing effect and ignites political activities in organizations.

- 5) **Saturation in Promotion**-When people have risen to the highest level in their careers according to their skill set and talents, they indulge in political behavior to push their career a little further and move up in the organizational hierarchy.
- 6) **Subjectivity in performance evaluations**- If the members of any organization feel that their performance appraisal will have a substantial degree of subjectivity, they may be encouraged into dysfunctional political behavior.
- 7) **Joint decision making**-Joint decision making generates conflict and politics in order to get favourable decision, people involve in politics by forming coalitions and associations through which they will be able to achieve their objectives.
- 8) **Need for Inter departmental coordination**-Organizations consist of various departments that are interdependent. The ability of any department to achieve its goal is somehow dependent on the cooperation of other departments. This relationship is generally reciprocal and gives each department to play push-pull tactics to its advantage.
- 9) **Delay in feedback**-Generally there is some time lag before a feedback is received. This period is a breeding time for political behavior as there is ambiguity about the feedback and its resulting consequences. The grapevine is ripe and people indulge in politics to gain from the ambiguity.

13.17 Issues, Linkages and Implications

Empowerment: Global competition and organizational change have stimulated a need for employees who can take initiative, embrace risk, stimulate innovation and cope with constant change. Empowerment has become almost sacred. Most organizations have subscribed to the rhetoric of empowerment for the sake of retaining talent and remaining competitive. Empowerment means making people feel valued by involving them in decisions, asking them to participate in the planning process, praising them and continually providing adequate training and support. It is giving employees the opportunity to contribute to the company's overall success. The technique of employee empowerment is very closely associated with the positive/social power. Jay Conger defines empowerment as "creating conditions for heightened motivation through the development of a strong sense of personal self-efficacy". It makes individuals have faith in their own capability and decision making. Empowerment gives authority to make decisions within one's area of responsibility without first having to get approval from someone else. Empowerment is almost similar to delegation of authority but has two special characteristics that make it unique viz: this encourages employees to use their own initiative and secondly they are given not only the authority but also the resources enabling them not only to make decisions but also to get them implemented.

Empowerment encourages innovations because employees have the authority to try out new ideas and make decisions that result in new ways of doing things. Empowered employees are given access to information as an important aspect of their empowerment, their willingness to cooperate increases. "When you allow your employees to think independently and assist the company, they will respond with increased work effort and greater efficiency". However, empowerment does not come without accountability and responsibility. This ensures that they give their best efforts while working towards agreed goals behaving responsibly towards each other. This results in raising the level of trust in the organization.

Four dimensions that comprise the essence of empowerment are:

Meaning: A fit between the work role and the employee's value and beliefs. It is the engine of empowerment that energizes employees about their job. If employee's hearts are not in their job, they can't feel empowered.

Competence: The employees should have the belief in their own ability to do a job well.

Self Determination: The power to decide and control how one does his work. The employees should be given freedom to make independent decisions regarding their work.

Impact: The feeling or realization that the efforts of an employee are making some meaningful contribution towards the fulfillment of organizational goals. The employees should be able to feel that they can, through their work make a positive impact on the performance/ productivity /profitability of their organization.

There are a number of ways in which managers can implement empowerment. Two common approaches are: 1) Kaizen and 'just do it' principles (JDIT) and 2) trust building. The goal is to tie empowerment with an action driven results approach.

Empowerment is a matter of degree. Ford and Fotler (1995) have developed an "Employee empowerment grid" to help people gain a better understanding of employee empowerment. It includes the varying strategies for empowerment and how to implement these. The grid gives a different viewpoint on employee empowerment. It gives a view on how employees can be empowered through focusing on work content and work context. Looking closely at the grid, the dimensions of employee empowerment can be identified. Jobs can be thought of in two dimensions: job content and job context. Job content consists of tasks and procedures necessary for doing a job. Job context are the extrinsic factors that someone as an employee does not have much control over; they relate more to the environment in which people work. They are the reason the organization needs the job and includes the way the job fits into the organizations mission, goal and objectives. Empowerment should ideally begin with the job content factors and proceed to job context.

Bot axis of the grid contain the major steps in the decision making process. As shown on the horizontal axis, decision making authority over job content increases in terms of greater involvement in the decision making process. Similarly, the vertical axis shows that authority over job context increases with greater involvement in that decision making process. Combining job content and job context authority in this way produces five points that vary in the terms of degree of empowerment.

No Discretion (Point A) represents the traditional, assembly line job: highly routine and repetitive, with no decision making power. Recall from chapter 7 that if these jobs have a demanding pace and if workers have o discretion distress will result.

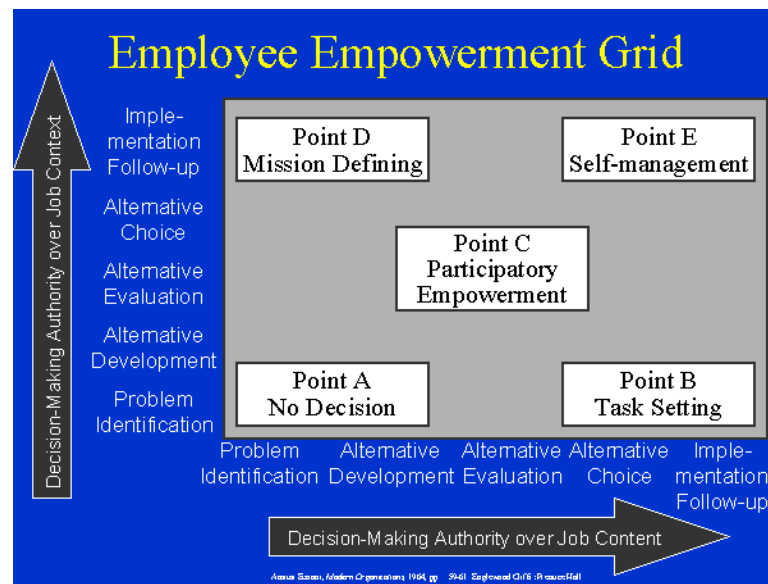
Task Setting (Point B) is the essence of most empowerment programs n organizations today. In this case, the worker is empowered to make decisions about the best way to get the job done but has no decision responsibility for the job context.

Participatory Empowerment (Point C) represents a situation that is typical of autonomous work

Groups that have some decision making power over boath job content and job context. Their involvement is in problem identification, developing alternatives and evaluation alternatives, but the actual choice of alternatives is often beyond their power. Participatory empowerment can lead to job satisfaction and productivity.

Mission Defining (Point D) is an unusual case of empowerment and is seldom seen. Here, employees have power over job context, but not job content. An example would be a unionized team that is asked to decide whether their jobs could be better done by an outside vendor. Deciding to outsource would dramatically affect the mission of the company, but would not affect job content, which is specified in the union contract. Assuring these employees od continued employment regardless of their decision would be necessary for this case of empowerment.

Self-Management (Point E) represents total decision making over both job content and job context. It is the ultimate expression of trust.



(Ford & Fotler, 1995:24)

Figure - 13.5 : Employee Empowerment Grid

Randolph (2000) suggests an empowerment plan which is divided into three sections, and specifies what must be done in each section:

1: Share information

- Share company performance information.
- Help people understand the business.
- Build trust through sharing sensitive information.
- Create self-monitoring possibilities.

2: Create autonomy through structure

- Create a clear vision and clarify the little pictures.
- Clarify goals and roles collaboratively.
- Create new decision-making rules that support empowerment.
- Establish new empowering performance management processes.
- Use heavy doses of training.

3: Let teams become the hierarchy

- Provide direction and training for new skills.
- Provide encouragement and support for change.
- Gradually have managers let go of control.
- Work through the leadership vacuum stage.
- Acknowledge the fear factor.

Randolph emphasizes that empowerment is not magic; it consists of a few simple steps and a lot of persistence.

Sexual Harassment: Abuse of power at workplace: Sexual harassment is defined as any unwanted activity of social nature that affects an individual employment. Sexual harassment at workplace is wrong and unethical. It not only bears cost and ill reputation, it also causes mental stress and negatively impacts work environment.

The concept of power is central to sexual harassment, whether it comes from a supervisor, a coworker, or an employee. It is more likely to occur when there are large power differentials. The supervisor- employee relationship is a classic example of such unequal power distribution and may involve bullying or coercion of a sexual nature, or the unwelcome or inappropriate promise of rewards in exchange for sexual favors. It involves controlling and threatening other individual. Since employees want promotions, salary hikes, the control of scarce and important resources (promotion, salary etc.) by one's boss creates a power imbalance which can be used to sexually harass subordinates.

However, co-workers and subordinates who have no formal authority or legitimate power can also harass their peers.

Forms of harassment at workplace include unwanted looks or comments, off-color jokes, sexual artifacts, leud comments, making sex-stereotyped jokes, withholding information cooperation and support.

The harasser can be anyone, such as a client, a co-worker or a superior.

The victim does not have to be the person directly harassed but can be a witness of such behavior who finds the behavior offensive and is affected by it.

The place of harassment occurrence may vary from workplace to any other.

There may be other witnesses or attendances, or not.

The harasser may be completely unaware that his or her behavior is offensive or constitutes sexual harassment or may be completely unaware that his or her actions could be unlawful.

The harassment may be one time occurrence but more often it has a type of repetitiveness.

Adverse effects on the target are common in the form of stress and social withdrawal, sleep and eating difficulties, overall health impairment, etc.

The victim and harasser can be any gender.

The harasser does not have to be of the opposite sex.

Misunderstanding: It can result from a situation where one thinks he/she is making themselves clear, but is not understood the way they intended. The misunderstanding can either be reasonable or unreasonable.

Sexual harassment can be very detrimental to any organization and should be avoided. Some of the ways in which managers can protect themselves and their employees from sexual harassment are:

- 1) An elaborate and clear policy that defines what constitutes sexual harassment should be in place, that informs employees that they can be fired for sexually harassing another employee, and that establishes procedures for how complaints can be made.
- 2) Ensuring complete safety and security of employees, ensuring that they will not encounter retaliation if they lodge a complaint.
- 3) Thoroughly look into every complaint and include legal and human resource departments in it.

- 4) Provide justice and set examples by disciplining or terminating the offenders.
- 5) Set up in-house seminars to raise employee awareness of the issues surrounding sexual harassment.

Impression Management: Impression management refers to the activity of controlling information in order to steer others' opinions in the service of personal or social goals. It is a goal-directed conscious or unconscious process in which people attempt to influence the perceptions of other people about a person, object or event; they do so by regulating and controlling information in social interaction. It is usually used synonymously with self-presentation, in which a person tries to influence the perception of their image. The notion of impression management also refers to practices in professional communication and public relations, where the term is used to describe the process of formation of a company's or organization's public image. One of the several motives that govern impression management is to influence others and gain rewards. Conveying the right impression aids the acquisition of desired social and material outcomes. Conveying an impression of competency in the workforce can bring about positive material rewards such as getting favorable performance assessment, higher salaries rapid promotions or better working conditions.

People with High Self Monitor personality are good at reading situations and molding their behaviors and appearances to fit the situation. Hence they use Impression Management quite successfully.

Some of the most popular IM techniques are explained below.

1. **Conformity:** Agreeing with someone else's opinion in order to gain his or her approval.

Example: A manager tells his boss, 'You are absolutely right on your reorganizations plan for the western regional office. I couldn't agree with you more'.

2. **Excuses:** Explanations of a predicament creating event aimed at minimizing the apparent severity to the predicament. Examples: Sales manager to boss. 'We failed to get the ad in the paper on time, but no one responds to those ads anyway'.
3. **Apologies:** Admitting responsibility for an undesirable event and simultaneously seeking to get a pardon for the section Example: Employee to boss, 'I'm sorry I made a mistake on the report Please forgive me'.
4. **Self-Promotion:** Highlighting one's best qualities downplaying one's deficits and calling attention to one's achievements. Example: A salesperson tells his boss: 'Matt worked unsuccessfully for three years to try to get that account I sewed it up in six weeks. I'm the best closer this company has'.
5. **Flattery:** Complementing others about their virtues in an effort to make one self-appear perceptive and likeable .Example: New sales trainee to peer. 'You handled that client's complaint so tactfully! I could never have handled that as well as you did'.
6. **Favors:** Doing nice for someone to gain that person's approval. Example: Sales person to prospective client, 'I've got two tickets to the theater tonight that I can't use. Take them. Consider it a thank you for taking the time to talk with me'.
7. **Association:** Enhancing or protecting one's image by managing information about people and things with which one is associated. Example: A job applicant says to an interviewer, "What a coincidence. Your boss and I were roommates in college".

Researches on the effectiveness of IM techniques have concluded that it works very effectively in interviews when used by interviews for promoting ones accomplishments, called self- promotion and when complimenting the interviewer and finding areas of agreement, reoffered to as integration.

13.18 Specific Political Strategies for Power Acquisition

In contemporary organizations which run large political systems, some very specific strategies can be identified to help members more effectively acquire power in organizations. One research study found that a supervisor-focused political strategy resulted in enhanced career success whereas for a job-focused political strategy, the level of success was low.

According to another view on political strategies the following political strategies have been included:

1. **Information Strategy**-this strategy targets political decision makers by providing information through lobbying or supplying technical reports and position papers.
2. **Financial Incentive Strategy**-this targets political decision maker by providing financial incentives such as paying for travel or honorarium for speaking.
3. **Constituency Building Strategy**-this targets political decision maker indirectly through constituent support such as grassroots mobilization of employees, suppliers or public relations and press conferences.

Over the years, various political strategies for gaining power in organizations have been suggested and research is also being done in political tactics. A representative list of both the strategies includes the following:

Political strategy for attaining power in organizations include

1. Taking counsel
2. Maintaining maneuverability
3. Promoting limited communication
4. Exhibiting confidence
5. Controlling access to information and persons
6. Making activities central and non-substitutable
7. Creating a sponsor-protégé relationship
8. Neutralizing potential opposition
9. Making strategic replacements
10. Forming a winning coalition
11. Developing expertise
12. Building personal stature
13. Using research data to support one's point of view
14. Withdrawing from petty disputes and
15. Employing trade-offs.

Political tactics derived from research-pressure tactics, coalition tactics, and consultation tactics,

Upward Appeals-persuading someone that it has the support of higher ups,

Exchange Tactics-promising someone reward /benefit if he/she agrees to a proposal and promising him/her a favor in reciprocation,

Rational Persuasion-Persuasion based on logics and factual evidence,

Inspirational Appeals-emotional request by increasing one's confidence that it is he/she that can do a job very well,

Ingratiating Tactics - Seeking to get someone in a humorous mood, or thinking favorably of the influence,

before asking him to do something.

One of the more comprehensive and relevant lists of strategies for modern managers come from DuBrin⁷⁹. A close look on his and other suggested strategies provides important insights into power and politics in modern organizations:

Maintain Alliance With Powerful People- Formation of coalition is very critical to the acquisition of power in an organization. Important coalition may be with members of other departments, upper level management, staff assistant and boss's secretary.

Embrace or Demolish- In the case of corporate takeovers senior managers either be welcomed and encouraged or be sacked. Unwilling, dissatisfied or downgraded employees will remain resentful and harmful and determined to get their own back.

Divide and Rule- In corporate takeovers, managers if remain divided will be powerless, weak, unorganized and unable to form coalition themselves.

Manipulate Classified Information- Obtaining and disseminating information is very important to acquire power. A politically astute organization member carefully controls his information in order to gain power.

Make a Quick Showing- This strategy involves looking good when it matters most so as to come to limelight and gain appreciation of right people's attention. Once this positive attention is gained, power is acquired to do other more difficult jobs/projects.

Collect and Use IOUs (abbreviated from the phrase "I owe you")- This involves the "Godfather" approach. Here one does favor to others in expectation of reciprocal future favor when asked as an acknowledging.

Avoid decisive Engagement- This strategy works on the principle of not going revolutionary for a change. Go slow, steady, wait and watch. Become entrenched and gain the trust of others.

Attacking and Blaming Others- Try to make others look "bad" so as to look "good" yourselves. This strategy deflects responsibility onto others. Blaming and attacking others, though unethical, but is commonly practiced in many organizations.

Progress One Step at a Time- Small, well thought of a step at a time has potential to give a foothold that the power seeker may want and use the same as basis to get other and more power.

Wait for a Crisis- This strategy depends on "bad news is good news". Act when a crisis occurs get attention and favor of higher up managers.

Take Counsel With Caution- This political strategy is more related as to how to retain the acquired power rather than acquiring it. It suggests "avoid opening up gates" to your people for shared decisions to avoid eroding your power.

Be Aware of Resource Dependence- Dependence of people and departments for scarce resources creates considerable bargaining power. Controlling resources results in power attainment.

All these political tactics are part of the game and inevitable.

13.19 Summary

As discussed above, there are many dynamic complexities involved in organizational power and politics. Power and politics have a number of different meanings. Power can be distinguished from authority and

influence but most definitions subsume all the three concepts. The power to gain acceptance and cooperation through conformity to group and organizational norms can make a functional contribution to organizational effectiveness. Powerful, politically astute manager must be able to read and make a fit with the prevailing cultural values in order to use conformity. Conformity can contribute to the power of a manager, and political strategy is to attain conformity to desired standards and ways of behaving. Power and politics are a fact of modern organizational life. It is hoped that new dynamics would be forthcoming through more research to help managers better understand their meaning and successful application.

13.20 Self Assessment Questions

- 1 What are the five types of power according to French and Raven. Give examples of each.
- 2 What is dependence? How does it affect power?
- 3 Differentiate Positive and Negative Power.
- 4 Discuss the various types of power.
- 5 Define Politics. How is it different from power? Explain with example.
- 6 List the advantages and disadvantages of organizational politics.
- 7 What do you understand by 'empowerment'? Why is it considered imperative in today's organizations?
- 8 Discuss the issue of sexual harassment at workplace? How can organizations combat its menace?
- 9 What is Impression Management? Is it ethical?
- 10 List the popular tactics for acquiring power in organizations.

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Unit - 14 : Conflict Management

Structure of Unit:

- 14.0 Objectives
- 14.1 Introduction
- 14.2 Meaning and Definition of Conflict
- 14.3 Features of Conflict
- 14.4 Traditional and Current Views of Conflict
- 14.5 Reasons of Conflict
- 14.6 Functional and Dysfunctional Aspects of Conflict
- 14.7 Types of Conflict
- 14.8 The Process of Conflict
- 14.9 Methods of Conflict Management
- 14.10 Summary
- 14.11 Self Assessment Questions
- 14.12 Reference Books

14.0 Objectives

After completing this unit, you will be able to:

- Understand the concept of conflict & conflict Management;
- State the meaning and definition of conflict;
- Outline the features of conflict;
- Identify the difference between the traditional and current views of conflict
- Enumerate the reasons of conflict ;
- Explain the functional and dysfunctional aspects of conflict
- Outline the types of conflict;
- Learn about the process of conflict resolution;
- Know about methods of conflict management;

14.1 Introduction

Conflict is unavoidable in our journey of life but, it can create lot of problem if not dealt with it in an effective and meaningful way. It can create confused situation that may make impossible for employees of an organization to work together. Organizations spend lot of time in balancing the conflicting situations among subordinate, among organization and employee and they try to find out the inherent cause of such conflict. There are some conflicts which are easily visible within the organization but some are not. Conflict may have different meaning for different people as it may take place in different surroundings and in various forms. Conflict may be understood as disagreement or collision or hostility within an individual, or between two individuals or between two groups within an organization.

Conflict at times within an organization can disturb the working of entire organization which may lead to low productivity and decrease in morale of employee. Sometimes conflict within an organization may lead to better output. Conflict can be low or can be strong. It may exist for long period of time or may be short lived. It may act as a major problem but some conflict may create wonders within individual, group or organization.

Conflict and competition are frequently considered as same or used interchangeably. Conflict occurs when individuals or groups have mismatched goals and they try to interfere with each other as they try to attain their own goals. In competition incompatibility exists but individual or groups do not interfere with each other as they try to attain their respective goals. There are certain examples which will differentiate between conflict and competition such as a student's of Ram Mohan School of seventh standard participating in 100 meters race on annual sports day is a competition, as each student participating will try to attain their respective goals but will not interfere with goal attainment of other students. But, in case of cricket match played by two teams such as Team A and Team B conflict and competition both exist as each team directly interferes with the activity of other team.

Activity A:

1. As a manager try to find out why conflict is taking place within your organization. List out few conditions which illustrate that conflict exists within an organization and not competition.

14.2 Meaning and Definition of Conflict

Conflict may occur in our day today life in our work environment, it is said to be a natural occurrence. It is found in almost all organization which may result due to different needs, interests, different way of thinking, differences in goals etc. The term conflict is derived from the

Latin word Com+Flagrare in which "com" means together and "flagrare means to strike to be opposed or to be incompatible and so on. According to Chung and Megginson conflict as "the struggle between incompatible or opposing needs, wishes, ideas, interests, or people. Conflict arises when individuals or groups encounter goals that both parties cannot obtain satisfactorily".

It may also said to be a struggle between people with different needs, different ideas, different beliefs, values, or goals. Conflict may take place in several forms i.e. in the form of disagreement inappropriateness or opposition.

According to Stephens P. Robbins, (1993) "Conflict is a process in which an effort is purposefully made by one person or unit to block another that results in frustrating the attainment of other's goals or the furthering of his or her interests."

Conflict can also be understood as

- **Distinction of Belief:** Employees within an organization may have different opinion on same aspect. For example Mr. A is a manager who wants to increase monthly target of subordinate, but subordinate have different opinion that the target set by manager cannot be achieved within a limited time period of one month.
- **Disagreements on A Particular Way to Handle Issues:** Subordinates may not agree to boss handling issues in a particular way.
- **Fighting With One Another:** Fight between two subordinates to become leader of all other subordinate may lead to conflict.
- **Communication Failure:** When communication do not reach from top to bottom or from bottom to top chances of conflict within an organization increases.
- **Disagreements on Finances:** This type of conflict may take place in financial department of a company or among top level employees. It may also take place among bottom level when company

promises to pay certain amount from their profit, but do not pay the same to bottom level.

- **Criticism on Behaviors or Attitudes:** It may take place when employee or employees criticizes behavior and attitude of other employee which may be irrelevant not acceptable by others.
- **Complaints About Performance or Direction:** Subordinates not performing the task as per the manager i.e not fulfilling the target and even not performing the task in way directed by manager.

Activity B:

1. Provide your own understanding of conflict and how you will deal with it in a particular situation when they arise. Illustrate it with examples.

14.3 Features of Conflict

1. It is considered to have some procedure with sequence of actions which would lead to certain outcomes which may be favorable or non favorable.
2. It may occur in the form disagreement, incongruity, collision on an individual when a person feels that there occurs an incompatibility among his or her own goals. When an individual have two goals to pursue which are equally important then conflict at individual level arises.
3. It may occur when there is a disagreement between two individuals on some issues or event which may lead to blockage of each other's goal.
4. It may also occur when there is incongruity of goals, issues or certain events between two groups in an organization.
5. It refers to premeditated actions. Conflict should take place in an intentional way but, if the involvement of one party to the blockage of goals of the other party occurs accidentally, there is no conflict. As first party do not try to meet his goals intentionally at the cost of other.
6. It can exist only when certain actions have been taken by the parties to the conflict. It does not take place on simply thinking of mismatched goals, it should be backed by certain actions.
7. It is different from competition. In competition, parties may try to succeed but not by interfering in the goals of other party but, in conflict parties will interfere in other parties' goal.

Activity C:

1. Conflict can be said to be the pursuit of incompatible goals so that one party gains at the cost of other, give an example from your own experience when your friend or family members faced the same.

14.4 Traditional and Current views of Conflict

A brief idea about how Conflict was viewed traditionally and its current view as follows:

The Traditional View: Conflict was viewed as destructive, not good, and negative and has never been regarded as good for the organization. It was believed to be one of the reasons for breakdown in organization which had a negative impact on relationship of management and employees, which even created communication barriers i.e. it was difficult to clarify the differences between the individual and organization interests. It was believed that had there been no conflict then the organization have been able to function in a best and integrated way.

The traditionalist offered a very easy approach to conflict. According to them all kind of conflicts are not good for the organization and has to be avoided by finding out the cause of conflict and then eliminating them.

The Current View: The current view of conflict is that it is desirable within the organization, but the extent of conflict within the organization should be controlled so that it does not lead to negative consequences. Conflict may also result when organization provide very little scope for rewards in terms of status, responsibility or power and on the other side employees having instinct to achieve more perks and benefits. According to interactionist view if harmony, peace and cooperativeness remains within the organization for a long period of time ,employees will always remain in their comfort zone and they will never respond to the innovation and change taking place .To make employees come out of comfort zone and to make them creative ,self critical minimum amount of conflict is desirable. Interactionist view that main aim of any organization is to perform and achieve their goal and not to eliminate or reduce conflict but to use its positive effects to maximum extent and to minimize the negative effects .The current view of conflict is that absence of conflict within the organization may even stop organization in reaching their optimum performance level.

The Summary of Traditional and Current view of conflict.

SR.NO	Traditional View	Current View
01	Conflict is preventable.	Conflict is predictable
02	It is due to Managements mistake in designing organization leads to conflict	It may arise due to various causes such as goal difference between individual and organization, perception differences, structure of organization and so on
03	It cause disturbance within the organization and prevents in attaining optimum performance level.	Conflict may increase the performance level or may even decrease the performance level.
04	Management task is to eliminate conflict from the very root.	Management task is to manage the level of conflict for optimum level of performance.
05	Removal of conflict will lead to optimum organization performance.	Moderate level of conflict is required for optimum performance.

Activity D:

1. Visit any organization nearby your city and meet employees within, the organization collect information on how they view conflict within the organization i.e. positive or negative.

14.5 Reasons of Conflict

There are many reasons for conflict within an organization. Conflict is inevitable it is a part and parcel of any organization, as people with different background with different goals and wishes comes together, the occurrence of conflict is assumed to be normal at work place. Workplace conflict often shoots out from issues between employees within the organization. Few reasons for conflict are as follows:

1. **Differing Values and Opposing Interest:** Conflict within the organization is generated when various groups within the organization hold ‘conflicting’ values, they possess strong beliefs about certain thing which they would not like to compromise .Such belief may be different from that of coworkers thus may lead to conflict .For example, if individual opposes diversity in workplace, he may face problem in accepting other workers different from him.

When an individual pays more attention to his or her own goals in comparison to organizational goals and which may become troublesome for other workers. This occurs when an individual focuses

on achieving his or her own objectives without having concern of its impact on other workers and company itself. For example, Mr A is a part of one team within organization, where each team member is supposed to work together on a specific assignment. Consequently, Mr A may work according to his own plan and in the manner he sees fit, building disagreement among her coworkers.

2. **Conflicts Due to Differences in Personality:** Another factor which has a huge potential for generating conflict within an organization is personality characteristics that account for individual differences. No two human beings are alike. One employee may be more aggressive in comparison to others. For example individuals who are highly authoritarian, egotistical, autocratic and dogmatic-lead to potential conflict. The Problem may arise when the two employees don't understand or respect each other's nature. For instance, the more extroverted employee may feel insulted if the more introverted worker doesn't talk to him much. He may perceive it as an insult, rather than it simply being the employee's personality when the two do not understand and respect each others' approach, conflict occurs.
3. **Poor Communication Among Employees:** The possibility for conflict increases when either too little or too much communication takes place within the organization. Too much of information or too little of information can lay the foundation for a conflict. Poor communication among employees creates misunderstanding and trouble among employees. It occurs if the manager asks one employee to pass on some information to the other employees, but the employee fails to pass on information in the same way as asked by other employee. Conveying wrong information or misleading information can lead to work being incorrectly done and employees blaming each other for the end result.
4. **Conflict Due to Personal Problems:** Conflict within the organization sometimes takes place due to personal reasons such as marital issues or parental issues due to which employee may behave in a different way with coworkers. Therefore, if employees leave all his worries before coming to work place or shares it with coworkers it may avoid conflict.
5. **Vagueness of Responsibility Within an Organization:** When two units of the same organization compete over the duty which needs to be carried out. It gives rise to intergroup conflict i.e. disagreement about who will take the responsibility for ongoing tasks, which becomes a routine problem for any organization. Even newcomers are also not very clear about their duties to be performed within an organization. Sometime it may become a reason for conflict. As such Managerial and staff jobs by their very nature are difficult to structure tightly around a job description.
6. **Change Being Introduced Within the Organization:** Change within an organization can bring conflict between two groups or teams. When one organization is amalgamated with the other organization, a struggle of power often exists between the company who is being acquired and the company acquiring. An attempt is always made by the organization to minimize the conflict by outlining the plans for power sharing before the amalgamation takes place. It is difficult to avoid conflict if it takes place because of power struggle.
7. **Competition for Limited Resources:** In today's competitive environment availability of resources is limited. These resources may be tangible or intangible. Availability of tangible resources such as men, materials and money are limited within the organization and the groups within the organization compete for these tangible resources. Sometimes conflict also arises because of limited intangible resources such as status, power, support services and manager's time. All organizations are not capable of providing all the resources demanded by various departments. Resources within the organizations are limited and different groups have to compete for these limited resources.

8. **Task Interdependence:** Groups within the organization do not work independent of one another and they are dependent on one another in a common way or in a limited way. The manufacturing department cannot produce anything until the financial department comes up with the money to buy raw materials and marketing department markets the product and sales department sells the product in market. Each department is dependent on the other for the smooth functioning of the organization.
- Three types of interdependence can be a reason for conflict within an organization
- (1) When two groups do not interact directly with each other but are affected by each other's performance in organization is said to be Pooled interdependence.
- (2) When the performance of one group is dependent on the other groups prior performance is said to be Sequential interdependence.
- (3) When the performances of two or more groups are equally interdependent in accomplishing their tasks is said to be Reciprocal interdependence.
9. **Status Struggles:** This conflict occurs when one group tries to modify or change its status and other group within the organization may view it as a risky business, as improvement in the status of one group may lessen the status of other group in the status hierarchy. In terms of rewards, job assignments, working conditions groups may also feel inequity in the treatment given to one group in comparison to the other group.
10. **Conflicting Roles:** Individual performs various roles in his life such as son or daughter, spouse, parent, and grandparent and so on. Each role is different from other and each role has different expectations. There are three major types of role conflict which may take place within an organization such as:
- (1) **Type One:** It is basically a conflict between a person and the role performed by him .i.e. a conflict may occur between the person's personality and the expectations of the role.
- (2) **Type Two:** It is said to be intrarole conflict which arises due to differing expectations on how a given role should be performed.
- (3) **Type Three:** It is said to be interrole conflict which results from contradictory requirements of two or more roles that must be played at the same time.
11. **Environmental Stress:** This type of conflict may emerge due to stressful environment within an organization. Environmental stress may emerge due to scarce resources, reducing number of employees', demoting employee, reducing hours of work and pay. Asking employees to work in shifts or changing shifts very frequently.

Activity E:

1. Try to find out few other reasons of conflict so as make the list more inclusive. Prepare a modified list of reasons of conflict with illustrations from the experiences of family members working in some company, neighbor working somewhere and experiences of your friends'.

14.6 Functional and Dysfunctional Aspects of Conflict

All kinds of conflict are not bad in nature. There are some situations, under which conflict can generate positive responses in the organization. Thus, a conflict may have both positive and negative aspects. Functional conflict refers to disagreement between opinion, goals and parties which may enhance employees and the

organizational performances. This aspect of conflict is said to be constructive in nature. It increases awareness of problem among employees and motivate them to solve it. Opposite of Functional conflict is Dysfunctional conflict .It is said to be destructive in nature, as it restrain group performance and hinders organizations growth .Conflicts are desirable and unavoidable part of any organization.

Functional Aspect of Conflict: Today organizations view conflict as useful and constructive in nature .It helps organization in preventing stagnation in work and result, and also enhances interest, motivates employees.

Thus, a bit of conflict is necessary because it helps organization in the following ways:

- (1) **Conflict Enhances Group Cohesion:** Normally, a group shows more closeness when it faces threat from outside sources in the form of inter-group conflict. When a group faces threat from other group, a high level of communication is brought within the group which strengthens the group performance and their closeness.
- (2) **Conflict Stimulates Needed Change:** Conflict helps in identifying weak areas in an organization .It also highlights problematic areas that requires proper understanding and efforts towards finding better solution to a problem. In this, manner, conflict can highlight the areas where changes should be brought about for better functioning of the organization.
- (3) **Conflict Leads to Competition to Improve Performance:** It motivates groups and individuals in an organization to perform in a much better way than others .So as to prove their competitiveness in comparison to others.
- (4) **Conflict Enhances Creativeness and Innovativeness:** Conflict of a particular nature enhances innovativeness .When there is an atmosphere of open confrontation, people within the organization will try to put more creative solutions to a problem. A challenging environment would compel people to think through their own ideas before putting it out in public. Thus, a conflict can help people to test their capabilities to learn and develop.
- (5) **Conflict Enhances Communication:** Conflict enhances communication process thus a higher level of information exchange and understanding takes place.
- (6) **Avoidance of Tension:** It helps in releasing tension and brings people back to their original situation. Conflict can also be used as a basis of removing or avoiding tension and frustration. Employees within an organization can express their tension and frustration by means of conflict and can be back to normal situation without affecting the work.
- (7) **Conflict Mobilizes Energy Of Employees:** Conflict within an organization can create a stressful situation, and such pressure of conflict causes few employees to work with more efficiency, speed and more productivity in comparison to a situation when there is no conflict.

Dysfunctional Aspect of Conflict: Dysfunctional conflict is said to be destructive in nature, negative, not good for organization, serious and unhealthy for organization .Conflict if healthy i.e. positive produces better results but beyond that it may be destructive. In dysfunctional aspect of conflict individuals spend enough time in protecting themselves and attacking others than giving productive output to the organization.

Thus a conflict beyond a particular limit may create following problems:

- (1) **Hinders Organizations Performance:** Every individual contributes something to the organization and gets something in return. When there is conflict, this balance is affected adversely because the individuals' contributions do not match to their returns as they are using some of their energies in

conflictful behavior. When conflict takes place they are unable to contribute in accordance to the goals set by the organization which hinders organizations performance.

- (2) **Conflict Generates Tension and Stress:** It affect physical and mental health of parties to the conflict. It also causes feeling of worry, guilt, irritation and hostility. A situation of winning and losing emerges where winners try to hurt the feelings of losers. This may generate very serious problem in organization.
- (3) **Conflict Poses Shift In Activities from Constructive to Destructive:** It is most important dysfunctional aspect of conflict as people diversifies their energy in destructive activities rather than constructive activities. They try to focus more on their personal goals rather than organizational goals. Employees in conflicting situation spend more time in designing strategy to win rather than pursuing organizational goals.

Thus, it can be seen that conflict can be both functional and dysfunctional. If conflict of dysfunctional nature emerges should be eliminated or converted into functional.

Activity F:

1. Cite an example of dysfunctional aspect of conflict in the organization where your family members work. Try to highlight some other dysfunctional aspects of conflict.

14.7 Types of Conflict

There are various types of conflicts which are easily visible within the organization but some are not like conflict which occurs at individual level. Conflict may have different connotation for different people within the same organization as it may take place in different surroundings and in various forms. Conflict may be understood as disagreement or collision or hostility within an individual, or between two individuals or between two groups within an organization.

Various types of conflict are as:

- (1) **Conflict With Oneself:** Conflict within an individual is conflict with oneself. One may face conflict with his or her own self. It is also said to be Intra-Individual conflict. Basically, there are three sub categories of Intra-Individual conflicts such as.
 - (a) **Approach** –approach conflict: This conflict arises when an individual have two equally important goals and he/she wants to attain both at the same point of time. For example one may be attracted to watching movie and watching cricket at the same point of time. When the person chooses the best goal at the end out of two, he/she may regret at his decision making at a later stage.
 - (b) **Approach-avoidance Conflict:** When an individual is attracted to and repelled by the same object. For example one may have excellent job opportunity at a place which a person dislikes most.
 - (c) **Avoidance-avoidance Conflict:** When an individual need to choose from two goals which are equally unattractive or unpleasant alternatives. For example an individual needs to make a choice between remaining unemployed or accepting a low profile job.
- (2) **Conflict Between Two Individuals:** This type of Conflict takes place between two individual and is said to be interpersonal conflict. The reason for such type of conflict may be personality differences, personal dislikes, temperaments, socio-cultural factors among two individuals. For example Mr A a

sales manager may put the blame for low sales on the production manager for not producing product on time and not meeting his production schedule and may start blaming the production manager as an incompetent person.

- (3) **Conflict Between an Individual and a Group:** These types of conflict take place due to an individual's incapability to adhere to the group norms. For example, each group have their internal targets which needs to be achieved by each group members and if an individual does not adheres to group norms, which either exceeds or falls short of productivity norms set by the group a conflict may arise in a group. If the individual opposes such group norms, then that group member may end up with conflict with other group members. In many circumstances, either individual conforms to the group norm or quits the group.
- (4) **Conflict Among Various Groups Within an Organization:** This type of conflict is also said to be Intergroup conflicts. It arises between groups or between two groups which takes place due to interdependent work of various groups i.e. second group dependent on first and third dependent on second. For example one functional area like production vs. another functional area like maintenance; direct recruits vs. promotes, etc.
- (5) **Conflict Between Organizations:** Conflict between organizations in same line of business is considered to be enviable. This type of conflict leads to better services at lower prices, innovative and new products, and technological advancement.

Activity G:

1. From your experience try to illustrate a situation of Approach-avoidance from your routine life also give a clear understanding of Avoidance -avoidance conflict.

14.8 The Process of Conflict

The process of conflict is divided in five stages i.e. potential opposition or incompatibility, cognition and personalization, intentions, behavior and outcomes.

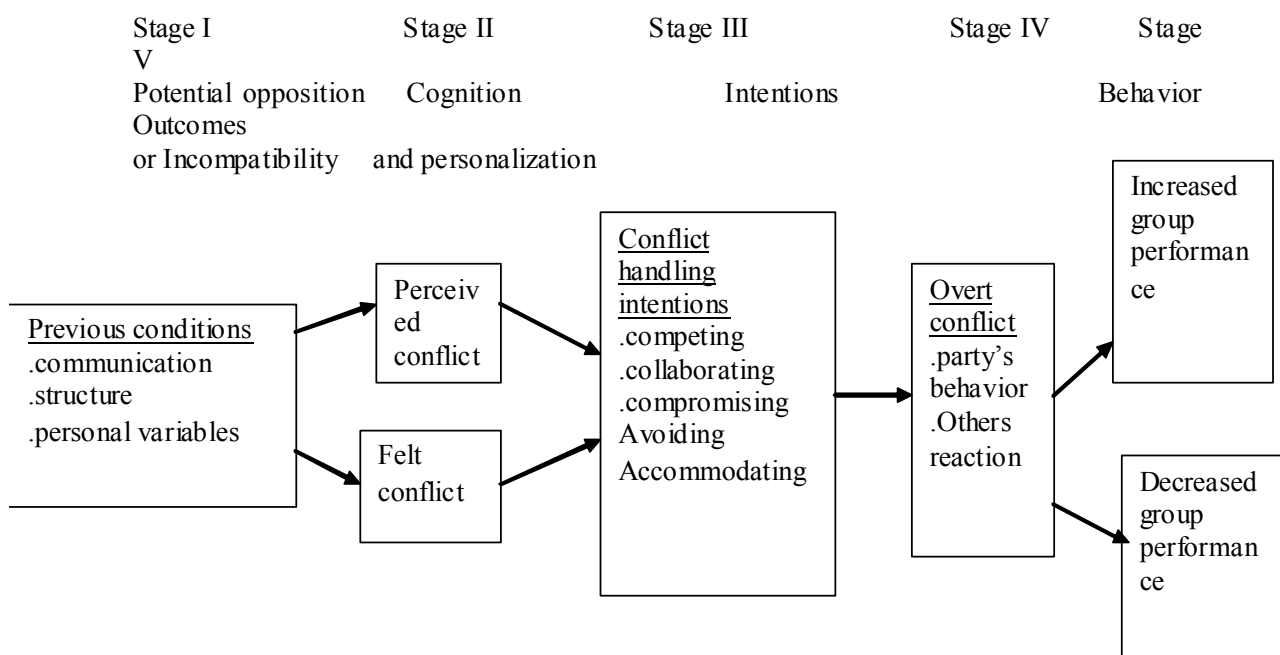


Figure – 14.1

Source: Stephen P. Robbins, (2001), 'Organizational Behavior'; Pearson education pg no 386

Stage 1: Potential Opposition or Incompatibility: This is the stage at which condition which can create opportunity for conflict to arise is present. These conditions do not lead to conflict directly but, the presence of any such condition is essential for conflict to take place. Essential condition for conflict to arise is divided into three categories:

(a) Communication: It is one of the sources of conflict. It indicates opposing forces that occur through semantic difficulties which are like unclear words or words with two meanings, inadequate information sharing and noise in the communication channel are all previous conditions for conflict to take place. It is observed that difficulties emerge due to insufficient information about others, differences in training and selective perception and so on. Too much of information or too little of information can be a cause of conflict. The process of filtering that occurs when a same message is passed from one person to other can also create situation of conflict to arise.

(b) Structure: It includes variables such as size, degree of specialization in the work allotted to group members, goal compatibility among members, and system of reward or the extent to which groups depend on each other. It is observed if groups are larger with more of specialized activities the chance of conflict is high. If one is not clear about their responsibility in job, chances of conflict is high. Groups within an organization have diverse goals. If one employee gains reward at the cost of other employee in a same structure then such situation are found to create conflict within organization.

(c) Personal Variables: It includes the value system that each person has and the personality characteristics that they carry. Individuals who are autocratic in nature or who have a very low esteem leads to conflict. Value differences among individual leads to disagreement on someone else's achievement and contribution. Differences in value system are considered to be one of the important sources for creating conflict.

Stage 2: Cognition and Personalization: This is the stage which will exist only when one or more parties are affected by antecedent conditions and are aware of conflict. However conflict may be perceived or felt in nature.

(a) Perceived Conflict: This is the stage at which members become aware of problems or disturbances. At this stage inaptness of need is perceived and tension arises as the parties begin to worry about future situation. But no parties feel it as dangerous.

(b) Felt Conflict: This is a stage in which parties become emotionally involved which leads parties to experience anxiety, tension, frustration on certain specific or defined issues and parties try to establish an emotional commitment to their position.

Stage 3: Conflict Handling Intentions: Intentions are the decision to behave in a given way. This is a stage in which intentions hinder perception of people and their emotion with their behavior. At this stage, a conscious attempt is made by one party to block the goal achievement of the other party. Such behavior may vary from minor, to not direct and highly controlled forms of interruption to more open forms of aggressive behavior like riots, strikes and war. Conflict-handling intentions can exhibit various forms:

(a) Competing: It is one form in which parties to conflict try to satisfy their own interest irrespective of the impact on other parties to the conflict.

(b) Collaborating: In this form parties to conflict tries to satisfy the concern of all parties to conflict through mutually beneficial outcomes.

(c) Avoiding: In this form a person will try to withdraw from conflict or will try to hold back conflict.

(d) Accommodating: In this form one party will try to keep other parties interest above his or her own interest.

(e) Compromising: A situation in which each party to a conflict will try to give up something willingly.

Stage 4: Behavior: This is a stage where conflicts become visible. It showcases the statements, actions and reactions made by the conflicting parties. These conflicting behaviors are obvious attempts to implement each party's intentions. Conflict becomes more severe as it moves upward until they become destructive.

Stage 5: Outcomes: The conflict will result into some output which may be functional or dysfunctional. If it is functional in nature it will result into improvement in the performance of groups such as increases group cohesion, spurs needed change .But, if it is dysfunctional in nature it will result into poor performance such as generates Tension and Stress, shift in activities from constructive to destructive.

Activity H:

1. Prepare an analytical report on process of conflict with an illustration of any work place conflict between two parties.

14.9 Methods of Conflict Management

Conflict management is the process of avoiding conflict. It involves obtaining skills related to conflict resolution, self-awareness about conflict styles, conflict communication skills and the structure of organization in which it operates. Conflicts can also be avoided by promoting cooperation and team work.

Conflict management is the principle that each and every conflict cannot necessarily be avoided, but learning how to manage conflicts can decrease the odds of unproductive growth. It emphasizes on limiting conflict at some point or preventing it or resolving it by the use of peaceful techniques. This may involve discontinuing or reducing the amount of violence by parties engaged in conflict.

There are five conflict management methods such as competition, collaboration, compromise, avoidance and accommodation. It gives an idea about each above method is a combination of persons: **Cooperativeness:** Desire to satisfy others concern and **Assertiveness:** Desire to satisfy one's own concern.

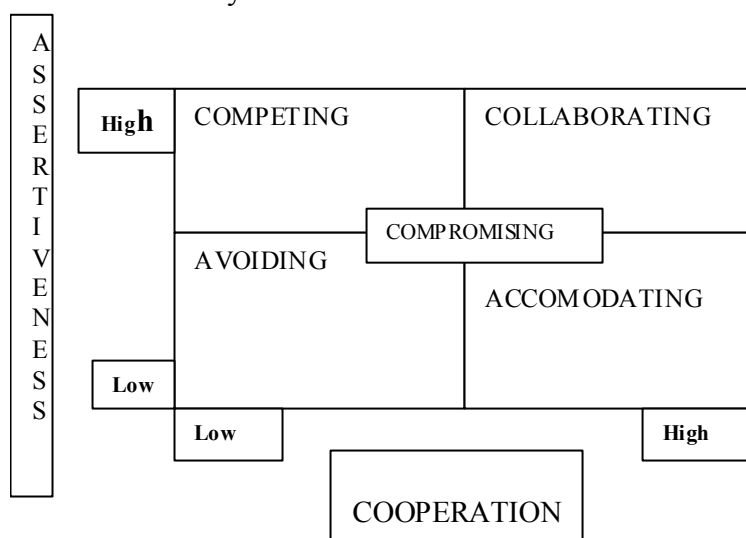


Figure - 2 : Conflict Management Methods

Source: sourcesofinsight.com on 23/11/2012

(1) Accommodating: This is when one party has a high-degree of cooperativeness, and it may be at the expense of one party, and they forgo their own interest, goals and desired outcomes for others. This approach is effective when the one party is the ready to lose and create a winning situation for others. It is also effective when one wants to keep good future relationship with the other party and would lose at the cost of other.

Outcome: I lose, you win

Strategic Philosophy: Allow other party to win by losing by downplaying conflict, thus maintaining the relationship.

When to Use:

When an issue is not of much importance to the party who wants to lose.

When one party to conflict realizes that he is wrong.

When one party willingly wants other party to learn by mistake

When party to conflict knows that their chances of winning are less.

When peaceful atmosphere is extremely important for carrying out routine work.

Drawbacks:

When ideas of party to conflict is not paid much attention

When party has fear of losing credibility and influencing others.

(2) Avoiding: This is when one party to conflict simply wants to keep away from the issue. In this method one party to conflict would not help the other party reach their goals and neither the party to conflict aggressively pursue his own goal. This method works when the issue is unimportant or when party to conflict has no chance of winning or the issue would be costly.

Outcome: No winners, no losers

Strategic Philosophy: Avoids conflict by moving back, fail in dealing with, or postponing it.

When to use:

When party to conflict have no power and has no chance of getting his concerns met.

When the conflict between parties is small and relationships are at stake.

When other important issues are present and one feels to have no chance in dealing with small issues.

Drawbacks:

Important decisions may be made by default

Postponing conflict may worsen the situation.

(3) Collaborating: This is when parties to conflict jointly achieve both of their goals. This is when there is high degree assertiveness and high degree of cooperation this method breaks the paradigm of the “win-lose” to the “win-win situation.” This method can be used in a complex situation where one needs to find a common solution.

Outcome: I win, you win

Strategic Philosophy: The process of working through differences will lead to imaginative solutions that will satisfy both parties' of conflict.

When to use:

When one party to conflict wants others to have “ownership” of solutions

When party to conflict don't want to have full responsibility

When there is a high level of trust among parties to conflict.

When the people involved are willing to change their thinking as more information is found and new options are suggested

Drawbacks:

This method requires lot of time and energy

One party to conflict may take advantage of other party's trust and openness

(4) Competing: This is when one party to conflict act in a very assertive way to achieve one's own goals, without cooperating with the other party, and it may be at the expense of the other party. This method may be appropriate for urgent situation when time is of the essence and when one need quick, decisive action.

Outcome: I win, you lose

Strategic Philosophy: When goals are extremely important for conflicting parties, one may use power to win.

When to use:

When parties know that they are right

When time is short and a quick decision is needed

When a strong personality wants to take advantage out of you and you don't want to do so.

Drawbacks:

Can increase conflict

Losers may react again.

(5) Compromising: This is when neither party really achieves what they want. This requires a moderate level of assertiveness and moderate level of cooperation. It may be appropriate for scenarios where one needs a temporary solution, or where both sides have equally important goals.

Outcome: You bend, I bend

Strategic Philosophy: Both ends are placed against the middle in an attempt to serve the “common good” while ensuring each person can maintain something of their original position

When to use:

When goals are somewhat important for the conflicting parties.

When people of equal status are equally dedicated to goals

Drawbacks:

Important values and long-term objectives may be disturbed in the process

The highlights of some conflict resolution techniques:

In brief the highlights of Conflict resolution which involves assisting in the termination of conflicts by finding a relevant solution to a problem.

Conflict resolution techniques are as follows:

- (1) **Providing Solution to a Problem:** Identifying the problem and providing necessary solution to a problem.
- (2) **Creating Shared Goals:** Creating goals which cannot be attained without the cooperation of the other conflicting parties.
- (3) **Bringing in More of Scared Resources:** Conflict due to scared resources can be resolved by bringing in more of scared resources like money, promotion, opportunities etc.
- (4) **Withdrawal of Conflict By One Conflicting Party:** When people in conflict suppress conflict it resolves conflict.
- (5) **Compromise:** Each party to the conflict forgoes something of value.
- (6) **Use of Formal Authority by Management:** Management uses its authority to resolve conflict and on later stage declares its result to the parties involved.
- (7) **Altering Undesirable Behavior That Causes Conflict:** Bringing change in undesirable attitude and behavior by providing proper human relation training.
- (8) **Changing Formal Organization Structure:** Bringing change in organization structure of conflicting parties through transfer, promotion, job redesign etc.

Activity I:

1. Interview your friends who are working in different organizations Cite an example of how in their organization a “win-lose” situation was turned into a “win-win” situation.

14.10 Summary

Conflict may have different meaning for different people as it may take place in different surroundings and in various forms. Conflict may be understood as disagreement or collision or hostility within an individual, or between two individuals or between two groups within an organization. It can also be understood as distinction of belief, disagreements on a particular way to handle issues, fighting with one another, communication failure, disagreements on finances, criticism on behaviors or attitudes, complaints about performance or direction. It can exist only when certain actions have been taken by the parties to the conflict. It does not take place on simply thinking of mismatched goals, it should be backed by certain actions.

Conflicts are the part of each and every organization. Conflicts may be functional or dysfunctional in nature. If it is functional in nature it will provide positive output if dysfunctional in nature it would lead to negative output. As such it is functional and dysfunctional in nature it provides various opportunities and challenges to organization.

Conflict may also result when organization provide very little scope for rewards in terms of status, responsibility or power and on the other side employees having instinct to achieve more perks and benefits.

There are many reasons for conflict within an organization but some of them are as differing values and opposing interest, conflicts due to differences in personality, poor communication among employees, conflict due to personal problems, vagueness of responsibility within an organizational, change being introduced within the organization, competition for limited resources, task interdependence, status struggles, conflicting roles, environmental stress.

Conflict may have different connotation for different people within the same organization as it may take place in different surroundings and in various types such as conflict with oneself, conflict between two individuals, conflict between an individual and a group, conflict among various groups within an organization, conflict between organizations. Conflict management is the principle that each and every conflict cannot necessarily be avoided, but learning how to manage conflicts can decrease the odds of unproductive growth. It emphasizes on limiting conflict at some point or preventing it or resolving it by the use of peaceful techniques. This may involve discontinuing or reducing the amount of violence by parties engaged in conflict. There are five conflict management methods such as competition, collaboration, compromise, avoidance and accommodation. Which method of conflict management is most effective depends on how critical the conflict is to accomplishing task and how quickly the conflict must be resolved or managed. Organizations by making awareness about conflict to employees can more effectively manage conflict and therefore ones professional and personal relationships. Furthermore, by discussing issues related to conflict management, individuals and groups can establish an expected code of behavior to be followed by individuals or group members when in conflict.

14.11 Self Assessment Questions

1. Is it possible to handle functional and dysfunctional aspect of conflict both?
2. Explain advantages and disadvantages of conflict.
3. Explain various reasons for conflict. Which do you think is more relevant in today's organization?
4. What do you mean by conflict. Explain in detail traditional and current view of conflict?
5. Is conflict predictable? If so, how should one deal with it' illustrate it with example?
6. What are the components in the process of conflict? Elucidate with example all the five stages of conflict.
7. Identify and discuss five methods of conflict management.
8. What are the various types of conflict? How could a manager discourage conflict in his or her department?
9. Explain in detail features of conflict with examples.

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Unit - 15 : Negotiation

Structure of Unit:

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- 15.1 Introduction
- 15.2 Meaning and Definition of Negotiation
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15.0 Objectives

After completing this unit, you will be able to:

- Understand the concept of Negotiation;
- State the meaning and definition of Negotiation;
- Outline the features of Negotiation ;
- Identify the Situational Factors Favoring Negotiation
- Enumerate the Tools for Negotiators;
- Explain the Negotiation Strategies;
- Learn about the process of Negotiation;
- Know about the Issues in Negotiation;

15.1 Introduction

Negotiation is a common phenomenon in our day to day life and work, and almost everyone comes across such situation. It is a process of communication by which two parties, each with its own viewpoint and objectives, attempt to reach a mutually satisfactory result on a matter of common concern. It is a decision making process between two parties having opposing interest.

The precondition for negotiation to occur is the subsistence of a dispute in life or organization. The factor that creates negotiating situation is the difference between people into a dispute or conflict is the amount of the gap between their observation and the importance attached to their view points by the parties.

Everyone in his or her journey of life engage in negotiation, may be frequently or infrequently with a low level of intensity or with a high level of intensity or may be in an unsophisticated manner. It is in fact, is a decision—making process among inter-reliant parties who do not share identical preferences. It is through compromise the parties decide what each party will give and take in their relationship.

Without understanding it, one probably gets involved in a variety of contract negotiations in routine or day to day working of life. In fact, we constantly bargain with other people to fulfill both our monetary and non-monetary needs.

- One may get involved in negotiation with superior, colleagues, subordinates may be for least important issues may be for higher issues, or may be for personal and professional issues or may be for minor reasons or major ones.
- One may get involved in negotiation with their family over a wide range of issues. The issues may be minor in nature like fixing time for getting up early in the morning or big ones like pursuing which career option.
- One may get involved in various types of negotiation that may have drastic impact on our lives which may include :
 - (a) Purchasing office on contract or lease agreement.
 - (b) Time period for one's current employment.

The structure and processes of negotiation are basically the same at the corporate level and personal level. Negotiations takes place for two reasons: (1) to generate something new that neither party might do on his or her own, (2) to resolve a problem or dispute between the parties.

Some research scholars found to have some resemblance between negotiation strategies and conflict management; negotiation can go beyond just solving conflict and it may becomes a managerial skill for personal and organizational success.

The reason for which business are giving importance is as some negotiations bring an end to conflicts, while other negotiations help parties strike deals in which both parties are satisfied.

Activity A

1. Provide your own understanding on negotiation .List out few circumstances which illustrates that negotiation has taken place may be in your work environment or your day to day life.

15.2 Meaning and Definition of Negotiation

Negotiation is a process through which two or more parties arrive at a mutually satisfactory solution to a problem or dispute. Negotiation is a discussion between two individuals regarding a contract, agreement or relationship. Both partners are dependent on each other and have objectives that might contradict each other. For instance, an employee might want better pay, while an employer might want better performance from the employee. A salary negotiation might occur in which the employee offers to take on more responsibilities in exchange for better pay.

Negotiation: "To confer with another person so as to arrive at a settlement of some matter; also to arrange for or bring about such conferences" (Merriam-Webster Dictionary).

It pervades the interactions of almost everyone in groups and organizations. Managers negotiate with employees and peers sales people negotiate with customers; purchasing agents negotiate with suppliers.

The ability to negotiate effectively varies from person to person. However, in a negotiation the negotiator has to take full responsibility for the outcome, for example, it is possible to shift some responsibility for the outcome on to the decision makers—judge, magistrates, jury. Furthermore, each negotiation develops its own boundaries and norms, so that the negotiators are responsible not only for the outcome, but also for the process.

Negotiation is a process to achieve ones goals through communication with at least one or other party, with the assumed outcome in an agreement.

When the two parties have a conflict, or have differences that may result in conflict. In negotiation, the parties have the ability to prevent each other from achieving other parties' goal.

In negotiation, communication may be in three ways:

- Direct and face-to-face
- At a distance
- Through a third party

Negotiation may take place anywhere may be in big organizations, small organizations, restaurant, conference room, headquarters of military, residential area, or by the side of a road

It is said to be journey, because parties can open up new options or develop understandings completely different from what they might have imagined or considered acceptable at the start of the process of negotiation. Negotiation is not a onetime event it may be ongoing with the same party or with the other parties in same organization, may be with same department or with different departments. Thus, the kind of relationship one builds with the party in negotiation may influence that negotiation, as well as other negotiations.

Negotiations begin with a normal pace of discussion and expand into more comprehensive discussion. Parties also enter into negotiation when circumstances are "fully ready." For many reasons, a party may see the right time for entering into negotiations as a way out of a situation of increasing difficulties and decreasing prospects of achieving initial goals of other party.

Negotiation is a vital truth of life; people may negotiate in various ways, but some may negotiate in two ways, either soft or hard. The soft negotiator wants to keep harmony and would provide concessions in certain matters so as to avoid or resolve conflicts. The hard negotiator perceives conflict as a battle in which the person who takes the most extreme position and holds out fares better. The soft negotiator may end up feeling the other party may have taken advantage from him and may feel abused; the hard negotiator may weaken and damage or destroy the personal relationship with the other party. Typical strategies for negotiation often leave people dissatisfied, worn out, or hostile and perhaps all three.

In negotiation, a mutually satisfactory result is very important, because even though the parties may have contrasting interests they also are dependent on each other. Employees and management, for example, need each other to produce products efficiently and effectively. As any organization cannot work if employees are not working in that organization. In a similar way buyers and sellers need each other to carry out business. Both sides must be willing to live with the result. It is not one party dictating or imposing terms on another. When that happens, the outcome will rarely produce mutual satisfaction. The result can only be mutually satisfactory if both party's differences and common interests are considered. If benefit is greater than your sacrifice, a negotiated agreement is beneficial. For example Mr. A Employee arguing to Mr B boss on bonus, to be given in comparison to work done. But if, boss negotiates and gives less bonus to employee in comparison to work, in this case boss is in a better situation. Sometimes it is also used to settle differences between the management and the unions through the collective bargaining.

Negotiation includes a mixture of compromise, collaboration and also on some of the important issues. Thus, it is said to be decision making process with various interdependent parties who do not share the common goal, and through negotiation each parties will make a decision on what to give and take in their negotiation.

Activity B:

1. Do you think that in negotiation, a mutually satisfactory result is very important for negotiating parties illustrate it with examples?

15.3 Features of Negotiation

There are several characteristics common to all negotiation situations are as follows:

- (1) Negotiation involves two or more parties. Such as buyer and seller both the parties involvement is essential in achieving some desired outcome. The parties in negotiation should have some common interest. As such without common interest there won't be any kind of negotiation.
- (2) There is a conflict of interest between the negotiating parties. This conflicting interest is due to difference in degree of interest, objectives, which prevents the achievement of an outcome.
- (3) Negotiation takes place to get more satisfactory outcome so as to resolve their differences than alternatives such as court case.
- (4) Both the parties consider of having some possibility of persuading the other to modify their original position.
- (5) Both the parties retain some hope of an acceptable final agreement, even though when their ideal outcomes prove unattainable.
- (6) Each party has some power or influence on the ability of other party to act in a particular way.
- (7) Negotiation is a voluntary activity; either party can break away from or refuse to enter into discussion at any point of time.
- (8) Negotiation sometimes is strongly influenced by emotion and attitudes, not just by the facts or logic of each party's arguments.

Activity C:

1. Make your own list on features of negotiation from your experience of negotiation at work place or in your personal matters.

15.4 Situational Factors Towards Negotiation

The Success of negotiation depends on at least four situational factors, -viz; location, physical setting, time, and audience The four situational factors are as:

- **Location:** When negotiating parties operate in a familiar locations they feel relaxed and in a comfortable situation. As such familiar locations may be backed by various benefits as a parties may have a feeling of being at home, but sometimes negotiator may agree to meet at unbiased place i.e. not in one owns comfort zone. Due to advent of technology things have become easier, even negotiation can take place online without a need for location. However, electronic messages are-subject to misinterpretation and conflict can easily go up. If the parties are not attentive one party can take advantage of being negotiating through technology.
- **Physical Setting:** It is the distance between parties or seating arrangements for negotiations. The seating arrangement has lot of impact it can influence the parties' direction towards each other and the unclear issues. People who sit face to face are more likely to develop a win-lose orientation towards the conflict situation.
- **Time Passage and Deadliness:** These are two important factors in negotiation. The more time party takes in negotiations, and they are more committed towards reaching an agreement. This

increases the motivation to resolve conflict, but it also boost up commitment towards a particular position. Time deadlines may be of use to the parties as it may motivate the parties to complete negotiations. However, time deadlines may become a costly affair as negotiators may make concessions and lessen their demands more rapidly as the deadlines approach.

- **Audience Characteristics:** Negotiators generally have audiences anyone who has a direct chance of interfering in the negotiation process and its outcome such as senior management, other team, members or the general public. Negotiators may react in a different way as they are aware of audience observing them, compared to situations in which the audience sees only the end results. When the-audience has direct observation, over the happening, negotiators tend to be more competitive less willing to make concessions, and more likely to engage in political tactics against the other party. Sometimes, audiences act as-a source of indirect appeals in the-negotiations process.

15.5 Effective Guidelines for Negotiators

Negotiators are one of the very important parts of negotiation .At one point of time or at the other we all are negotiator, negotiating in our personal sphere or in our work sphere. No matter how important or ordinary, negotiations are it requires certain attributes and demands certain skills. Some have ability of negotiating by birth, but some acquire through the process of learning. To be a successful negotiator one need to develop a repertoire of knowledge, skills and attitudes. Negotiators should keep in mind the following:

- (1) **Focal Point:** The focus of Negotiators would be on issues involved in negotiation, but each individual negotiation depends upon the actions and attitudes of the people involved. If the position of one side on an issue were unrelated to the other side, there would be no need for negotiation. Therefore, decision making in negotiations must be joint to a certain extent. Thus one should be very clear with the context in which the negotiation which occurs and the subject matter of the negotiation.

Negotiators should be able to

- (a) Analyze the objectives and interests of the parties, legal issues, facts at issue.
- (b) Pay attention, search for information, and give information to the necessary matters.
- (c) One should have ability of influencing other parties to the negotiation towards accepting one's own objectives
- (d) Negotiators should have idea about when they should give up and when they should not give up and prove their stand as right.
- (e) Negotiators should think in a productive way.
- (f) Evaluate one's own negotiating experience.

- (2) **Agreements:** The degrees to which agreements are beneficial to each party varies and are not same. Being mutually beneficial does not mean equally beneficial. The objective of any negotiation is achieving an agreement that satisfies ones interests, not just an agreement. The best outcome to a negotiation may sometimes be no agreement.
- (3) **Mutual Findings:** It is an important part of negotiations; negotiators keep a trump card and bring it out at crucial moments. In general, maintaining confidentiality is often just as important as mutual findings. One would like to share and discuss one's interests with another party to advance into solving problem jointly, but one will not like to share their final point of flexibility.
- (4) **Implications:** It is an important business affair which aims at securing or protecting an advantage, limiting damage, or otherwise advancing an interest. Negotiation within an organization may have certain implications.

- (5) **Differences:** Negotiation generally takes place because of differences between negotiating parties in terms of their mutual interest on certain work related matters or certain other matters. Differences in negotiating parties may be rational or irrational in nature. Whether seemingly rational or irrational, differences can still be resolved.
- (6) **True Purpose:** Negotiator should be clear about other party's true purpose for engaging in a negotiation as such one may not have a clear, explicit or obvious purpose of negotiating. There is always a possibility that a party may agree to participate in negotiations in order to avoid criticism without any intention of seeking an agreement. If party enters with such intention then in such a case the negotiation will fail. Equally, one may believe that the prospects for a successful negotiation may be not be bright because of the other party's positions or attitudes.
- (7) **Situational Factors:** Effective negotiators must be aware of the background and the situational factors such as location, physical setting, time, and audience (discussed in detail in earlier topic) when negotiation takes place.
- (8) **Any Specific Circumstances Surrounding Each Negotiating party:** This may be viewed as the bargaining leverage available to each party involved. For example, the circumstances often favor the supplier of a particular product when the Government is bargaining for a high-demand when supply of that product is very less. In the same way, when several firms have only one option of providing a product only demanded by the government. In this case circumstances will generally favor government.
- (9) **Motivation and Equal Opportunity to Each Party:** The greater the motivation and justice to each party, the more likely it is that the negotiations will end with a satisfactory agreement. Successful outcomes are more likely when one or both parties are willing to make fair deals where both parties give and take something in a balanced way. But in case any of the party is poorly motivated or unfair the chances of negotiation being successful decreases.
- (10) **Skills of the Negotiators:** Negotiators with High skills will have a greater probability of negotiation success than negotiators who do not have the necessary skills. The skilled negotiators mostly obtain favorable deals under adverse circumstances. On the other side, negotiators with poor bargaining skills sometimes fail to obtain satisfactory agreements even when the circumstances favor their bargaining position. The negotiators should exhibit following skills :

- **Abilities of negotiator :**

(a) **Plan Carefully:** It includes market research, solicitation preparation, and proposal evaluation. One must have knowledge about the product, and various alternatives.

(b) **The Rules of Negotiation:** Management support is very important to ones success as a negotiator. If party in negotiation knows that management does not support other party's objectives, the negotiators may tolerate each other until they can go up with the negotiation to management.

(c) **Effectively Apply Bargaining Techniques:** Good negotiators are capable of employing bargaining techniques which facilitate negotiation success.

(d) **Communicate Effectively:** (1) speak in an articulate, confident, and businesslike manner. (2) Sell others on their bargaining position by disagreeing with others in a cordial and non-argumentative manner.

(e) Listen effectively. Many otherwise good negotiators begin to concentrate on their answer almost as soon as the other party begins speaking. As a result, they miss the true meaning of the communication.

(f) Tolerate Conflict While Searching For Agreement: Most contract negotiations involve some conflict. As such, no two people agree upon everything all the time. Negotiators who have ability to agree to disagree in a polite and respectful manner will be able to achieve a mutually satisfactory outcome and those who are likely to give anything to avoid conflict are often not able to secure satisfactory results for their side. Party who have tendency to argue will increase the level of conflict and would be difficult to get satisfactory outcome all the more difficult to attain.

(g)Project Honesty: It is very important that negotiators are honest and they make others believe that they are honest. Getting trust of others is very important to securing a mutually satisfactory outcome. Compromising on certain aspect is difficult when other parties do not have trust on each other.

(h) Foster Team Cooperation: Agreement of Teams on certain issues are very important . Disagreements must be resolved in a manner that fosters team cooperation and the appearance of team unity during contract negotiations.

(i)Apply Good Business Judgment: Negotiators should be able to evaluate every change in a negotiating position based on its overall effect on attaining a mutually satisfactory result.

Activity D:

1. Negotiators with high skills will have a greater probability of negotiation success than negotiators who do not have the necessary skills. Justify your answer with appropriate examples.

15.6 Negotiation Strategies

Strategy is the general approach you take to getting what the client wants.

A problem-solving strategy recognizes the legitimacy of the values, positions and interests of the other party. It assumes that most negotiations involve multiple issues and that a strategy that focuses on underlying interests is most likely to uncover those issues. Negotiation becomes a means of establishing a positive relationship with the other party.

Negotiation is a process in which two or more negotiating parties exchange goods or services at a particular rate of exchange or agrees upon certain terms and condition beneficial to both of them.

The progress of negotiation is strongly influenced by the personal values, skills, perceptions, attitudes and emotions of the people at the bargaining table. The success of any negotiation depends on the techniques of bargaining used by parties involved in negotiation. There are two major types of strategies such as

- Distributive Bargaining
- Integrative Bargaining

Distributive Bargaining: One of the most important and different feature of this strategy is that it operates under Zero sum state. It means if one party gains from negotiation other party will lose for the same. Each party offers their own suggestion towards making settlement at a particular point. It may happen that one party of negotiation may resist the point of settlement made by the other party. The negotiation may break off below some point. Generally negotiators tend to settle down between the resistance points which tend to overlap.

In distributive bargaining generally style of conflict resolution such as forcing and compromising is used. The outcome of distributive bargaining strategy is winning-losing. For example Mr. A wants to purchase second hand television set from Mr. B the seller but, after looking at the price Mr. A do not want to pay the amount asked by Mr. B and negotiate over the price. Here one party will gain at the cost of other party.

Table -1 - Distributive Bargaining

Bargaining Characteristics	Distributive Characteristics
Availability of resources	Division of fixed amount of resources
Main motivation	I Win, You lose
Main interest	Opposite interest of the parties
Focus on connection among parties in negotiation	Short- term

The most important example of distributive bargaining is employees at bottom level and management at top negotiates over salary aspect of employees. Since employee's negotiation would boost up management's costs, each party bargains forcefully and treats the other as an opponent who must be defeated. The relationship between the negotiating parties is short-term. The main interests of both the parties of negotiation is to oppose each other interest; because this is based on the motive of gaining something at the cost of other where each party is negotiating for the fixed amount of available resources which will be divided among the parties. When engaged in distributive bargaining, one's strategy is to try to get other party agree to one's specific negotiation point to get as close to it as possible. Examples of such tactics are convincing one's opponent of the impossibility of getting to his or her negotiation point and then desiring other party to accept a settlement near yours; by convincing other party by saying that it is a fair deal, while attempting to get other party to feel emotionally generous towards one and thus accept an outcome close to one's own target area.

Integrative Bargaining: One of the most important features of this strategy is that it operates on a win-win situation and, thus uses a collaborative model of conflict resolution. Negotiating parties try to look at the problematic area, search for various alternatives for solution, and after searching they try to evaluate each alternatives pros and cons and then come a final decision of mutually acceptable solution. This strategy can even build long lasting relationship among parties. It is said to be a strategy where negotiating parties can make a settlement in a way that both parties get advantage out of it.

Integrative bargaining is mostly preferred on distributive bargaining as it builds long lasting relationship and facilitates parties to work together. On the other hand distributive bargaining is a strategy where one party is a winner other is a loser in distributive bargaining both the parties of negotiation are the winners.

But, we do not have many organizations practicing integrative bargaining as it requires more of sharing and openness among parties, ability to believe each other, parties being more flexible while in negotiation.

Table – 2 : Integrative Bargaining

Bargaining Characteristics	Distributive Characteristics
Availability of resources	Resources to be divided are not fixed.
Main motivation	I Win ,You win
Main interest	Convergent or congruent with each other.
Focus on connection among parties in negotiation	Long-term

Since condition of being more sharing and being more open among parties, ability to believe each other, parties being more flexible while in negotiation do not exist in organization. Even if one party adopts integrative bargaining but other party to negotiation do not react to it may tend to shift to distributive bargaining strategy.

Activity E:

1. Provide your own understanding on integrative bargaining strategy. Identify any three organizations where distributive bargaining strategy is used. Cite an example of it.

15.7 Negotiation Process

Negotiation may take place anywhere; it may be in big organizations, small organizations, restaurant, conference room, headquarters of military, residential area, or by the side of a road.

It is said to be a journey, because parties can open up new options or develop understandings completely different from what they might have imagined or considered acceptable at the start of the process of negotiation.

Negotiation is a process to achieve one's goals through communication with at least one or other party, with the assumed outcome in an agreement. When the two parties have a conflict, or have differences that may result in conflict. In negotiation, the parties have the ability to prevent each other from achieving other parties' goal.

In negotiation process the parties explore each other's position; they try to build a relationship and seek to understand each other's concerns. They identify the issues and familiarize themselves with the other parties' negotiating approach.

They then begin a process in which they begin to move towards each other. It is a process of exchange or influences other party of negotiation. They make offers and respond to offers; they exchange information, seek to persuade the other side and each side's stance is modified by what is learned from the other. Gradually they begin to narrow their differences; they agree on some issues and identify fresh problems. They begin to see that agreement is at hand and move towards closure.

It is important to be aware of these processes and to plan accordingly. It is also important to be aware that different strategies may be appropriate at different phases in the negotiation process. Many negotiations start off competitively, trading bids and counter-bids, but as deadlock approaches there is a shift to a cooperative stance to reach agreement.

Thus, the negotiation process mainly consists of five steps such as: Starting point is preparing and planning, defining basic rules, giving clarification and justification, bargaining and solving problem and concluding and implementing.

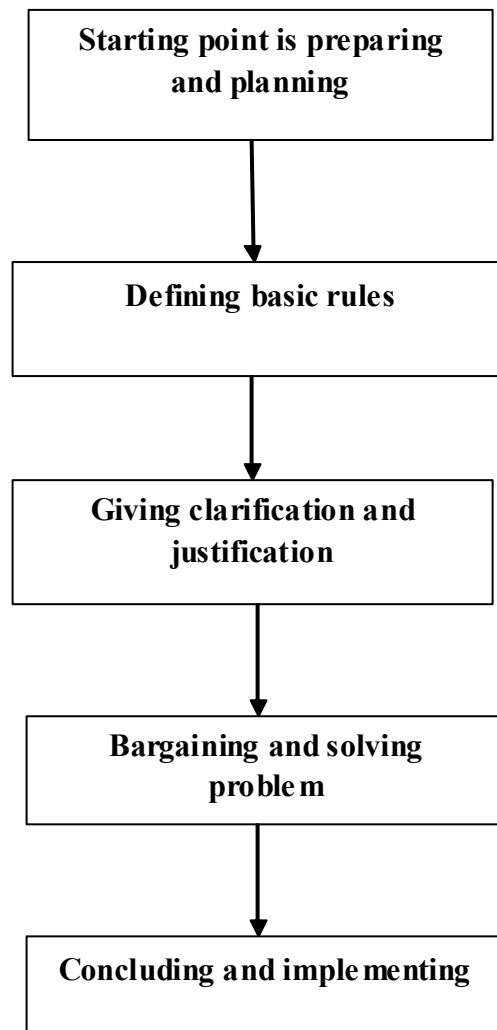


Figure - 1: Showing Negotiation Process

Source: Stephen P. Robbins, (2001), 'Organizational Behavior'; Pearson education pg no 398

- 1. Starting Point is Preparing and Planning:** Negotiation requires preparing and planning before one starts negotiating, one needs to be thorough with the groundwork. Various questions such as nature of the conflict, reason for particular negotiation, parties involved in such negotiation and their perceptions of the conflict, what one wants from the negotiation? What kind of goal one is having. For example if management wants better output from labor and then only their wages will be raised. It means better productivity will lead to increase in wages of worker. This goal should be there in discussion of management and labor and it should not be overshadowed. It would be helpful if one puts its goal in writing and develop a variety of outcomes—from “most hopeful” to “minimally acceptable” — to keep your attention focused.

One should also be prepared with the negotiating goals of other parties, what a negotiating party will ask for, what is the position of negotiating parties and what would be settlement point for negotiating parties.

Once all information is gathered one needs to develop negotiation strategy. As one should be prepared for how one is going to react in a particular situation. As a part of strategy one should develop one's own and other side Best Alternative to a Negotiated Agreement. (BATNA). It is lowest value to an individual for a negotiated agreement. One should not expect success unless one is able to make the other side an offer it finds more attractive than its BATNA.

2. **Defining Basic Rules:** Once one is done with its planning and has developed a strategy, then the party is ready to begin defining the basic rules and procedures with the other party over the negotiation itself. Questions such as who will do the negotiation, place of negotiation i.e location, time period till which the negotiation should take place, issues to be included in negotiation, any specific procedure to be followed if an deadlock is reached. During this phase, the parties in negotiation will also exchange there.
3. **Giving Clarification and Justification:** When parties in negotiation exchange their initial proposals or demands other party will explain, make it clear and justify others original demands, It may not be confrontational. It is an opportunity for the parties for educating and informing each other on the issues, why they have an important issue, and how each arrived at their basic demands. This is the point at which one might want to provide some documentation to other party which may support his position.
4. **Bargaining and Solving Problem:** It is one of the very important steps where one part would try to make an effort in giving and taking to hash out an agreement. Both the parties will make some kind of compromise. Negotiating directly addresses some of the actions one should take to improve the likelihood of achieving a good agreement.
5. **Concluding and Implementing:** This is the last step in the negotiation process in which the agreement is formalizing that which is being worked out and developing any procedures that are necessary for implementation and monitoring. For major negotiation which would include everything from labor-management negotiations to negotiating a job.

Activity F:

1. Illustrate negotiation process in a practical way.

15.8 Issues in Negotiation

Negotiations begin with a normal pace of discussion and expand into more comprehensive discussion. Parties also enter into negotiation when circumstances are “fully ready.” For many reasons, a party may see the right time for entering into negotiations as a way out of a situation of increasing difficulties and decreasing prospects of achieving initial goals of other party.

There are various issues in negotiation, which one must considered in negotiation; there are four contemporary issues in negotiation are the role of personality-traits; gender differences in negotiating, the effect of cultural differences on negotiating styles, and the use of third parties to help resolve differences.

1. **Personality Traits Plays an Important Role:** There are certain misconceptions that if one knows personality trait of opponent party, it will be helpful in negotiation. Overall assessments of the personality-negotiating relationship find that personality traits have no significant direct effect on either the process or the outcomes. This is very important to understand that one should concentrate on the issues and the situational factors in each bargaining episode and not on your opponent’s personality.
2. **Gender Differences:** The Gender differences are to be an issue of negotiation. A popular stereotype image held by many is that women are more pleasant, cooperative, and relationship oriented in negotiations than that of men. When comparison between experienced male and female managers where made it was found women are neither more co-operative nor open to the other, women are neither worse nor better negotiators, and neither more nor less influential nor intimidating than are

men. Gender may not be relevant in terms of negotiation outcomes, women's attitudes toward negotiation and toward themselves as negotiators appear to be quite different from men's. It is also said that where women and men have similar power bases, there shouldn't be any significant differences in their negotiation styles.

It is also observed that women felt less confident in comparison to men, even if they have performed equally good in comparison to men.

It is concluded that women may overly penalize themselves by failing to engage in negotiations when such action would be in their best interests.

3. **Cultural Difference:** Though there is no significant or direct relationship between an individual's personality and negotiation style, cultural background seems to be relevant. Negotiation styles clearly differ across national cultures. In some countries cultural differences really matter. People in some countries are eager to get recognized frequently gain recognition and develop one's own status by thinking and acting against others. In such countries people may take long time in negotiation and, even may not think about opponents like or dislike them.

The cultural contexts of the negotiation may considerably pressurize the amount of preparation required for bargaining, the relative emphasis on task versus interpersonal relationships, and the tactics used and even where the negotiation should be conducted.

4. **Third-Party Negotiation: When parties in Negotiation are Unable to** resolve their differences through direct negotiations. In such circumstances, they may turn to a third party to help them find a solution. Third party may play four different types of role such as: mediator, arbitrator, conciliator and consultant.

A mediator is a neutral third party who makes negotiation easy and provides a solution by using reasoning, giving his point of view, suggesting alternatives. It is mainly used in labor management negotiations and in civil court disputes. The overall effectiveness of mediated negotiations is quite inspiring. When the intensity of conflict is moderate then mediation is most effective. Finally, awareness of the conflict is necessary and the mediator must be perceived as neutral and non-coercive.

An arbitrator is a third party who has the authority to dictate an agreement. It can be voluntary (requested) or compulsory (forced on the parties by law or contract). The authority of the arbitrator varies in accordance to the rules set by the negotiators. The plus point of arbitration over mediation is that it always results in a settlement.

Conciliation is used extensively in international, labor, family, and community disputes. A conciliator is a trusted party who provides an informal communication link between the negotiator and the opponent. In practice, conciliators typically act as more than mere communicating person. They also engage in fact-finding, interpreting messages and persuading disputants to develop agreement.

A consultant is a third party skilled and impartial who attempts to smooth the progress of problem solving through communication.

15.9 Summary

Negotiation is a part of our day to day life and work, and almost everyone comes across such situation. Negotiation is successful if it is efficient, produces a wise agreement when agreement is possible, and improves or at least does not harm the relationship between the negotiating parties. Negotiations takes

place for two reasons: (1) to generate something new that neither party might do on his or her own, (2) to resolve a problem or dispute between the parties.

But, some scholars note that there are similarities between negotiation strategies and conflict management, negotiation can go beyond just resolving conflict and becomes a managerial skill for personal and organizational success.

Negotiation is not a one-time event. One may be involved in future negotiations with the same party, and one's negotiating behavior may affect the way other negotiators deal with the party in the future. Thus, the relationship one builds with the other party may influence negotiation, as well as other negotiations.

Negotiation is a discussion between two individuals regarding a contract, agreement or relationship. Both partners are dependent on each other and have objectives that might contradict each other.

There are various numbers of characteristics common to all types of negotiation. If negotiating parties understand these and keep them in mind, then they should be able to avoid most of the pitfalls and handle a variety of situations. The success of negotiation depends on at least four situational factors, -viz; location, physical setting, time, and audience.

To be a successful negotiator one need to develop a repertoire of knowledge, skills and attitudes. Negotiators should keep in mind the following: focal point, agreements, mutual findings, implications, differences, true purpose, and any specific circumstances surrounding each negotiating party, motivation and equal opportunity to each party, skills of the negotiators.

The success of any negotiation depends on the techniques of bargaining used by parties involved in negotiation. There are two major types of strategies such as Distributive Bargaining and Integrative Bargaining.

Negotiation may take place anywhere may be in big organizations, small organizations, restaurant, conference room, headquarters of military, residential area, or by the side of a road

It is said to be journey, because parties can open up new options or develop understandings completely different from what they might have imagined or considered acceptable at the start of the process of negotiation. It is a process to achieve one's goals through communication with at least one or other party, with the assumed outcome in an agreement. Thus, the negotiation process mainly consists of five steps such as: Starting point is preparing and planning, defining basic rules, giving clarification and justification, bargaining and solving problem and concluding and implementing.

There are various issues in negotiation, which one must consider in negotiation; there are four contemporary issues in negotiation are the role of personality-traits; gender differences in negotiating, the effect of cultural differences on negotiating styles, and the use of third parties to help resolve differences.

15.10 Self Assessment Questions

1. What is Negotiation? Explain Features of Negotiation.
2. Differentiate between distributive bargaining and integrative bargaining strategy?
3. Explain the different steps in negotiation process.
4. What are the situational factors towards Negotiation?
5. List out the effective guidelines for becoming successful negotiator?
6. Outline various issues in negotiation.

7. What is meant by the terms 'negotiating strategy' .Explain both the strategies in detail?
8. What is skills required to be a successful negotiator.
9. Why integrative bargaining is not widely practiced by organizations.

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Unit - 16 : Organizational Culture

Structure of Unit:

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16.0 Objectives

After completing this unit, you would be able to:

- Understand the meaning of Organizational Culture
- Point out the various types of Organizational Culture
- Understand the Basic elements of Organizational Culture
- Learn the basic functions of Organizational Culture
- Find out the difference between strong and weak Culture
- Learn the factors that influence the Organizational Culture
- Learn the determinants that decide Organizational Culture
- Know about the process of Organizational Culture development
- Understand the meaning of Corporate Culture

16.1 Introduction

Organizational culture is essential for the development of any organization. Rapidly changing environment and continuing insights into organizational effectiveness, organizations are seriously rethinking what they do and how they can, best define and accomplish their goals and objectives. Once goals are defined, it is necessary to address the type of culture that is necessary to advance these goals and objectives and ensure the successful implementation of the necessary changes.

Each organization represents a multitude of personalities who, in time, as consequence of the relationships that appear, confers to the organization a distinct character, unique. That is why, we cannot talk about the existence of two enterprises with identical features; each enterprise has specific problems and certain solutions of solving them. The organizational culture constitutes a field of management, with a history relatively recent, which started to gain a general acceptance barely in the second decade of the 20th century.

16.2 What is Organizational Culture?

Organizational Culture is the personality of the organization. Culture is comprised of the assumptions, values, norms and tangible signs (artifacts) of organization members and their behaviors. Members of an organization soon come to sense the particular culture of an organization. Culture is one of those terms that are difficult to express distinctly, but everyone knows it when they sense it. For example, the culture of a large, for-profit corporation is quite different from that of a hospital, which is quite different from that of a university. You can tell the culture of an organization by looking at the arrangement of furniture, what they brag about, what members wear, etc. similar to what you can use to get a feeling about someone's personality.

16.2.1 What is Culture?

These are characteristics that help us to understand the nature of culture. When these characteristics are mixed and meshed, we get the essence of culture.

- a) **Individual Initiative:** The degree of responsibility, freedom, and independence that individuals have.
- b) **Risk Tolerance:** The degree to which employees are encouraged to be aggressive, innovative, and risk –seeking.
- c) **Direction:** The degree to which the organization creates clear objectives and performance expectations.
- d) **Management Support:** The degree to which managers provide clear communication, assistance and support of their subordinates.
- e) **Control:** The number of rules and regulations, and the amount of direct supervision that is used to oversee and control employee behavior.
- f) **Reward System:** The degree to which employees reward allocations based on employee, performance criteria.
- g) **Conflict Tolerance:** The degree to which employees are encouraged to air conflict and criticisms openly.
- h) **Communication Patterns:** The degree to which organizational communications are restricted to the formal hierarchy of authority.

Activity A:

1. Analyze an organization's culture. Has the culture contributed to organization's performance? Explain.

16.2.2 Definitions of Organizational Culture

After knowing the meaning of the culture, we may attempt to define organizational culture. There are many different definitions of organizational culture, although almost all of the most widely accepted ones are similar and cover many of the same aspects. Here are some of the many definitions of organizational culture:

Gareth Morgan has described organizational culture as “The set of the set of beliefs, values, and norms, together with symbols like dramatized events and personalities, which represents the unique character of an organization, and provides the context for action in it and by it.”

Schein's definition of organizational culture is: "A pattern of shared basic assumptions that the group learned as it solved its problems that has worked well enough to be considered valid and is passed on to new members as the correct way to perceive, think, and feel in relation to those problems." An organizational culture is a group of people who have been trained, or who simply have learned by those around them, how to act in any given situation.

Louis (1980) said, "A set of understandings or meanings shared by a group of people that are largely tacit among members and are clearly relevant and distinctive to the particular group which are also passed on to new members."

A system of knowledge, of standards for perceiving, believing, evaluating and acting . . . that serve to relate human communities to their environmental settings (Allaire and Firsirotu 1984).

Any social system arising from a network of shared ideologies consisting of two components: substance-the networks of meaning associated with ideologies, norms, and values; and forms-the practices whereby the meanings expressed, affirmed, and communicated to members (Trice and Beyer 1984).

The other aspect of organizational culture that is often true is that it becomes very deeply rooted. It is the identity of a company, in some ways it becomes an identity of those who work there. This is always important to remember, as culture becomes like a circular argument. The people end up affecting the culture as much as the culture is affecting them. Because culture is so deeply rooted in an organizational history of success or failure, and because of its collective experience, any organization that needs to work to change it will be facing an uphill battle and a huge investment in time, resources, and work.

Therefore, while there are many definitions of organizational culture, all of them focus on the same points: collective experience, routine, beliefs, values, goals, and system. These are learned and re-learned, passed on to new employees, and continues as part of a company's core identity.

Activity B:

1. Study an organization's culture, if there is any need of change then find out the causes for that and what could have been done to change the culture?

16.3 Basic Elements of Organizational Culture

Culture works like a social adhesive or glue that helps in holding the organization together. It is essential to know about the elements of organizational culture, these are as follows:

(a) Artifacts: Organizational artifacts can consist of visible items that symbolize culture. An artifact may be as formal as an employee handbook or a company logo, or as informal as flowers in the front lobby. However, artifacts may also be less tangible. Keyton describes artifacts as anything that you can "see, hear, or feel" in the organizational experience.

(b) Organizational Values: Values reflect what we feel is important. Organizations may have core values that reflect what is important in the organization. These values may be guiding principles of behavior for all members in the organization. For example, an organization could state that their core values are creativity, humor, integrity, dedication, mutual respect, kindness, and contribute to the society.

(c) Organizational Beliefs: Beliefs that are part of an organization's culture may include beliefs about the best ways to achieve certain goals such as increasing productivity and job motivation. For example, an organization may convey the belief that the expression of humor in the workplace is an effective way to increase productivity and job motivation.

(d) Organizational Norms: Norms reflect the typical and accepted behaviors in an organization. They may reflect the values and beliefs of the organization. They may reflect how certain tasks are generally expected to accomplish, the attributes of the work environment, the typical ways that people communicate in the organization, and the typical leadership styles in the organization. For example, the work environment of a company may be described as relaxed, cheerful, and pleasant. Moreover, the organization may have a participative decision-making process in which many people in the organization are able to express their views concerning important decisions. Also, an organization must have many meetings to discuss the ideas.

(e) Assumptions: Assumptions are beliefs that are so ingrained that organizational members do not even discuss them, yet they guide behavior by directing how organizational members should think, feel and act. For instance, an assumption may be to do whatever is necessary to make a customer happy, regardless of cost or time. Because assumptions are not formal or documented and do not usually surface in conversation, they pose an extra challenge to new employees striving to learn acceptable practices within their new workplace.

(f) Characteristics: Organizational culture may play out in many ways. To get a feel for an organization's culture, observe how employees interact with each other — formally or informally. Note the dress code and whether the organization has casual days. Also take into account work hours, whether options such as flex time and telecommuting are available and the organization's position about maintaining a work-life balance. Consider how conflict is addressed within the organization. Moreover, assess the organizational structure, how often senior managers interact with other organizational members and the degree of transparency by which the organization shares information.

16.4 Functions and Liabilities of Organizational Culture

Like all social mechanisms, an organization's culture performs certain social functions, some of them intended and some of them unintended. Like organizational structure, culture is difficult to observe, measure or map. In some cases, culture supports or reinforces structure, in others it conflicts with structure. In yet other situations, culture acts as a functional alternative to reducing behavioral variability in organizations. These are the most commonly discussed functions of organizational culture:

(a) Behavioral Control: Most systems of social organization attempt to control the variability of member behavior. Whether it is a business organization, a club, community or nation, social systems need to limit certain behaviors and encourage others. At one level organizations setup rules, procedures and standards along with various consequences for compliance and non-compliance. This system of formalization is part of the organization's formal structure.

(b) Encourages Stability: Turnover and transitions exist in most all social systems. Despite changes in membership and leadership many organizations maintain certain characteristics, problems are handled essentially the same way, and behavior continues to be directed toward the same mission and goals. An organization's culture is often passed on from "generation" to "generation" creating a relatively high level of stability over time.

(c) Provides source of Identity: Individuals continually search to define their social identities. Sometimes identities are defined by roles or professions and in other cases people define themselves through their organizational membership. When taking on an organization as a source of identity, people are taking on the values and accomplishments of that organization.

Liabilities of Culture:

When looking at functions of culture, it is easy to see these in positive terms and assume that a strong culture would lead to an organization's success. While this is often true, we often find that a strong culture impedes some of the actions taken by managers. This often happens in unexpected and unpredictable ways. Remember that while cultural control mechanisms direct individual behavior, they do not always direct in a manner consistent with the organization's mission or managerial goals. For example, employees may set production norms and enforce these on group members. These norms or limits are often lower than production standards desired by managers. Groups often exert powerful influences on their members in an effort to protect each other from managerial action. In these cases, formal structure and group norms may be in conflict. Here are some other situations where a strong culture may be an impediment to action.

(a) Barrier to Change and Improvement: The very fact that culturally derived norms, values and mental models are often internalized by members often makes them resistant to change when they see these changes in conflict with these values. This is especially true when organizational change is implemented through structural change. For example, while a new reward or incentive system is implemented in support of the change in direction or strategy, employee values and other cultural mechanisms supporting the former direction are still deeply imbedded which conflict with the new structure. This becomes a battle over the relative strengths of the structure and culture. Even if the structure ends up being a more powerful force, the implementation of the change is slowed as multiple forms of resistance emerge.

(b) Barrier to Diversity: Strong company cultures create uniformity and consistency of behavior among employees. This is known as cross individual behavioral consistency. While this may be desirable in many ways, it works against a company's goals of creating a diverse workplace and utilizing this diversity for competitive advantage in at least two ways. The first is that one of the ways in which strong cultures are created is through selection of new employees based on person-organization fit, that is, applicants are selected who are believed to "fit" into the organization. This practice tends to limit diversity of any kind. A related issue is that when potential employees are choosing employers, they tend to avoid companies with strong cultures not aligned with their values.

The second way in which strong cultures act as a barrier to diversity has to do with the way in which a strong culture acts to homogenize the workforce. One of the reasons why companies desire increased diversity is based on the assumption that more diverse decision-making teams will be more creative and make decisions more inline with a diverse marketplace. Any benefits achieved through diversity hiring can be lost as the mechanisms of a strong culture as new employees attempt to fit in with the team.

(c) Barrier to Cross Departmental and Cross Organizational Cooperation: While we often use the terms organizational culture or company culture, most large organizations have sub-cultures associated with different geographic locals or different functional units. For example, the culture of an engineering department is often very different than the culture of a marketing department. When communication and coordination is essential between units with very different sub-cultures, messages are often misinterpreted and conflict in priorities hampers the ability of these units to work cooperative on a project or solve a problem.

(d) Barrier to Mergers and Acquisitions: One of the factors cited from the high percentage failure of merged organizations to meet their goals, is the change process did not account for or do anything to deal with conflict in cultures between the two original organizations. This is especially

true when the merger plan seeks to merge different departments into one and requiring them to operate as a single unit. This may be as simple as dress codes or as fundamental as leadership style and team decision-making protocols.

Activity C:

1. Analysis any organization and find out cultural barriers, which are need to be improved.

16.5 Strong versus Weak Culture

Although all organizations have cultures, some appear to have stronger, more deeply rooted cultures than others. Initially, a strong culture was conceptualized as a coherent set of beliefs, values, assumptions, and practices embraced by most members of the organization. The emphasis was on (1) the degree of consistency of beliefs, values, assumptions, and practice across organizational members; and (2) the pervasiveness (number) of consistent beliefs, values, assumptions, and practices. Many early proponents of organizational culture tended to assume that a strong, pervasive culture was beneficial to all organizations because it fostered motivation, commitment, identity, solidarity, and sameness, which, in turn, facilitated internal integration and coordination. Some, however, noted that a strong culture might be more important for some types of organizations than others. For example, volunteer organizations may need to stress culture more than business organizations. Still others noted potential dysfunctions of a strong culture, to the point of suggesting that a strong culture may not always be desirable. For example, a strong culture and the internalized controls associated with it could result in individuals placing unconstrained demands on themselves,

A strong culture exists when employees respond to stimulus because of their alignment to organizational values. Strong cultures help firms operate like well-oiled machines cruising along with outstanding execution. Minor tweaking of existing procedures enhances performance. In thriving, profitable companies, employees embody the values, visions and strategic priorities of their company. *Strong culture* exists where staff responds to stimulus because of their connection to organizational values. In such environments, strong cultures help businesses operate like machines, cruising along with excellent execution and perhaps a little tweaking of existing procedures here and there.

Conversely, a weak culture exists when there is little alignment with organizational values and control must be exercised through extensive policies, procedures and bureaucracy. Signs of a weak culture include lack of trust; focus on problems, staff losing confidence in their leaders and systems, and people spending more time focusing on problems rather than opportunities. In *weak culture* there is little alignment with organizational values, and control must be obtained through extensive procedures and bureaucracy.

Organizations that nurture strong cultures have clear values that give employees a reason to embrace the culture. A “strong” culture may be benefit firms operating in the service sector since members of these organizations are responsible for delivering the service. Organizations may reap the following benefits from developing strong and productive cultures:

- Better alignment of the company towards achieving its vision, mission, and goals
- High level of motivation and loyalty among employees
- Cohesiveness among the various departments and divisions in the company is increased
- Consistency, coordination and control are promoted and encouraged
- Employee behavior will be shaped at work rendering the organization to become more efficient

16.6 Factors Influencing Organizational Culture

The factors that influence the formation of the organizational culture are as follows:

1) Working Group: The working groups appear in organizations in different forms. The working force is created by a formal authority, the organizations being networks of working groups. The variables that determine the formation of the group can be delimited into the personal characteristics (personality, experience, training, and attitudes), situational variables (the tasks to fulfill, available space, and the way of granting the awards – respectively the group as a whole or the individual). Groups appear due to the need of affiliation, the necessity to reach the goals, physical approach, and compatibility between the personalities, the attitudes and values of the individuals. The nature of the group and the number of members affect the perceptions regarding the nature of the organizational culture. Each employee brings into the organization convictions, attitudes, behaviors, from whose intertwining results the organizational culture. The implication regarding the mission of the group influences the cultural perceptions. At the same time, the relationships within the group are decisive for the process of creation of the organization's culture.

The general existent attitudes towards the risk and the existence of conflict, the types of relationships of communication will have a considerable impact upon the working group. They affect, at the same time, the amplitude of the innovation and organizational creativeness. According these factors, the members of the organization will develop an impression about 'what kind of working place is that'.

2) Style of Leadership of the Managers: This has a considerable effect upon the culture of a group. If the manager is distant towards his/her subordinates, this attitude can have a negative impact upon the culture. The trust in the manager, the embodiment of the chief in a positive example can influence favorably the efficacy of the group. The managers always influence, substantially, the organizational culture, their influence being proportional to the hierarchical level. At the same hierarchical level, the influence differs from one manager to another, because the level of training and the leading style are not the same.

3) Organizational Characteristics: They can affect, also, the type of culture that it is developed. The organizations are different according to attributes. Complexity of the organization's culture and the size of the company (that can be expressed through the business figure, capital, number of employees) there is a direct proportional report. Moreover, the big organizations tend to higher degrees of specialization and towards a bigger impersonal character. In the small companies the culture is more homogenous, while in the big companies are clearly shaped the sub-cultures. The organizations, also, differ according the degree of formalization (expressed in rules, politics, and norms) and after the degree of decentralization and autonomy. The history of the company represents a factor with profound influence upon the organizational culture with tradition; at the same time, it differentiates the cultures of these organizations from the cultures of the new enterprises. The stage of the life cycle of the company can constitute an important factor rarely taken into consideration. The economic situation of the company influences the organizational culture by its restrictions and economic facilities.

4) The founders and Owners: In many cases, the founders create the philosophy of the company and determine the basic values. The owners of the company can exert their influence from more points of view: of the type of owner (natural and/or juridical persons) the number of owners. When there are a reduced number of owners, their influence can be more profound.

5) The Environment (Juridical, Economic, Cultural, and Technological): The juridical environment can influence the organizational culture positively or negatively. When it includes contradictory elements its influence upon the organizational culture is negative. The economic environment of the company reflects the

status of the national economy. Thus, the economic crisis is also reflected at the organizational level. The individual who enter or are within an organization of businesses are 'impregnated' with the values, beliefs, attitudes that come from the national culture. The economic culture is derived from the national culture and presents particularities for each country, which manifests upon other variables – owners, employees, managers. The technique and technology used refer to the degree of technical endowment and the type of technologies used, which have implications over the organizational culture. Thus, the amplification of the degree of technical endowment of the companies has implications over the content of the organizational culture, after the reduction of the frequency and intensity of human contacts.

6) Nature of the Business: Nature also affects the culture of the organization. Stock broking industries, financial services, banking industry are all dependent on external factors like demand and supply, market cap, earning per share and so on. When the market crashes, these industries have no other option than to terminate the employees and eventually affect the culture of the place. Market fluctuations lead to unrest, tensions and severely demotivate the individuals. The management also feels helpless when circumstances can be controlled by none. Individuals are unsure about their career as well as growth in such organizations.

7) Goals and Objectives of Organization: The strategies and procedures designed to achieve the targets of the organization also contribute to its culture. Individuals working with government organizations adhere to the set guidelines but do not follow a procedure of feedback thus forming its culture. Fast paced industries like advertising, event management companies expect the employees to be attentive, aggressive and hyper active.

8) Clients and the External Parties: to some extent also affect the work culture of the place. Organizations catering to UK and US Clients have no other option but to work in shifts to match their timings, thus forming the culture.

9) Management and its Style of Handling the Employees: It affects the culture of the workplace. There are certain organizations where the management allows the employees to take their own decisions and let them participate in strategy making. In such a culture, employees get attached to their management and look forward to a long term association with the organization. The management must respect the employees to avoid a culture where the employees just work for money and nothing else. They treat the organization as a mere source of earning money and look for a change in a short span of time.

16.7 Types of Organizational Culture

The practices, principles, policies and values of an organization form its culture. The culture of an organization decides the way employees behave amongst themselves as well as the people outside the organization. Let us understand the various types of organization culture:

- 1. Normative Culture:** In such a culture, the norms and procedures of the organization are predefined and the rules and regulations are set as per the existing guidelines. The employees behave in an ideal way and strictly adhere to the policies of the organization. No employee dares to break the rules and sticks to the already laid policies.
- 2. Pragmatic Culture:** In a pragmatic culture, more emphasis is placed on the clients and the external parties. Customer satisfaction is the main motive of the employees in a pragmatic culture. Such organizations treat their clients as Gods and do not follow any set rules. Every employee strives hard to satisfy his clients to expect maximum business from their side.
- 3. Academy Culture:** Organizations following academy culture hire skilled individuals. The roles and responsibilities are delegated according to the back ground, educational qualification and work

experience of the employees. Organizations following academy culture are very particular about training the existing employees. They ensure that various training programmes are being conducted at the workplace to hone the skills of the employees. The management makes sincere efforts to upgrade the knowledge of the employees to improve their professional competence. The employees in an academy culture stick to the organization for a longer duration and also grow within it. Educational institutions, universities, hospitals practice such a culture.

4. **Baseball team Culture:** A baseball team culture considers the employees as the most treasured possession of the organization. The employees are the true assets of the organization who have a major role in its successful functioning. In such a culture, the individuals always have an upper edge and they do not bother much about their organization. Advertising agencies, event management companies, financial institutions follow such a culture.
5. **Club Culture:** Organizations following a club culture are very particular about the employees they recruit. The individuals are hired as per their specialization, educational qualification and interests. Each one does what he is best at. The high potential employees are promoted suitably and appraisals are a regular feature of such a culture.
6. **Fortress Culture:** There are certain organizations where the employees are not very sure about their career and longevity. Such organizations follow fortress culture. The employees are terminated if the organization is not performing well. Individuals suffer the most when the organization is at a loss. Stock broking industries follow such a culture.
7. **Tough Guy Culture:** In a tough guy culture, feedbacks are essential. The performance of the employees is reviewed from time to time and their work is thoroughly monitored. Team managers are appointed to discuss queries with the team members and guide them whenever required. The employees are under constant watch in such a culture.
8. **Bet your company Culture:** Organizations which follow bet your company culture take decisions which involve a huge amount of risk and the consequences are also unforeseen. The principles and policies of such an organization are formulated to address sensitive issues and it takes time to get the results.
9. **Process Culture:** As the name suggests the employees in such a culture adhere to the processes and procedures of the organization. Feedbacks and performance reviews do not matter much in such organizations. The employees abide by the rules and regulations and work according to the ideologies of the workplace.

The practices, principles, policies and values of an organization form its culture. The culture of an organization decides the way employees behave amongst themselves as well as the people outside the organization.

16.8 Dimensions of Organizational Culture

After discussing about the types of culture it is necessary to know about the dimensions of organizational culture, these are as follows:

- a) **Individual Autonomy:** This refers to the individual's freedom to exercise his or her responsibility. In other words, individual autonomy is the degree to which employees are free to manage themselves; to have considerable decision making power; and not to be continually accountable to higher management.

- b) **Position Structure:** This refers to the extent of direct supervision, formalizations and centralization in an organization. In other words, position structure is the degree to which objectives of the job and methods for accomplishing it are established and communicated to the individual by supervisors.
- c) **Reward Orientation:** This refers to the degree to which an organization rewards individuals for hard work or achievement. An organization which orients people to perform better and rewards them for doing so.
- d) **Consideration, Warmth and Support:** This refers to the extent of stimulation and support received by an individual from other organization members. In other words, if there is a sense of team spirit among the members of an organization, the organizational culture is likely to be perceived as considerate, warm and supportive.
- e) **Conflict:** This refers to the extent to conflict present between individuals and the willingness to be honest and open about interpersonal differences.
- f) **Progressiveness and Development:** This aspect refers to the degree to which organization conditions foster the development of the employees, allow scope for growth and application of new ideas methods.
- g) **Risk Taking:** The degree to which an individual feels free to try out new ideas and otherwise take risks without fears of reprisal, ridicule or other form of punishments, indicate the risk-taking dimension of organizational culture. This dimension is akin to “cautious” versus “venturesome” quality of an organization.
- h) **Control:** This dimension refers to the degree to which control over the behavior of organizational members is formalized. In a highly bureaucratic organization, control systems are well defined. In a low- control organization, most of the controls are self-regulated, i.e., individuals monitor their own behavior. It works for “tightness” versus.
- i) **Stakeholder:** Value Orientation Stakeholders are the people who have a stake in how well company does. This includes employees, customers, management, shareholders, vendors and the neighborhoods. If there is establishment of a strong orientation toward building stakeholder value, than entire organization will reflect that.
- j) **Social Responsibility:** social responsibility can be part of company’s culture, charitable efforts made by company visible to employees, encourage them to participate voluntarily in community betterment activities, and they get involve in it.
- k) **Adaptive Ability:** A growing company will encounter situations that are not in the business plan. Organization has to be able to change and adapt according to new information and unexpected events. If employees are encouraged for a culture of adaptability, they will be better prepared to adjust to new goals and objectives.

16.9 Determinants of Organizational Culture

Culture includes deeply held values, beliefs and assumptions, symbols, heroes, and rituals. Organization values are fundamental beliefs that an organization considers being important, that are relatively stable over time, and they have an impact on employees’ behaviors and attitudes. An organization culture tends to be deep and stable. Organizational culture is determined by a variety of internal and external factors where internal factors are specific to the organization while external factors refer to a number of societal forces. Some of these factors are as follows:

- a) **Characteristics of Members:** Personal characteristics of the members of an organization also affect the climate prevailing in the organization. For example an organization with well educated, ambitious and younger employees is likely to have a different organizational culture than an organization with less educated, and less upwardly mobile, older employees. The former might inculcate an environment of competitiveness, calculated risk-taking, frankness of opinions, etc.
- b) **Organizational Size:** In a small sized organization it is much easier to foster a climate for creativity and innovation or to establish a participative kind of management with greater stress on horizontal distribution of responsibilities. On the other hand, in a large organization it is easier to have a more authoritative kind of management with stress on vertical distribution of responsibilities. This in turn leads to distinct environments as has been explained with the help of the concept of System for organization.
- c) **Organizational Policies:** Specific organizational policies can influence a specific dimension of organizational culture to quite an extent. For example, if the company policy states that layoffs will be used only as a last resort to cope with business downturn, then it would, in general, foster an internal environment that is supportive and humanistic.
- d) **Managerial Values:** The values held by executives have a strong influence on organizational culture because values lead to actions and shape decisions. Values add to perceptions of the organization as impersonal, paternalistic, formal, informal, hostile or friendly.
- e) **Organization Structure:** The design or structure of an organization affects the perception of its internal environment. For example, a bureaucratic structure has an organizational culture much different from a System for organization.

Activity D:

1. Analyses two organizations (different industry) and try to find out the cultural difference in it.

16.10 Corporate Culture

The concept of corporate culture emerged as a consciously cultivated reality in the 1960s along-side related developments like the social responsibility movement—itsself the consequence of environmentalism, consumerism, and public hostility to multinationals. Awareness of corporate culture was undoubtedly also a consequence of growth, not least expansion overseas—where corporations found themselves competing in other national cultures. The U.S. competition with Japan, with its unique corporate culture, was yet another influence. So was the rise to prominence of management gurus the dean of whom was Peter Drucker. As corporations became aware of themselves as actors on the social scene, corporate culture became yet another aspect of the business to watch and to evaluate—alongside the “hard” measures of assets, revenues, profits, and shareholder return.

Corporate culture refers to the shared values, attitudes, standards, and beliefs that characterize members of an organization and define its nature. Corporate culture is rooted in an organization’s goals, strategies, structure, and approaches to labor, customers, investors, and the greater community. As such, it is an essential component in any business’s ultimate success or failure. Closely related concepts, discussed elsewhere in this volume, are corporate ethics (which formally state the company’s values) and corporate image (which is the public perception of the corporate culture).

On the surface, it may seem apparent, but it can take years to fully understand some corporate culture (Schermerhorn, Hunt, & Osborn, 2005). The reason is that *corporate culture is highly complex and*

multi-layered, composed of an observable culture, the shared values, and common cultural assumptions. The observable culture is the “how we do things around here.” The shared values link employees of a company together. Finally, common cultural assumptions are those “truths” that will come up after analyzing the culture (Schermerhorn, Hunt, & Osborn, 2005).

Corporate culture can be defined as “...the shared values, traditions, customs, philosophy, and policies of a corporation; also, the professional atmosphere that grows from this and affects behavior and performance,” Webster’s Dictionary.

Investopedia explains ‘Corporate Culture’ “Google is a company that is well-known for its employee-friendly corporate culture. It explicitly defines itself as unconventional and offers perks such as telecommuting, flex time, tuition reimbursement, free employee lunches, on-site doctors and, at its corporate headquarters in Mountain View, Calif., on-site services like oil changes, massages, fitness classes, car washes and a hair stylist. Google’s corporate culture has helped it to consistently earn a high ranking on *Fortune* magazine’s list of 100 Best Companies to Work For.”

Schermerhorn, Hunt, & Osborn, (2005) suggested some basic **elements for good Corporate Cultures** these are as follows:

- A widely shared real understanding of what the firm stands for, often embodied in slogans
- A concern for individuals over rules, policies, procedures, and adherence to job duties
- A recognition of heroes whose actions illustrate the company’s shared philosophy and concerns
- A belief in ritual and ceremony as important to members and to building a common identity
- A well-understood sense of the informal rules and expectations so that employees and managers understand what is expected of them
- A belief that what employees and managers do is important and that it is important to share information and ideas.

16.11 Development of Organizational Culture

An organization’s culture has a substantial impact on its ability to execute its strategy and achieve business goals and objectives. The culture, or work environment, if cultivated intentionally, will dramatically improve an organization’s ability to execute. Often organizations are challenged to keep up with rapid changes in the economic environment, demographics, and technological advances. Cultures evolve whether businesses are aware of it or not, and in some instances an unhealthy culture can create serious consequences such as

- Inability to attract and retain quality people
- People not working together
- Apathy and lack of enthusiasm for the business
- Quality and service challenges
- Lack of initiative and responsibility

Intentional culture development is transformative. It engages the hearts and minds of people so that they are committed to the new vision, direction and values and inspired to do their best work. Through interviews, assessment tools, various engagement activities and seminars, we partner with our clients to develop highly effective growth strategies and self-sustaining, intentional cultures.

When an organization's culture is not aligned with the desired results and core ideology, culture change may be necessary to influence employee behavior, make improvements to the company, refocus the company objectives, rescale the organization and achieve other specific company goals and results. To begin a culture change initiative, a needs assessment will identify and understand the current organizational culture. This can be done through surveys, interviews, focus groups, observation, and other internal research, to identify areas that require change. The company must then assess and clearly identify the new, desired culture, to design a comprehensive change process.

Culture consists of prevailing behavior, beliefs, practices and thoughts within an organization. Some of these elements might become a stumbling block in the continuous improvement journey. Hence managers and leaders must embark on a program to develop it toward supporting the journey. In order to develop a culture these are the points that has to be considered:

1. Leader of the Organization: Leaders of an organization is able to impose their values, beliefs and thoughts in the organization due to their position of power, authority, conviction, self confidence and determination. Most of the time organizational culture develops from the way the leaders behave in the organization. This is especially true for founders of the organization. Six Sigma was developed by Motorola but made popular by GE. Today six sigma and GE are inseparable. And this would not have happened if not for Jack Welch. Without Steve, could Apple be called the as an innovative company? You know the answer.

To develop the organizational culture, the following behavior, belief and values of the organizations leaders must be considered:-

- If the leader consistently emphasize on delivering promise to a customer, then he may values customer satisfaction. This values, he may reinforce, when he shows a very high displeasure when a customer complaints.
- If he consistently engages his time with people, then he is seen as someone as caring for people. But when he takes action against non-performance, he is sending the message that while he cares for people who are performing and do not condone under-performers.
- A leader who beliefs in Customer satisfaction, might design the structure of the organization to support the belief. The above can be further be emphasized by systems and processes that supports customer satisfaction.

The above are some examples how culture can be developed by founders and leaders.

2. Experiential Learning at Individual Level: Behavior may change due to a situation experienced by an individual. For example, if an individual of an organization is repeatedly told to attend all meetings on time or else fined for coming late, the chances for the person to change his behavior is high. The same can be said, if the superior always check his work for errors for spelling and highlight the mistakes often. Behavior can change due to some positive or negative experience. Behavior change might mean change in belief.

A positive reinforcement of a contribution by a team-member may bring about change in belief and behavior. In most cases informal reinforcement might work and seen as genuinely.

Experiential learning might be sustainable if the person belief that is the right thing to do.

3. Experiential Learning at Group Level: Culture can also develop after an experience by a group. If a group is rewarded and recognized for successful completion of a project that resulted in huge revenue for the organization, this will further motivate the group and individuals within the group to further explore on the ways to contribute to the organization.

Most companies try to “fix” perceived problems by addressing the parts of the corporate culture that are easy to see. Creating and sustaining a healthy, vibrant company culture requires reinforcement of the values, purpose, and rules through daily and proactive conversations and communications. Here are a few points for understanding and influencing company culture.

1. Identify the Company’s Culture: First, define the current state of the company’s culture. Administer an employee survey asking about company culture, or better yet conduct focus groups and interviews with employees. Find out how decisions are made and by whom. Determine what the perceived values and accepted behaviors of employees regarding customer service, teamwork, and communication. In many cases, the best way to obtain this information is to hire an external Organizational Development consultant to spend a few days within the company. The Organizational Development consultant can provide an unfiltered and unbiased view of the company without creating tension among employees.

2. Provide an Employee Feedback Loop: It is important to have a forum for two-way communication. Provide employees with constant communication of the company’s goals, strategies, and vision. Arrange “town hall” meetings to share stories with employees, demonstrate the mission, vision and core values of the company, and hear what the employees say.

3. Address Conflicts Quickly: Conflicts between or among co-workers may sound like danger for organization’s growth. However, ignored, they can have disastrous consequences to overall company culture. Discuss root causes of the conflict while bringing the conversation back to the bigger picture. For example: The first shift and second shift call center supervisors appear to disagree on how much information a phone rep can give a client. Without determining and resolving the root cause (lines of authority), the phone reps are caught between two forces and uneasy as to what they are allowed to say. The tension escalates and the bigger picture of an effective call center is lost.

4. Leadership Coaching: The CEO and leadership team of a company have a powerful impact on corporate culture through their conversations and behaviors. In many cases, business owners and leaders never formally learn how to properly influence company culture. Many business owners and leaders focus on profitability and strategy and forget that company culture can affect the bottom line and the potential for company growth. It is much more difficult to change a company culture then to create and influence company culture from the onset.

5. Define Ownership of the Company’s Culture: Who should have accountability and responsibility for building, maintaining, and influencing the company’s culture? This actually should not be solely a senior leadership task. A cross-functional team works better. The owner is, however, tasked with monitoring and being in proactive engagement with employees.

If leader believe that company culture is secondary to product or service – it may be missing a great opportunity to align people’s decisions and actions with the goals of the organization. In a thriving profitable company, employees will embody the values, vision, and strategic priorities of their company. What creates this embodiment (or lack of embodiment) is the real company culture that pervades the employees’ minds, bodies, conversations, and actions. Company owners and business leaders need a good definition of their company’s actual culture before they can begin to understand how to influence any needed changes.

16.12 Summary

Organizational culture refers to the beliefs, norms, and attitudes that knit an organization together and are shared by its employees. Organizations in today’s fast changing environment face various internal and external

environmental challenges; these environmental factors are subject to changes on continuous basis. Managers, who want to embark on a Continuous Improvement journey, must know how the culture within the organization develops. Most importantly, managers must be able to dig deeper into the behavior of an individual or group and establish what motivates the group to behave the way they are behaving currently. Managerial personnel have to adjust and adopt these for the purpose of formulation and/or revision of their business policies.

16.13 Self Assessment Questions

1. Define organizational culture. Trace and explain the various cultural dimensions.
2. How organizational culture is created and sustained.
3. Bring out the positives and negatives of organizational culture.
4. Write an essay on how an organizational culture can be developed.
5. Discuss the various determinants of organizational culture?
6. What is the difference between strong and weak culture?
7. Explain the various types of culture.

16.14 Reference Books

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Unit - 17 : Organizational Change

Structure of Unit:

- 17.0 Objectives
- 17.1 Introduction
- 17.2 What is Organizational Change?
- 17.3 Types and Dimensions of Change
- 17.4 Reasons of Change
- 17.5 Forces for Change
- 17.6 Managing Planned Change
- 17.7 Resistance to Organizational Change
- 17.8 Approaches to managing Organizational Change
- 17.9 Contemporary Change
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- 17.12 Self Assessment Questions
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17.0 Objectives

After completing this unit, you would be able to:

- Understand the concept of organizational change;
- Understand the various types of change;
- Point out various reasons for change;
- Know about various approaches to manage the change;
- Understand the process of planned change.

17.1 Introduction

The environment engulfs an organization, provides the resources and opportunities for the organization's existence. At the same time, the environment itself imposes sanctions determining what an organization can do and cannot do. If an organization is to survive, grow and remain prosperous, it must adapt the demand of the environment. Since these demands are changing, organizations must also change. Organizational change is an important issue in organizations. It is actually a process in which an organization optimizes performance and works toward its ideal state. Organizational change occurs as a reaction to an ever-changing environment, a response to a current crisis, or is triggered by a leader. Successful organizational change is not merely a process of adjustment, but also requires sufficient managing capabilities.

17.2 What is Organizational Change?

This section is divided in two parts first is concept and second is definitions of organizational change.

17.2.1 Concept of Organizational Change

Beginning in the early 1970s, with the overnight quadrupling of world oil prices, economic unrest have continued to impose changes on organizations. This has stimulated a rapid rise in different type of businesses. The global economy means that competitors are as likely to come from across the ocean as from across town. Heightened competition also makes it necessary for established organizations to defend themselves

against both traditional competitors who develop new products and services and small, entrepreneurial firms with innovative offerings. Successful organizations 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.

Change should not be done for the sake of change. It is a strategy to accomplish some overall goal. Usually organizational change is provoked by some major outside driving force, e.g., substantial cuts in funding, address major new markets/clients, need for dramatic increases in productivity/services, etc. Typically, organizations must undertake organization-wide change to evolve to a different level in their life cycle, e.g., going from a highly reactive, entrepreneurial organization to more stable and planned development. Transition to a new chief executive can provoke organization-wide change when his or her new and unique personality pervades the entire organization.

Typically, the concept of organizational change is about organization-wide change, as opposed to smaller changes such as adding a new person, modifying a program, etc. Examples of organization-wide change include a change in mission, restructuring operations (e.g., restructuring to self-managed teams, layoffs, etc.), new technologies, mergers, major collaborations, “rightsizing”, new programs such as Total Quality Management, re-engineering, etc. Some experts refer to organizational transformation. Often this term designates a fundamental and radical reorientation in the way the organization operates.

Activity A:

1. Select any industry where some technological innovations have taken place. Gather information regarding the changes, and how they cope up with these changes?

17.2.2 Definitions of Organizational Change?

There are several types of changes in ones organization. They are changing nature of the workforce, technology, economic shocks, competition, social trends and world politics. For changing nature of the workforce, almost every organization has to adjust to a multicultural environment. Human resource policies and practices have to change to reflect the needs of an aging labor workforce, and many companies have to spend large amounts of money on training to upgrade reading, math, computer and other skills of employees.

The changes in technology have affected the whole sectors and even the whole societies. This because the changes take place at system level, involving technology and market shifts. This involves the convergence of a number of trends, which result in a ‘paradigm shift’ where the old order is replaced. Technology is changing jobs and organizations. For instance, computers are now commonplace in almost every organization. Computer networks are also reshaping entire industries. The music business, as a case in point, is now struggling to cope with the economic consequences of widespread online music sharing. For the longer term, recent breakthroughs in deciphering the human genetic code offer the potential for pharmaceutical companies to produce drugs designed for specific individuals and create serious ethical dilemmas for insurance companies as to who is insurable and who is not.

In understanding the organizational change definition in the economic world includes various theories which are explaining the organizational characteristics. The theories are mainly based on the diversity within various organizations. There are many types of organizations which operate in different roles within the economy of the world.

The theory of diversity which helps in understanding the changes in the organizations was brought forward by a theorist but eventually challenged by other theorists. The challenge came in due to availability of

principle of population level which greatly determines the change in the organization. This principle of population level is based on the condition changes. The conditions changes are realized while the operating organizations continue replacing the existing organizations.

Organizations operating in the economy are commonly subjected to very strong inertial forces. These forces are major assumptions in accordance to population theory. There are number of these assumptions which do try to explain the real organizational changes. The impacts brought about to the organization which leads to the change are determined mainly by the strength of the inertial forces.

The inertial forces operate in such a way that they are inside the organization and they are referred to be internal to the organization. These internal forces include the costs which are in the operations of organization, the available equipments as well as the personnel. All these are factors which contribute to the creation of the structure. Alongside the above factors, there are other factors such as the political collaborations which are examples of organization environment and this determine the structure. The radical changes of an organization can result from political complexity and also the regulatory together with the technological changes.

In an organization, the information technology affects the life of that particular organization. Due to information technology, research is facilitated which provides the necessary procedures when applied. An appropriate theory will lead to information technology being incorporated according to convenience of users. This also applies to other existing organizations and the parties which are attracted to the organization.

A good theory of change is determined by use of examining the contents in it. These contents include the concepts employed as well as the personnel values which are in service. The theories include their own structures and that is why some of theorists' consider them being causal and categorized into some distinct causal. For instance, there is causal agency, logical and level of doing analysis.

In causal agency, this points out the occurrence and nature such that any change is well noticed. Also it keeps on making observations on the abilities of people to successively achieve the set targets and the objectives. This structure is very important.

Also the agency as casual looks into consideration the exact origin of changes so as to understand **organizational change definition**. This change might be originating from the interactions between the people and the events. There are many possible structures which can lead to information technology bringing benefits in an organization.

17.3 Types and Dimensions of Change

For organizations, the last decade has been fraught with restructurings, process enhancements, mergers, acquisitions, and layoffs—all in hopes of achieving revenue growth and increased profitability. This all leads to change. While the external environment (competitive, regulatory, and so on) will continue to play a role in an organization's ability to deliver goods and services, the internal environment within the organization will increasingly inhibit it from delivering products required to meet the demands of the marketplace unless it is able to adapt quickly.

Many employees believe that a change is often reactive and nothing more than a quick fix; then they brace themselves for more changes in the future. Management needs to realize that serious underlying problems in organizations must be addressed with long-term consequences in mind. Thus, when management implements changes, careful thought must be given to ensure that the new processes are for the long-term good of the company.

17.3.1 Types of Changes

The various types of organizational changes are;

1. Individual Level Change: Individual level changes may take place due to changes in job assignment, transfer of an employee to a different location or the changes in the maturity level of a person which occurs over a passage of time. The general opinion is that change at the individual will not have the significant implications for the organization. But this is not correct because individual level changes will have impact on the group which in turn will influence the whole organization. Therefore, a manager should never treat the employees in isolation but he must understand that the individual level change will have repercussions beyond the individual.

2. Group Level Change: The groups in the organization can be formal groups or informal groups. Formal groups can always resist change for example; the trade unions can very strongly resist the changes proposed by the management. Informal groups can pose a major barrier to change because of the inherent strength they contain. Changes at the group level can affect the work flows, job design, social organization, influence and status systems and communication patterns.

The groups, particularly the informal groups have a lot of influence on the individual members of the group. As such by effectively implementing change at the group level, resistance at the individual level can be frequently overcome.

3. Organizational Level Change: The organizational change involves major programmes which affect both the individuals and the groups. Decisions regarding such changes are made by the senior management. These changes occur over long periods of time and require considerable planning for implementation. A few different types of organization level changes are:

- **Strategic Change:** Strategic change is the change in the very basic objectives or mission of the organization. A simple objective may have to be changed to multiple objectives. For example, a lot of Indian companies are being modified to accommodate various aspects of global culture brought in by the multinational or transnational corporations.

- **Structural Change:** Organizational structure is the pattern of relationships among various positions and among various position holders. Structural change involves changing the internal structure of the organization. This change may be in the whole set of relationships, work assignments and authority structure. Change in organization structure is required because old relationships and interactions no longer remain valid and useful in the changed circumstances.

- **Process Oriented Change:** These changes relate to the recent technological developments, information processing and automation. This will involve replacing or retraining personnel, heavy capital equipment investment and operational changes. All this will affect the organizational culture and as a result the behavior pattern of the individuals.

- **People Oriented Change:** People oriented changes are directed towards performance improvement, group cohesion, dedication, and loyalty to the organizations as well as developing a sense of self-actualization among members. This can be made possible by closer interaction with employees and by special behavioral training and modification sessions.

To conclude, we can say that changes at any level affect the other levels. The strength of the effect will depend on the level or source of change.

17.3.2 Dimensions of Change

Organizational change can seem like such a vague phenomena that it is helpful if we can think of change in terms of various dimensions as described below:

- 1. Organization-wide Versus Subsystem Change:** Organization-wide change might be a major restructuring, collaboration or “rightsizing.” Usually, organizations must undertake organization-wide change to evolve to a different level in their life cycle, for example, going from a highly reactive, entrepreneurial organization to one that has a more stable and planned development. Experts assert that successful organizational change requires a change in culture – cultural change is another example of organization-wide change. Examples of a change in a subsystem might include addition or removal of a product or service, reorganization of a certain department, or implementation of a new process to deliver products or services.
- 2. Transformational Versus Incremental Change:** Transformational (or radical, fundamental) change might be changing an organization’s structure and culture from the traditional top-down, hierarchical structure to a large amount of self-directing teams. Another example might be Business Process Re-engineering, which tries to take apart (at least on paper, at first) the major parts and processes of the organization and then put them back together in a more optimal fashion. Transformational change is sometimes referred to as quantum change. Examples of incremental change might include continuous improvement as a quality management process or implementation of new computer system to increase efficiencies. Many times, organizations experience incremental change and its leaders do not recognize the change as such.
- 3. Remedial Versus Developmental Change :** Change can be intended to remedy current situations, for example, to improve the poor performance of a product or the entire organization, reduce burnout in the workplace, help the organization to become much more proactive and less reactive, or address large budget deficits. Remedial projects often seem more focused and urgent because they are addressing a current, major problem. It is often easier to determine the success of these projects because the problem is solved or not. Change can also be developmental – to make a successful situation even more successful, for example, expand the amount of customers served, or duplicate successful products or services. Developmental projects can seem more general and vague than remedial, depending on how specific goals are and how important it is for members of the organization to achieve those goals.

Some people might have different perceptions of what is a remedial change versus a developmental change. They might see that if developmental changes are not made soon, there will be need for remedial changes. Also, organizations may recognize current remedial issues and then establish a developmental vision to address the issues. In those situations, projects are still remedial because they were conducted primarily to address current issues.

- 4. Unplanned versus Planned Change:** Unplanned change usually occurs because of a major, sudden surprise to the organization, which causes its members to respond in a highly reactive and disorganized fashion. Unplanned change might occur when the Chief Executive Officer suddenly leaves the organization, significant public relations problems occur, poor product performance quickly results in loss of customers, or other disruptive situations arise.

Planned change occurs when leaders in the organization recognize the need for a major change and proactively organize a plan to accomplish the change. Planned change occurs with successful implementation of a Strategic Plan, plan for reorganization, or other implementation of a change of this magnitude.

Planned change, even though based on a proactive and well-done plan, often does not occur in a highly organized fashion. Instead, planned change tends to occur in more of a chaotic and disruptive fashion than expected by participants.

17.4 Reasons of Change

This is a time of unprecedented change in our society. The changes one experiences are happening at faster and faster rates. In just a few months, the technology that an organization uses on an everyday basis may be outdated and replaced. That means an organization needs to be responsive to advances in the technological environment; its employees' work skills must evolve as technology evolves. Organizations that refuse to adapt are likely to be the ones that won't be around in a few short years. If an organization wants to survive and prosper, its managers must continually innovate and adapt to new situations.

Every organization goes through periods of transformation that can cause stress and uncertainty. To be successful, organizations must embrace many types of change. Businesses must develop improved production technologies, create new products desired in the marketplace, implement new administrative systems, and upgrade employees' skills. Organizations that adapt successfully are both profitable and admired.

As societies continue to evolve and changing demand creates the need for new products and services, businesses often are forced to make changes to stay competitive. The businesses that continue to survive and even thrive are usually the ones that most readily adapt to change. A variety of factors can cause a business to re-evaluate its methods of operation, these are as follows:

- 1. Competition:** The entrance of a new competitor into a market can cause a business to change its marketing strategy. For example, a small electronics store that was the only game in town might have to change its image in the marketplace when a large chain store opens nearby. While the smaller store might not be able to compete in price, it can use advertising to position itself as the friendly, service-oriented local alternative.
- 2. Technology:** Innovations in technology can force a business to change just to keep up. Employees who have never used computers need to be trained to operate the new computer system. A business also can benefit by implementing a technological change. According to the Hotel Online website, the airlines' introduction of email ticketing has resulted in increased efficiency and better customer service while meeting little customer resistance.
- 3. Desire for Growth:** Businesses that want to attain growth might need to change their method of operations. For example, the Subway sandwich chain started as a small business under a different name in 1965 and struggled through its first several years. The company began to flourish after it changed its name to Subway in 1974 and began to sell franchises. According to the Entrepreneur website, there were 22,525 Subway franchise units in the United States as of 2009.
- 4. Need to Improve Processes:** A business might need to implement new production processes to become more efficient and eliminate waste. In 2003, Cigna Healthcare implemented a leaner production process known as Six Sigma to improve service and reduce operating costs. In 2006, the company was recognized by the J.D. Power independent rating organization for its high level of service and quality.
- 5. Government Regulations:** Changes in government regulations can have an impact on how a company does business. Newly mandated safety procedures can force a factory to change its production process to create a safer work environment. Businesses that make or distribute consumer

goods such as food products might have to add more quality control measures to ensure consumer safety.

17.5 Forces for Change

This section will discuss about the key forces that drive companies to consider changes to their human resources, functional skills, technology, and organizational structure. The need to undertake some form of organizational change can arise from any of the same forces that define the environment in which companies must compete: competitive forces, economic forces, political forces, global forces, demographic forces, social forces and ethical forces. Examples of how each of these forces can impact organizational change include the following:

- 1) **Competitive Forces:** This force generally require actions that will allow the company to keep up with and surpass the skills of competitors with respect to efficiency (e.g., cost of production), innovation and product quality and reliability.
- 2) **Economic and Political Forces:** Economic and political forces continuously impact the market conditions and rules under which companies produce and sell their goods and services and will cause them to reconsider how and where they engage in production and sales activities. The rise of economic and political unions and increasing use of free trade agreements has changed traditional notions of market entry strategies and provided foreign competitors with new advantages.
- 3) **Global Forces:** Global environment are clearly important as companies expand into new foreign markets with different languages, cultures and business practices. Changes in the organizational structure will be required in order to allow companies continue to achieve the economies of scale and other advantages associated with global strategies while simultaneously acting like a local firm in foreign markets and satisfying the specific requirements of customers in each country.
- 4) **Demographic Forces:** are important for internal and external factors of companies. In the workplace companies must address the rising levels of diversity among personnel and must create and effectively administer managerial and reward systems that take into account the needs and expectations of employees drawn from a wide demographic spectrum. In the marketplace companies must be prepared to tailor their products and services to the unique demands of specific demographically defined customer groups.
- 5) **Social Forces:** Social forces have a substantial impact on what employees expect and want out of their careers and the companies they select for employment. Employees have a keener interest in lifestyle balance that employers must consider accommodating and firms must also be prepared to offer employees more opportunities for professional development through training and job rotation.
- 6) **Ethical Forces:** Ethics are continuously pushing companies to embrace socially responsible business practices and act in an honest and ethical manner. Laws and regulations pertaining to ethical behavior have proliferated in the United States and in many foreign countries and companies must establish and follow internal rules and procedures to ensure that laws are obeyed and ethical problems are brought to light, independently reviewed and positively resolved. Ethical forces are also at work when companies develop strategies to carry out their activities in ways that preserve the environment and respect the human rights of others.

17.6 Managing Planned Change

Change is virtually unavoidable in businesses. Changes can be made in reaction to a problem or crises; they can be made to prevent a foreseeable problem from arising, or they can be made to improve upon any aspect of a company. Familiarizing with the phases to change in a business environment is the first step toward implementing meaningful change in company.

- 1) **Goal Recognition:** The first step to making a change is realizing that a change needs to be made. Awareness of this can come from a variety of sources, including front-line employees, audits, or strategic assessments. Companies can use strategic assessment tools such as SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis to highlight concerns inside and outside the company, or Gap analysis to identify necessary steps to “bridge the gap” between actual and desired performance levels. An example of this would be a small software development company realizing it needs to handle customer support issues as the volume of support requests has increased in proportion with sales growth.
- 2) **Planning:** Managers and other decision makers come together in the planning stage to generate alternatives for achieving the identified goal. Extensive research on viable options is conducted to determine the possible effects on the company’s finances, efficiency, product quality, and other factors. In the software development example, the business owner and top managers would come together and research possible outcomes of hiring new workers locally, setting up a support center in another area, or outsourcing the support function to a foreign company.
- 3) **Communicating:** After coming to a decision, managers must communicate their plan of action to all employees affected by the decision, which may consist of the entire workforce. Communicate the need for the change, and the goals to be met, before going into the details of the change process. The manager and employees go through their own internal change process in response to an organizational change. Beginning with surprise and resistance, employees progress to understanding and acceptance. They then begin to experiment until the change is fully realized, culminating in total integration of the change in their daily routines.
- 4) **Implementation:** Changes made in some areas, such as refund policies or dress codes, can be implemented immediately after communication. Other changes, such as the installation of new technology, are brought about after a thorough implementation process. Project management skills come into play heavily in this stage, as employees, managers and third-party service providers’ efforts must be coordinated to achieve the desired results. Again, as an example, assuming the small software development company owner decided to hire local technical support workers, he would have to buy new cubicles, computers, and equipment; add new phone lines, create user accounts, hire and train workers, alter payroll, and handle other issues before the new employees begin working.
- 5) **Assessment and Modification:** After the change has been implemented, there is often a period of adaptation during which employees learn, experiment with, and grow accustomed to the new work environment. As the change becomes part of the normal routine, managers begin to measure the new results. Since goals were set in measurable terms in the first step, the outcome of the change can easily be classified as a success or failure. If alterations need to be made, the phases to change begin all over again.

17.7 Resistance to Organizational Change

Managing resistance to change is challenging. Resistance to change can be covert or overt, organized or individual. Employees can realize that they don't like or want a change and resist publicly and verbally. Or, they can just feel uncomfortable and resist, sometimes unknowingly, through the actions they take, the words they use to describe the change, and the stories and conversations they share in the workplace.

However resistance to change happens, it threatens the success of venture. Resistance affects the speed at which an innovation is adopted. It affects the feelings and opinions of employees at all stages of the adoption process. It affects productivity, quality, and relationships. It is difficult for organizations to avoid change, as new ideas promote growth for them and their members. Change occurs for many reasons such as new staff roles; increases or decreases in funding; acquisition of new technology; new missions, vision or goals; and to reach new members or clients. Changes can create new opportunities, but there are often resistances to change, these are few reasons for that:

1. **Poor Communication:** Changes within an organization start with key decision makers. It is up to them to pass along the details to team members and ensure all questions and complaints are handled before changes go into effect. Unfortunately, as news of a change spreads through the hierarchy, details are sometimes skewed and members end up receiving inaccurate, second-hand information. Poor communication can therefore cause resistance to change.
2. **Self-Interest:** Ego often interferes with the ability to adapt to change. Some want to maintain the status quo to better advance their own personal agendas; others have different motivations. In the end, employees acting in their own self-interest, instead of the organization's greater good, will resist change.
3. **Feeling Excluded:** Organizations often solicit advance input to ensure that everyone has an opportunity to voice their ideas and opinions. If, however, employees hear of a sudden change, and they had no input, they will feel excluded from the decision making process and perhaps offended.
4. **Lack of Trust:** Trust plays a big role in running a successful organization. When organization members feel they cannot trust each other or key decision makers, it becomes difficult for them to accept organizational changes. They may ascribe the changes to some negative underlying reason or even assume they will eventually lose their jobs.
5. **Skills/Training Dearth:** When change requires mastering new skills, resistance is likely, particularly when it comes to new technology. Organizations can prevent this through offering education and training.

Activity B:

1. How do people react to an organizational change? Discuss the method of overcoming resistance to organizational change.

17.8 Approaches to managing Organizational Change

Managing organizational change is a very crucial issue. There are various approaches to manage the change; following are the most popular approaches to change:

A) Lewin's Three-Step Change Model : Change involves a sequence of organizational processes that occurs over time. Lewin (1951) suggests this process typically requires three steps: unfreezing, moving, and refreezing.

This step usually means reducing the forces acting to keep the organization in its current condition.

- 1) **Unfreezing:** This is accomplished by introducing new information that points out inadequacies in the current state or by decreasing the strength of current values, attitudes, and behaviours. Crises often stimulate unfreezing. Examples of crises are demographic shifts in population, a sudden increase in employee turnover, a costly lawsuit, and an unexpected strike. Unfreezing may occur without crises as well. Climate surveys, financial data, and enrolment projections can be used to determine problem areas in an organization and initiate change to alleviate problems before crises erupt.
- 2) **Moving:** Once the organization is unfrozen, it can be changed by moving. This step usually involves the development of new values, attitudes, and behaviours through internalization, identification, or change in structure. Some changes may be minor and involve a few members—such as changes in recruitment and selection procedures—and others may be major, involving many participants. Examples of the latter include a new evaluation system, restructuring of jobs and duties performed by staff, or restructuring a department or entire organization, which necessitates relocating staff to different sites within the organization.
- 3) **Refreezing:** The final step in the change process involves stabilizing the change at a new quasi-stationary equilibrium, which is called refreezing. Changes in organizational culture, changes in staff norms, changes in organization policy, or modifications in organizational structure often accomplish this.

B) Kotter's Eight-Step Plan: Building on Lewin's three-step change model, John Kotter (1996) of Harvard University developed a more detailed approach for managing change. Kotter began by listing common errors that leaders make when attempting to initiate change. These included the inability to create a sense of urgency about the need for change, failure to create a coalition for managing the change process, the absence of a vision for change, failure to effectively communicate that vision, failure to remove obstacles that could impede the achievement of the vision, failure to provide short-term achievable goals, the tendency to declare victory too soon, and failure to anchor the changes into the organization's culture. Based on these errors, Kotter proposed an eight-step process for managing change.

- 1) **Establish a Sense of Urgency:** Talk of change typically begins with some people noticing a vulnerability in the organization. The threat of losing ground in some way sparks these people into action, and they in turn try to communicate that sense of urgency to others. In congregations it is typically membership loss, financial struggles or turnover in key volunteers and leaders. Kotter notes that over half the companies he has observed have never been able to create enough urgency to prompt action.

“Without motivation, people won't help and the effort goes nowhere. . . . Executives underestimate how hard it can be to drive people out of their comfort zones”. In the more successful cases the leadership group facilitates a frank discussion of potentially unpleasant facts: about the new competition, flat earnings, decreasing market share, or other relevant indicators. It is helpful to use outsiders (consultants) who can share the “big picture” from a different perspective and help broaden the awareness of your people. When is the urgency level high enough? Kotter suggests it is when 75% of your leadership is honestly convinced that business as usual is no longer an acceptable plan.

- 2) **Form a Powerful Guiding Coalition:** Change efforts often start with just one or two people, and should grow continually to include more and more who believe the changes are necessary. The need in this phase is to gather a large enough initial core of believers. This initial group should be pretty powerful in terms of the roles they hold in the church, the reputations they have, the skills they bring and the relationships they have. Regardless of size of your organization, the “guiding coalition” for change needs to have 3-5 people leading the effort. This group, in turn, helps bring others on board with the new ideas. The building of this coalition – their sense of urgency, their sense of what’s happening and what’s needed – is crucial. Involving respected leaders from key areas of church in this coalition will pay great dividends later.
- 3) **Create a Vision:** Successful transformation rests on “a picture of the future that is relatively easy to communicate and appeals to customers, stockholders, and employees. A vision helps clarify the direction in which an organization needs to move”. The vision functions in many different ways: it helps spark motivation, it helps keep all the projects and changes aligned, it provides a filter to evaluate how the organization is doing, and it provides a rationale for the changes the organization will have to weather. “A useful rule of thumb: if you can’t communicate the vision to someone in five minutes or less and get a reaction that signifies both understanding and interest, you are not yet done with this phase of the transformation process”.
- 4) **Communicate that Vision:** Kotter suggests the leadership should estimate how much communication of the vision is needed, and then multiply that effort by a factor of ten. Do not limit it to one congregational meeting, a couple of emails. Leaders must be seen “walking the talk” – another form of communication – if people are going to perceive the effort as important. “Deeds” along with “words” are powerful communicators of the new ways. The bottom line is that a transformation effort will fail unless most of the people understand, appreciate, commit and try to make the effort happen. The guiding principle is simple: use every existing communication channel and opportunity.
- 5) **Empower Others to Act on the Vision:** This entails several different actions. Allow people in the church to start living out the new ways and to make changes in their areas of involvement. Allocate budget money to the new initiative. Carve out time on the agenda to talk about it. Change the way your organization is organized to put people where the effort needs to be. Free up key people from existing responsibilities so they can concentrate on the new effort. In short, remove any obstacles there may be to getting on with the change. Nothing is more frustrating than believing in the change but then not having the time, money, or support needed to affect it.
- 6) **Plan for and Create Short-Term Wins:** Since real transformation takes time, the loss of momentum and the onset of disappointment are real factors. Most people won’t go on a long march for change unless they begin to see compelling evidence that their efforts are bearing fruit. In successful transformation, leaders actively plan and achieve some short-term gains which people will be able to see and celebrate. This provides proof that their efforts are working, and adds to the motivation to keep the effort going. “When it becomes clear to people that major change will take a long time, urgency levels can drop. Commitments to produce short-term wins help keep the urgency level up and force detailed analytical thinking that can clarify or revise visions”.

1) **Consolidate Improvements and Keep the Momentum for Change Moving:** As Kotter warns, “Do not declare victory too soon”. Until changes sink deeply into an organization’s culture — processes that can take time — new approaches are fragile and subject to regression. Again, a

premature declaration of victory kills momentum, allowing the powerful forces of tradition to regain ground. Leaders of successful efforts use the feeling of victory as the motivation to delve more deeply into their organization: to explore changes in the basic culture, to expose the systems relationships of the organization which need tuning, to move people committed to the new ways into key roles. Leaders of change must go into the process knowing that their efforts will a while.

2) Institutionalize the New Approaches: In the final analysis, change sticks when it becomes “the way we do things around here”, when it seeps into the bloodstream of the corporate body. “Until new behaviours are rooted in social norms and shared values, they are subject to degradations as soon as the pressure for change is removed”. Two factors are particularly important for doing this. First, a conscious attempt to show people how the new approaches, behaviours, and attitudes have helped improve the life of the organization. People have to be helped to make the connections between the effort and the outcome. The second is to ensure that the upcoming leaders believe in and embody the new ways. Kotter writes, “There are still more mistakes that people make, but these eight are the big ones. In reality, even successful change efforts are messy and full of surprises”.

c) Harris’s Five-Phase Model:

Ben Harris (1975), formerly of The University of Texas, created a five-stage model for managing change. He stated that these phases come in a sequential order, but they often overlap one another. Each phase will be discussed briefly.

- 1) Phase I. Planning and Initiation:** The purpose of the program is considered, goals are clarified, activities are selected, and resources needed are considered. Interest mounts as individuals involved sense the relationships between the program and its goals and their needs.
- 2) Phase II. Momentum:** Goal-directed activities get underway. Resources begin to be used. Interest continues to be high and mounts. Feelings of involvement and personal worth grow. The activities are recognized as potentially satisfying. Leading and organizing processes are most heavily employed in this phase.
- 3) Phase III. Problems:** Activities lead to unexpected problems. The plans become increasingly complex. Initial activities lead to a proliferation of still more activities. Certain resources are not readily available. Differences in goal perception among group members become apparent. The demands of other responsibilities produce conflicts. The goal seems more remote and more difficult to attain than before. Some participants fail to live up to expectations. Interest levels out and begins a steep decline. A leadership investment is crucial during this phase.
- 4) Phase IV. Turning Point:** The problem trends described in the previous phase either continue to grow or are overcome and minimized. The momentum the program has gained, the effectiveness of initial planning, and the individuals in the operation are all quite important during this phase. Above all, the amount and quality of leadership continues to be crucial.
- 5) Phase V. Termination:** Unexpected problems can arise, such as: the task is too complex; there is a lack of resources; there is pressure of other responsibilities; interest is waning, and lack of goal consensus persists. This will result in termination of efforts because goal-directed activities will rapidly deteriorate and come to a halt. If, on the other hand, problems are dealt with promptly; the task is analyzed and simplified; new resources are made available; and goals are clarified, then interest gradually mounts again and goal-directed activities proceed at an increasing pace. Interest is now based on a sense of anticipated accomplishment and personal worth.

This sequence of events points out the importance of leadership at various phases of program implementation. Undoubtedly, this sequence of events will have variations and exceptions depending on the change, activities, and the participants involved.

Activity C:

1. Select an organisation that has recently adapted a new change, and try to analyse step by step different phases of this process.

17.9 Contemporary Change

Organizational change of any sort will usually be triggered by either a problem or an opportunity, although there is a special trigger for change that could be called “just for the sake of it” or “because we’re human and can’t stand still”. There are other drivers for change (new CEO with new ideas), but the main two are problems and opportunities - current or future - real or perceived. The problem or opportunity may have origins either internally (problem might be excessive staff turnover - opportunity might be new capabilities) or externally (problem might be new major competitor - opportunity might be new technology available). A further distinction is important - hard versus soft - where ‘hard’ concerns material assists (things) and ‘soft’ concerns people. Conversation style and content is crucial to the success of the change process. Oddly, most change is ‘hard’ (technology - structure etc) even though ‘soft’ might be more beneficial. After all, the advantage of any organization is people. Perhaps it’s because ‘soft’ problems are the hardest to manage. Soft change is hard.

Some people regard this as different to change, and some as a special case. Transformation is like a metamorphosis, a radical change involving structure, function, and every other aspect of the organization’s being. It is sudden, and the new organization barely resembles its origins. These massive maneuvers typically occur with mergers, acquisitions, and CEO or Board change. There is usually disruption in the form of downsizing, closures, restructuring and other activities that have many unintended consequences along with some degree of success with intended outcomes. Members are invariably impacted, with fear and stress a standard part of the package. It is possible to undergo transformation without destroying the creature trying to emerge, but it requires much more attention than is typically demonstrated.

17.10 Issues for Today’s Managers

The people factor is a key to maximizing organizational performance, enhancing own job performance, and advancing career. Leadership, workforce diversity, compensation, conflict resolution, collective bargaining, and organizational change are just some of the issues challenging today’s managers. Increasing pressures from outside the organization only complicate the tasks within the organization. To succeed, organization needs new skills, greater knowledge, and a link to cutting-edge expertise in the broad field of human resources systems and management.

Typically, the concept of organizational change is used to describe organization-wide change, as opposed to smaller changes such as adding a new person, modifying a program, and so on. Examples of organization-wide change might include a change in mission, restructuring operations (for example, restructuring to self-managed teams or due to layoffs), new technologies, mergers, or new programs such as Total Quality Management, re-engineering, and so on.

Managers must contend with all factors that affect their organizations. The internal and external environmental factors that can encourage organizational changes: The **external environment** is affected by political, social, technological, and economic stimuli outside of the organization that cause changes. The **internal**

environment is affected by the organization's management policies and styles, systems, and procedures, as well as employee attitudes. Managers should note that all changes should be implemented as part of a strategy to accomplish an overall goal; these transformations should not take place just for the sake of change.

Adjusting Quickly to Changing, demands in an era of rapidly changing technology, fast-paced competition, expanding global trade, and frequent shifts in consumer demand, workers and managers are expected to adjust - fast. They may need to embrace new strategic goals, modify work processes, minimize costs, change the product mix, or acquire new skills. And they may be asked to do this time and again.

17.11 Summary

Change is the law of nature. It is a necessary way of life in most organizations for their survival and growth. Change is inevitable in today's world. Organizational change has several phenomena and has several dimensions. It is a common experience that people resist change. An organization must develop adaptability to change and it is the duty of management to manage change properly otherwise the organization cannot buffer themselves from this environmental instability. In this unit we discuss the concept of change, several forces that influence the change, various types of change, and approaches to develop the change in the organization. Finally discuss the manager's role in changing scenario.

17.12 Self Assessment Questions

1. What are the major forces for change that confront organization?
2. Discuss the process of organization change and the strategies to cope with it.
3. What is the difference between individual change and organizational change?
4. Discuss the Kotter's approach of organizational change.
5. Explain the various reasons, which are responsible for change.
6. Discuss the change and its effect on employees and organization? Discuss how a manager manages change effectively.

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Unit - 18 : Stress Management

Structure of Unit:

- 18.0 Objectives
- 18.1 Introduction
- 18.2 Meaning and Definition of Stress
- 18.3 Forms of Stress
 - 18.3.1 Frustration
 - 18.3.2 Burnout
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- 18.4 Stages of Stress
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18.0 Objectives

After completing this unit, you would be able to:

- Define stress;
- Learn how the concept of stress works;
- Identify the various stressors;
- Know about individual disposition of stress;
- Know about the effects of stress;
- To learn the way to cope with stress and make productive use of it.

18.1 Introduction

Stress is the most talked about and discussed issue of the modern world. It is an inevitable thing in today's time. Urbanisation, industrialisation and changes in socio economic structure have resulted in increase in stress. People feel pressure in their personal life and at their work. This pressure affects the physical and

psychological well being of individual employees and thus has a negative impact on productivity and performance in organisation. In the physiology and management literature, job stress is usually defined as a characteristic of the individual, i.e., the psycho-physiological changes experienced as a consequence of job related demands on the individual. Further, the stressors are environmental or internal demands leading to adaptive (or maladaptive) responses on the part of the individual. Stress management refers to the adaptive behaviour of changing any aspect of the environment or person in such a way as to decrease stress response and promote individual health.

18.2 Meaning and Definition of Stress

Stress is a term which is defined differently by psychologists, medics, management consultants and others. Stress in physics mean pressure or force on a system. In medical science, stress means the effect on body reacting to pressure in form of muscle tensing. For a common man, it is the discomfort felt by him or her. Stress is generally taken in terms of a negative sense and is associated with things that are not considered good like a student is stressed because he/ she does not get good marks, an employee is stressed because he/ she has been given a notice for poor performance, stress due to some family member being not well, pressure due to rising prices of essential commodities, etc. According to Hans Seyle, this form of stress is called *distress*. But there is another form of stress which is not associated with discomfort. It is called *eustress*. This form of stress has a positive value and is coined from the Greek word 'eu' meaning good. Stress taken in the form of a challenge to meet a higher target, getting more marks, finishing work by the deadline actually builds a positive pressure which results in improving the performance of an individual. *Eustress* is considered as a motivator since in its absence the individual lacks the instinct necessary for peak performance. There is an inverted-U type of relationship between stress and performance. At extremely low and high levels of stress, performance becomes poorer. At moderate level of stress there would be an optimal level of performance. At the moderate level of stress, the person is supposed to be adequately activated, so that no extra energy is needed or the available energy is wasted. Most of the available energy resources are invested towards performance. A nominal amount of stress is considered important for a performance because, in absence of it a person may not feel inspired to act and perform beyond his/ her capacity.

In this chapter we will be learning about stress at work or job stress. There are a lot of definitions regarding the meaning of job stress.

According to Beehr and Newman, job stress is a condition arising from the interaction of people and their jobs and characterised by changes within people that force them to deviate from their normal functioning. According to Ivancevich and Matteson; stress is an adaptive response, mediated by individual differences, that is consequence of any external environmental situation that place excessive psychological/ physical demands upon a person. This definition can be explained as:

- i. stress comes through an adaptive response which is the result of some external factors.
- ii. causes of stress are external which have internal impact on mind and body.
- iii. mediation by individual implies that outcome of stress depends on the realisation of an individual. If an individual does not realise the external factors as threatening, the stress is not formed.
- iv. psychological/ physical demand means impact on mind and body. If the demand or impact does not occur, the stress does not take place.

According to Luthans, stress is defined as an adaptive response to an external situation that results in

physical, psychological and/or behavioral deviations for organizational participants. Another definition of stress says that it is a dynamic condition in which an individual is confronted with an opportunity, demand or resource related to what the individual desires and for which the outcome is perceived to be both uncertain and important. Stress is associated with *constraints* and *demands*. The constraints (difficulties/ hurdles) prevent one from doing what one desire. For example a person wants to go on a world tour and is not able to mobilise the large amount of money required for the tour. The demands are responsibilities, pressures, obligations that an individual faces. For example desiring to attend one's friend's wedding in another city but not being able to because of work pressure. It refers to the loss of something desired. Constraints and demands together lead to potential stress. Potential stress becomes actual stress when there is: (i) an uncertainty over the result and (ii) the result itself is very important. When the certainty of winning (or even loosing) is there, people will feel low stress. When there is uncertainty for winning or losing, people will feel high stress. But along with this the importance of the outcome also has a role. If winning or losing is unimportant for a person, he will feel low stress. But if winning or losing is important for a person, he will feel high stress.

While learning what stress is, it is also important to know what stress is not. Anxiety and nervous tension may result from stress but are not stress. Anxiety has emotional/ psychological impact whereas in stress, the emotional/ psychological impact occurs along with physical impact.

Further stress is not necessarily bad. *Eustress* is a stress which has a positive and developmental impact. It acts as a motivator and results in higher performance.

18.3 Forms of Stress

Stress can be temporary or mild. It can be recovered from easily. For example a student has to take a board exam for the first time. He is tensed and feels stressed. But this stress is temporary and will be gone once the examination is over. As he gets accustomed to such exams, the stress diminishes away. Mild stress is visible in form of insomnia, digestive problems, nervousness and high blood pressure.

If a person does not get accustomed to the new situation and is not being able to adjust, the mild stress does not diminish away. Rather it takes a chronic form. Such stress not only weakens the body physically but also psychologically.

Some other forms of stress are:

18.3.1 Frustration

It is an element of human behaviour which results from lack of something important to a desired goal, obstacles coming in the way of goal directed activities or a conflict arising between two equally attractive goals. A student may feel frustrated because he wants to take admission into a top engineering college but does not have enough money for taking expensive coaching classes. A student may feel frustrated because he is not being able to take an important exam due to illness. Frustration among employees can affect productivity, thus it is important for a manager to understand what causes it so that it can be managed.

18.3.2 Burn Out

If stress experienced is not properly managed and the situation continues for a longer duration, it results into physical or emotional exhaustion, irritation, ineffectiveness, health problems (hypertension, ulcers, heart problem, etc.) and lowered productivity. The factors which result in physical or emotional exhaustion can be personal or related to organisation. Problems related to personal factors like marital, financial, legal may develop a feeling of helplessness in a person. Instead of facing the situation boldly, he/ she may give up with the situation resulting in change of behaviour.

Thus, Burnout can be seen as a prolonged response to chronic emotional and interpersonal stressors on the job. It is a psychological condition, which has serious impact on an individual's personal health and also on organizational effectiveness. According to Maslach and Jackson (1981), burnout is a syndrome which consists of three components. **Emotional exhaustion** refers to mental and physical tension and strain resulting from job-related stressors. **Depersonalisation** refers to distancing of oneself from others and viewing others impersonally. **Diminished personal accomplishment** is a feeling of negative self-evaluation. There are a lot of definitions given by various researchers regarding burnout. These definitions point towards following three things: (i) burnout occurs at an individual level, (ii) burnout is an internal psychological experience involving feelings, attitudes, and motives and expectations and (iii) burnout is a negative experience for the individual.

Several studies in the past concluded that burnout has association with the nature of job. If the job done by a person is of a routine and mechanical nature, automated type, with too many rules and regulations to follow with a lack of interpersonal relationships, there are high chances of workers being prone to burnout. It has also been found that the people with jobs that are characterised by public dealing experience more burn out than those people with jobs having less contact with people. Another factor with which burnout has been found to be associated is personality. The personality Type A person has been found to be more associated with burn out. A person exhibiting Type A personality is generally restless, impatient with a desire for quick achievement and perfection. Type B personality is generally easy going, relaxed about time pressure and less competitive.

The negative effects that burnout has on job performance include: lower productivity and ineffectiveness at work leading to decrease in job satisfaction and commitment. People who are experiencing burnout tend to be less happy and they can have a negative impact on their colleagues, both by causing greater personal conflict and by disrupting job tasks. It can be contagious and can perpetuate itself through informal interactions on the job.

18.3.3 Depression

It is the emotional state of dejection, gloomy ruminations, feeling of worthlessness and guilt and usually apprehension. A person may feel depressed because he has been deprived of a promotion despite being qualified and experienced for the job and the promotion was given to a lesser qualified and experienced person. High aspirations and low self image also cause depression. Depression can be of two types — endogenous and exogenous. Endogenous depression is self made, largely of one's own making without any apparent reasons, e.g., seeing a colleague prospers. Exogenous or reactive depression is due to factors beyond one's control such as noise, environment, and pollution and so on. Because endogenous depression is within one's control, it is easier to take care of it as compared to exogenous depression.

Depression in its acute form can even lead to suicide. Depressed people exist passively and without hope, alienated from their families, friends, work as well as themselves. A person suffers from sleeping and eating disorders in depression. He will either oversleep or wake up in the middle of the night or have difficulty in falling off to sleep. Also some people tend to overeat, while others tend to lose their appetite. Depressed persons are more inclined to complain of vague aches and pains too.

Activity A:

1. Make a list of jobs that according to you are:
 - (i) high stress jobs and
 - (ii) low stress jobs.

2. Make a list of primary characteristics of Type A personality and identify those characteristics that are indicative of stress formation.

18.4 Stages of Stress

The various stages of stress are related to the pattern followed in development of responses to stressful events. Hans Selye is known for his pioneer work in the area of stress. He discovered that all negative stimuli result in tissue damage. He called this as **General Adaptation Syndrome (GAS)**. Later on the term 'stress' was coined by him for this phenomenon of GAS. It has the following three stages: alarm, resistance and exhaustion.

18.4.1 Alarm

It is the first sign of stress development. Due to an external stress creating factor (stressor) the internal stress system of the body becomes activated. Many physiological and chemical reactions start occurring as a warning and preparation against stress, like increase in muscle tension, increase in blood pressure and increase in hormone flow such as adrenaline from endocrine gland.

18.4.2 Resistance

If the stressors continue then the GAS moves into the second stage of **Resistance** during which the body mechanisms tend to resist the stress. This may lead to two possibilities: (i) either the resistance is successful and the stress will come to an end; or (ii) the body mechanisms are not able to cope against the stressor and the person becomes susceptible to disease.

18.4.3 Exhaustion

Finally, if the stressors continue, the adaptive mechanism reserves of stage two get exhausted. In the third stage of **Exhaustion**, an individual experiences a variety of ailments and diseases. This stage presents the greatest threat to the health and well being of a person.

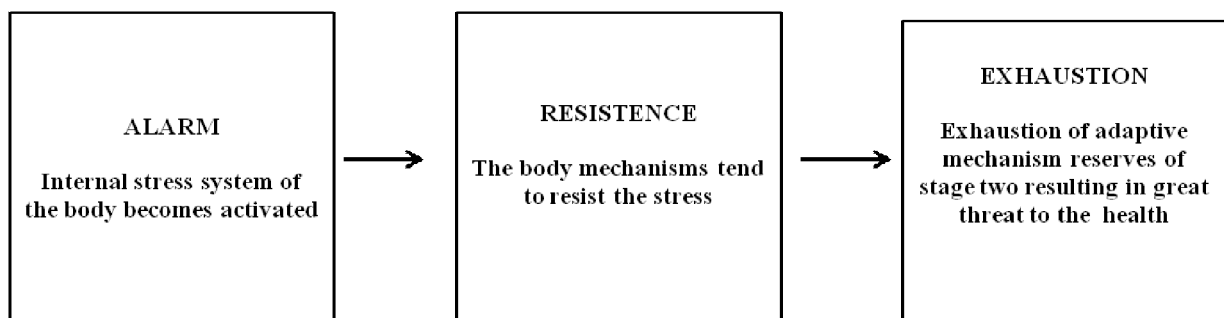


Figure 18.1 : The Stages of Stress

18.5 Reasons of Stress

The four basic causes of stress are as follows:

18.5.1 Environmental Factors

Environmental uncertainty influences stress levels among employees in an organization. Changes in the business cycle create economic uncertainties which indirectly affect working people. Political uncertainties can also be stress inducing. Technological uncertainty can cause stress because new innovations can make an employee's skills and experience obsolete in a very short period of time. The physical environment, in

which one lives, can also be a source of stress. Pollution, extremes of temperatures, poor living conditions, all contribute to stress. Noise itself is a source of environmental stress. The stress response is triggered by noise over 85 decibels (a loud music, motorcycle, lawn mower, vacuum cleaner sounds). Some other environmental causes of stress include: radiation, lighting - too much or too little, impure air and water supplies, heavy metal toxicities, other toxins - plastic, pesticides, toxic fumes, electromagnetic pollution, severe storms, drought, famine, hurricanes, earthquakes, floods, terrorism and war.

18.5.2 Organizational Factors

All of us engage with, belong to and are often employed by an organization. This can result in organizational stress. It often involves the demands and pressures placed upon a person by the organization, business or group for which one works. Organizational factors like avoiding of errors, task completion in a limited time period, work overload, a demanding and insensitive boss, and unpleasant coworkers are a few examples which put pressures on an employee. Organizational factors can be of following types:

- **Task Demands** are factors related to a person's job. These are intrinsic to the job. They include the design of the individual's job (autonomy, task variety, degree of automation) working conditions, and the physical work layout. Some jobs lead to more stress related responses than others.
- **Role Ambiguity:** A role is a set of activities associated with certain position in the organisation as defined or determined expectations of the significant members of the system and his/ her own expectations from the position he/ she occupies in the system. If these work activities are ill defined, then the person will not behave as expected by others because his role has poor clarity. Role ambiguity is created when role expectations are not clearly understood. It may be related to activities, responsibilities, norms etc. Generally it is experienced by people occupying roles newly created in the organisation.
- **Role Conflicts** create expectations that may be hard to reconcile or satisfy. When there are conflicting expectations from the significant members of the system like boss, peer, subordinate or clients, the role occupant may experience stress. **Intra – role conflict** is another type of role conflict where an individual plays more than one role simultaneously in his life and the demands of these roles conflict with one another.
- **Role Overload** is experienced when there are too many expectations from the members of the system so that the employee feels that he/ she do not have adequate time or ability to meet such requirements. They feel that more is expected of them than what time permits and this creates stress in them.
- **Role Stagnation** occurs when a person's ability is underutilized, or the role performed by him does not provide the opportunity for taking up challenging tasks, or there is no scope for learning new things for preparation for higher responsibilities.
- **Resource Deficiency:** is experienced when the resource (like money, material, facilities, information etc.) required by the role occupant for performing effectively are found to be insufficient or not available.
- **Personal Deficiency:** is experienced when the role occupant finds himself/ herself lacking the skills or competencies required for performing effectively. Such stress may happen to people put on new roles without training because they feel that they lack the requisite knowledge and skill to manage the role.

- **Organizational Structure and Design** defines the level of differentiation in the organization, the degree of rules and regulations, and where decisions are made. Unfair and inadequate pay, rigid rules, ambiguous policies, poorly designed jobs, lengthy procedures, inadequate communication, lack of participation in decision making, poorly designed performance appraisal system, and improper control increase stress.
- **Organizational Leadership** represents the managerial style of the top management people. The head of various departments and the CEO's work towards achieving organisational objectives by putting pressure and tight control, which may induce tension, fear and anxiety among employees thus creating stress.

18.5.3 Group Factors

A number of people together at a given place and at a given time can be considered a group. People in a group interact with each other and influence each other. This interaction and influence can both create stress and also ease out stress. Some of the group stressors are as follows:

- **Lack of group cohesiveness:** stress may be induced among people either due to task design, restriction/ prohibition put up by seniors for being together, or by rejection/ boycott by other members of the group. Lack of cohesiveness (feeling of being 'together') is more serious an issue at lower levels of organisations.
- **Lack of social support:** social support is provided to each other by members through sharing of joys and sorrows. In absence of such a support, a person feels lonely and dejected and even small problems seem to be too big to handle. This leads to generation of stress.
- **Group conflicts:** conflicts are generated due to hostility, negative attitude, aggression, rivalry, and misunderstanding among group members. The disagreement among group members, is the cause of stress.

18.5.4 Individual Factors

The following individual factors create stress in different forms:

- **Personal Characteristics:** personality traits of an individual like rigidity, authoritarianism, extroversion, emotionality, tolerance for ambiguity, locus of control, need for achievement, are found to be associated with stress felt by him/ her. The personality 'Type A' persons have a tendency to control all aspects of a situation and if they are unable to control, they react with frustration. Because of their nature of perfection and fear of failure they experience more stress. Whereas, the personality 'Type B' persons are easy going, relaxed, less competitive and more philosophical in nature and hence are less prone to stress. People with internal locus of control believe that they control events concerning their lives. They believe in hard work. They are more prone to stress in comparison to people with external locus of control. People with external locus of control believe that their lives are beyond their control and that God or fate decides their destiny.
- **Changes in Life:** any sudden change in a life of a person, which may be either pleasant (marriage, birth of a child, promotion, etc.) or unpleasant (like divorce, death of a family member, change of place of work/ stay), affect the routine we are used to. This change in routine can lead to stress. Faster the change more will be the stress level. More the stress level, greater will be the vulnerability towards illness. The degree of stress created by certain events in life can be assessed by 'The Social Readjustment Rating Scale, given by T.H. Holmes and T.H. Rahe (refer annexure 1 at the end of the chapter).

- **Personal Life:** factors related to personal life that can cause stress are family issues, broken families, troubled marriage, and personal economic problems. Economic problems created by individuals overextending their financial resources, spending more than earnings, and getting under debt, lead to stress among individuals. Another significant individual factor influencing stress is a person's basic dispositional nature. Over-suspicious anger and hostility increases a person's stress and risk for heart disease. The individuals with high level of mistrust for others also cause stress for themselves.

18.6 Consequences of Stress

There are many conditions which create job stress like competition, work overload, fear of losing job, lack of participation in decision making, non supportive supervisors and staff etc. The consequences or the effects of stress are visible on body, mind and behaviour.

18.6.1 Physiological Effects

When a person is continuously under stress, the physiological symptoms are the first to appear. This topic has been widely studied in the medical science. Physiological effects include all the changes in body functions experienced due to stress. These changes may remain for short term or for a longer duration. In reaction to the stressors, the brain initiates a series of biochemical body reactions. There is an increased flow of adrenaline hormone, increase in blood sugar, faster heart beat, higher tension in muscles, increase in perspiration and all senses become extra sensitive. If the stressors continue for a longer duration, the body develops serious health problems like increased blood pressure, ulcer, headache, migraine and heart disease leading to heart attack. The body's immune system becomes weak and person becomes susceptible to other diseases.

18.6.2 Psychological Effects

Stress not only affects the physical health of a person but also severely affects the mental health of a person. The psychological problems are of major concern with respect to organisation behaviour (OB) studies than the physical problems studied above. High level of stress results into thoughts and feelings that may or may not be specific to work. Non work specific problems include: getting angry quite frequently, being more aggressive, having high anxiety level, being more nervous, getting irritated easily, tensed and depressed. The work related problems include: poor performance, inability to concentrate and make decisions, increased alienation and lower job satisfaction. Stressed person is more aggressive hence is resented by people he is working with. The group cohesiveness is reduced and so is the communication. These problems affect the work performed by a person, the group in which he/ she is working and ultimately the organisation. These problems cost a lot to organisations indirectly.

18.6.3 Behavioural Effects

The continued stress is also responsible for a change in behaviour of people. People resort to bad behaviour to avoid the pressure of stress. Direct changes in behaviour due to stress include: eating disorder (over eating or under eating), sleeplessness, increased smoking and drinking, drug abuse etc. Coming drunk to work and drinking during work time is a great problem. Being absent from the work due to over drinking the previous day is common. The work capacity is also reduced. People are either retrenched or they leave the job themselves due to difficulty in coping. Stress is thus associated with increased absenteeism, coming late to work and higher turnover.

The psychological and behavioral problems originating from stress, are not associated with stress by the co workers, supervisor and subordinates. The person under stress showing such behaviour does not get any body's sympathy. He is seen as a case of rotten personality by others. But the studies have shown that all the

three symptoms physical, psychological and behavioral can be effectively managed and controlled better, both by individuals and organisations.

18.7 Coping with Stress

There are many ways to manage and cope with stress. The organisations should be proactive to create a working environment with lesser stress through job design, job rotation, goal setting, group dynamics, conflict management, leadership styles, etc. Stress management strategies can be applied at individual and organisational level.

18.7.1 Individual Strategies

An individual can take up personal responsibility for reducing their stress. They can try to prevent and reduce stress by implementing individual strategies like time management, physical exercise, behavioural self control, relaxation techniques, therapy and social support.

- **Increasing Physical Exercise:** eases tension and reduces many of symptoms of stress related to heart rate, breathing rate and blood pressure. Some of the exercises are: walking, jogging, swimming, riding bicycle, playing any type of sport like softball, tennis, badminton, etc.
- **Meditation and Relaxation Techniques:** are good for both, releasing of stress immediately and for long term benefit from stress. This affects basic body function in a manner equivalent to deep rest, which is helpful in reducing the symptoms of stress. Yoga is another method of managing stress. The Yoga way of life is an integrated approach to the changing physical, mental, vital and emotional personality of an individual. In any stress disorder, the Para sympathetic auto-nervous mechanisms fail to function adequately to minimise the impact of stressful stimuli. The several relaxation practices of Yoga have the potentiality to influence the auto-nervous mechanisms in various ways thus reducing the stress.
- **Life Style Changes:** Some of the factors like a proper diet, getting adequate sleep, doing daily exercises regularly, avoiding smoking and drinking, is likely to minimise the harmful effects of stress.
- **Social Support:** Various researches have revealed that social support is beneficial to employees. By building a close association with others coworkers and colleagues we will be having good listeners and people whom we can trust. In case of trouble we have someone to talk to. It helps in confidence building and ultimately reduction of stress.
- **Counseling from Mental Health Professionals:** psychologists, psychiatrists, social workers, and mental health counselors can be approached as they are trained in reducing the level of stress.
- **Implementing ‘Time Management’ Techniques:** Time management is greatly helpful in reducing stress. Time pressure is a major cause of stress for managers (Luthans, 2003). Irrespective of the amount of time put in, the work never seems to get finished. Time management techniques are helpful in coping with these problems. Many organisations are organising specific training programmes for their managers for effective utilization of time. Some of the most helpful methods for effective time management are as follows:
 - i. To keep track of work progress, preparing a “Thing to do” List, that identifies everything that must be done during the day.
 - ii. Learning the art of delegation and delegating work to juniors.

- iii. Letting the personal assistant to respond the incoming calls which need be attended personally. Same thing can be done regarding the e mails.
- iv. Identifying the time (morning or afternoon), at which one feels more alert and attentive and more capable of performing difficult tasks. More demanding and difficult tasks can then be scheduled for this time period.
- v. Visitors should be met only during the visiting hours. Casual or drop-in visitors should be avoided.
- vi. Work not finished from the Things to do list should be taken on top priority on the next days “Things to do” List. Instead of feeling bad about not being able to finish yesterday’s work, one should try finishing them with a positive approach.

18.7.2 Organisational Strategies

According to Luthans, some of the macro level stressors related to job stress are administrative policies and strategies, organizational structure and design, organizational processes and working conditions. Most of these can be controlled by the management through creating a supportive environment, job enrichment, conflict management, and proper role definition. Some of the coping strategies are as follows:

- i. **Organisational Structures:** Steps should be taken to avoid formalization and specialization.
- ii. **Supportive Organizational Culture:** Making the structure of organizations more decentralized and organic, with participatory decision making and upward communication flows help in reducing stress.
- iii. Physical environment: security measures should be given importance; lighting, noise and temperature control measures should be improved.
- iv. Administrative policies: should be made clear to all and should be fair. Attention should be given to equitable and fair pay plans.
- v. Process improvement: through improvement in ways of communication and providing information.
- vi. Jobs should be carefully designed, in light of the interests, education and qualifications of the employees. More is the clarity regarding their respective variety of skills, task identity, task significance, autonomy and feedback; lesser will be the stress.
- vii. Role clarity: Each employee should have clear expectations and the necessary information and support so that employee is not left with conflicting demands or an ambiguous understanding of what he /she has to do.
- viii. **Goal settings and Management by Objectives:** goal incompatibility creates stress. Specific and challenging goals are powerful motivator.
- ix. **Appropriate Leadership Styles:** Democratic leadership creates sense of belonging in employees. Having participation in decision making motivates employees and helps in creating stress less environment. Training on participatory decision making skills for managers and increasing employee involvement in decision making, can be organised for this purpose.
- x. Open organizational climate with top-down-top, diagonally and horizontal communication techniques are helpful to reduce stress.
- xi. **Conflict Management:** All measures should be taken to reduce conflict as it leads to stress building. Role ambiguity can lead to conflict. Clarity in functions will decrease role ambiguity and role conflict.

- xii. Management of Change:** Participation, of employees in decision making, use of effective communication methods, providing supportive culture with rewards and better planning are helpful to reduce resistance to change. Some of the major approaches to manage change can be aimed at individuals and group. Individual approaches to change are: job enrichment, laboratory training, behavior modification, and transactional analysis. Whereas some of the group approaches to management of change are: role analysis techniques, intergroup problems solving, process consultation, survey feedback, and strategic planning.
- xiii. Creating Career Development Opportunities:** Making employees aware about the career path, and career developments and creating opportunities for improving education, getting training for being effective and doing jobs comfortably will help in reducing stress. Employee development is an essential feature of stress management.

18.8 Summary

Stress is defined as an adaptive response to an external situation that results in physical, psychological, and/or behavioral deviations for organizational participants. Stress is associated with *constraints* and *demands*. Stress is generally taken in terms of a negative sense but *Eustress* is a stress which has a positive and developmental impact. It acts as a motivator and results in higher performance. Various forms of stress are Frustration, Burn out and Depression. Stress has the following three stages: alarm, resistance and exhaustion. Four basic causes of stress are environmental factors, organisational factors, group factors and individual factors. The consequences or the effects of stress are visible in form of physiological, psychological and behavioural effects. Stress management strategies can be applied at individual and organisational level. Time management, physical exercise, behavioural self control, relaxation techniques, therapy and social support can be used as individual strategies to cope with stress. Creating a supportive environment, job enrichment, conflict management, and proper role definition, can be used as organisational strategies to have a stress free working environment.

18.9 Key Words

- **Job Stress:** It is defined as the psycho-physiological changes experienced as a consequence of job related demands on the individual.
- **Stressors:** They are environmental or internal demands leading to adaptive (or maladaptive) responses on the part of the individual.
- **Stress Management:** It refers to the adaptive behaviour of changing any aspect of the environment or person in such a way as to decrease stress response and promote individual health.
- **Eustress:** A stress which has a positive and developmental impact. It acts as a motivator and results in higher performance.
- **Constraints:** Prevent one from doing what one desire.
- **Demands:** The demands are responsibilities, pressures, obligations, that an individual faces.
Potential Stress: Constraints and demands together lead to potential stress.
- **Frustration:** It is an element of human behaviour which results from lack of something important to a desired goal.
- **Burnout:** It is the end result of stress experienced but not properly coped with, resulting in symptoms of exhaustion, irritation, ineffectiveness, and problems of health.

- **Depression:** The emotional state of dejection, gloomy ruminations, feelings of worthlessness and guilt, and usually apprehension.
- **Alarm Stage:** First stage of stress development in which the internal stress system of the body becomes activated.
- **Resistance:** Second stage of stress development in which the body mechanisms tend to resist the stress.
- **Exhaustion:** Third stage of stress development in which adaptive mechanism reserves of stage two get exhausted and an individual experiences a variety of ailments and diseases

18.10 Self Assessment Questions

1. What do you mean by stress? Is stress always bad?
2. Differentiate between 'eustress' and 'distress'. What factors cause eustress?
3. What turns potential stress into actual stress?
4. Explain General Adaptation Syndrome. What are the various stages in generation of this syndrome?
5. Explain in detail the various forms of stress.
6. Explain in detail the various responses to stress.
7. Explain in detail the various sources of stress.
8. Explain the impact of stress on performance and satisfaction with help of an example.
9. What all variables differentiate people in terms of their ability to handle stress?
10. What are the various non work factors of stress?
11. What is a burnout phenomenon? How can we prevent burnout?
12. Give examples of role overload and role erosion. What is the effective way of coping with these stresses?
13. Describe few strategies for coping with stress by an individual.
14. What strategies can be adopted by an organisation for coping with stress within an organisation?

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Annexure 1

In an research article by T.H. Holmes and T.H. Rahe, titled 'The Social Readjustment Rating Scale', published in the Journal of Psychosomatic Research, they assert that any sudden change stimuli, either good (like marriage or promotion) or bad (like death of a family member or change in working hours), affect the body and causes stress throwing the physical being of a person into turmoil. Actually any change that disturbs the important routines that the body has become used to, whether pleasant or unpleasant will lead to stress. Life Change Index Scale (The Stress Test) was developed by them. It consists of a list of 43 life events based on a relative score. To measure stress according to the Holmes and Rahe Stress Scale, the number of "Life Change Units" that apply to events in the past year of an individual's life are added and the final score will give a rough estimate of how stress affects health. A high correlation between stress scale scores and illness was found, which supported that there was a link between life events and illness.

Life Change Index Scale (The Stress Test)

Life event	Life change units
Death of a spouse	100
Divorce	73
Marital separation	65
Imprisonment	63
Death of a close family member	63
Personal injury or illness	53
Marriage	50
Dismissal from work	47
Marital reconciliation	45
Retirement	45
Change in health of family member	44

Pregnancy	40
Sexual difficulties	39
Gain a new family member	39
Business readjustment	39
Change in financial state	38
Death of a close friend	37
Change to different line of work	36
Change in frequency of arguments	35
Major mortgage	32
Foreclosure of mortgage or loan	30
Change in responsibilities at work	29
Child leaving home	29
Trouble with in-laws	29
Outstanding personal achievement	28
Spouse starts or stops work	26
Begin or end school	26
Change in living conditions	25
Revision of personal habits	24
Trouble with boss	23
Change in working hours or conditions	20
Change in residence	20
Change in schools	20
Change in recreation	19
Change in church activities	19
Change in social activities	18
Minor mortgage or loan	17
Change in sleeping habits	16
Change in number of family reunions	15
Change in eating habits	15
Vacation	13
Christmas	12
Minor violation of law	11

The scores obtained from above scale can be interpreted as:

Life Change Units	Likelihood Of Illness In Near Future
300+	about 80 percent
150-299	about 50 percent
less than 150	about 30 percent